COLRUYT GROUP

ANNUAL REPORT

2017-2018

Halle, 14 June 2018

FINANCIAL YEAR 2017-2018
Annual report presented by the Board of Directors
to the Ordinary General Meeting of Shareholders of 26 September 2018
and Report of the Auditor

The Dutch language version of the annual report is the only official version.
Dit jaarverslag is ook verkrijgbaar in het Nederlands.
Ce rapport annuel est également disponible en français.

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

During the Colruyt Groupie Run, more than 1.500 colleagues and their families ran seven kilometres for a good cause. This raised EUR 15.060 for our Collibri Foundation corporate fund.

Intro

Who are we?

The introduction is based on the Colruyt Group management report (2017/18) 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 2017/18.

Activities

Corporate governance

Financial report

Intro

JEF COLRUYT
CHAIRMAN OF THE BOARD OF DIRECTORS OF COLRUYT GROUP

STEP BY STEP, FURTHER DOWN THE CHOSEN PATH

The 2017/18 financial year was one of continuation for Colruyt Group. Our family of companies managed to continue the steady growth of previous years. For example, our food stores Colruyt, OKay and Spar achieved their largest ever market share in Belgium with 31,8%. Thanks to our expanding activities, the growing number of customers and sales price inflation, we saw our comparable group revenue rise by 3,4% to over EUR 9 billion and ended the financial year with a net profit of EUR 374 million.

The growth in our activities and revenue was partly facilitated by continued **investments** in the expansion and refurbishment of our store network. As a result, we ended the 2017/18 financial year with store area of 687.000 m^2 in Belgium, France and Luxembourg. **Sustainability is also key** in construction and refurbishment: we opened our first fossil fuel-free store and began to refurbish older stores to convert them into low-energy buildings, representing an investment of EUR 35 million up to 2029.

We also continued to invest in the further development of our e-commerce and smart combinations of 'clicks & bricks', or online shopping linked to an extensive network of collection points with personal service. In this way, we respond to the rapidly evolving requirements of consumers, who, besides value for money, also appreciate speed and convenience. This is working, since our online shopping service Collect&Go strengthened its position as Belgian market leader in the online food market in the last financial year.

To stay relevant for our customers in this disruptive (retail) world, we are also dedicated to **innovation**. Accordingly, we are investing strongly in research and apps for personally customised food. For example, customers can use our SmartWithFood app, which we have developed further, to quickly find products that fit their personal nutritional patterns. We are also refining other apps and tools which give customers access to transparent, reliable and relevant nutritional information. Furthermore, we remain actively involved in the European EIT Food partnership, together with about fifty companies, universities and research institutions. Together, we work to create a more sustainable food chain and want to make it easy for everyone to make well-informed, healthier choices.

Another way of serving our customers even better is with **tailor-made benefits**. We therefore continue to invest in the capture, processing and analysis of data and in its exchange between our brands. The results of this include an even more efficient joint Xtra loyalty card. Through this we offer customers greater convenience and, for the first time, our store formulas also managed to organise a successful **joint discount campaign**.

Higher quality data and new technologies allow us to create added value for **people**. I'm thinking of our recent Apporto app, which makes it easier to shop for groceries for others, creating more connections in the process. Of course, we manage our data with the greatest respect for privacy, in full compliance with the new European privacy legislation (GDPR). In this regard, we had already taken the first steps in developing our Xtra card. Now and in the future, we remain committed to **simplicity and transparency**.

During the last financial year, themes such as animal welfare and food safety were high on the social agenda. In these and many other social areas, we continue to make progress. As a link between producers and consumers, we take responsibility for **making the chains more sustainable**. We prefer to do this step by step, working closely with the other links in the chain. In this way, we increase the support for our initiatives and therefore the probability of arriving at sustainable solutions. You will find a small selection of our achievements hereafter, while this financial year, for the first time, our non-financial information is reported in **a separate sustainability report**.

Finally, I would like to thank everyone who contributes to the growth of Colruyt Group: customers, suppliers, partners and, of course, our 29.000 employees. Many of them are involved in about ten **ambitious transformation programmes** which make our organisation more effective, more efficient and more forward-looking. But above all: through their dedication and enthusiasm, they ensure that we create sustainable added value day after day. And that we can continue on our chosen path full of confidence and determination.

MANAGEMENT REPORT

1. OVERVIEW FINANCIAL YEAR 2017/18 - KEY FIGURES AND HEADLINES

(in million EUR)	1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017 Published results	Comparable results [1]	Variance versus comparable results 2016/17 [3]
Revenue	**9.031**	**9.493**	**8.733**	**+ 3,4%**
Gross profit	**2.350**	**2.415**	**2.257**	**+ 4,1%**
% of revenue	26,0%	25,4%	25,8%	
Operating cash flow (EBITDA)	**734**	**744**	**697**	**+ 5,3%**
% of revenue	8,1%	7,8%	8,0%	
Operating profit (EBIT)	**488**	**493**	**467**	**+ 4,5%**
% of revenue	5,4%	5,2%	5,4%	
Profit before tax	**519**	**510**	**484**	
% of revenue	5,7%	5,4%	5,5%	
Profit for the financial year	**374**	**383**	**348**	
% of revenue	4,1%	4,0%	4,0%	
Earnings per share (in EUR) [2]	**2,60**	**2,60**	**2,36**	

(1) The sale of the French foodservice business Pro à Pro was finalised on 1 February 2017. In order to facilitate comparability with last year, key figures of the 2016/17 financial year are also reported exclusive of results related to Pro à Pro ('comparable results'). We refer to Colruyt Group's press release of 20 June 2017 for further details.
(2) The weighted average number of outstanding shares equalled 143.361.535 in the financial year 2017/18 compared to 146.729.840 in the financial year 2016/17.
(3) The key figures 'profit before tax', 'profit for the financial year' and 'earnings per share' of 2017/18 are not comparable to the 'comparable results' of financial year 2016/17 because of one-off results in 2017/18.

As reported in the press release of 1 February 2017, the sale of the French foodservice business ('Pro à Pro') was finalised on that date. As a result, the financial year 2017/18 does not include any results of Pro à Pro, whereas the published figures of the financial year 2016/17 included thirteen months of Pro à Pro's results as well as the net result from the disposal of Pro à Pro. In order to facilitate comparability with last year, key figures of 2016/17 are also reported exclusive of results related to Pro à Pro ('comparable results'). The information provided in the headlines and the financial report is based on these comparable results.

- Colruyt Group's revenue grows 3,4% to over EUR 9,0 billion.
- Market share in Belgium increases to 31,8% in 2017/18 (31,7% in 2016/17).
- The Colruyt banner delivers on its promise to offer the lowest prices day after day.
- Full-year gross profit margin improves from 25,8% to 26,0%.
- Investments in the long-term strategy are continued. Efficiency, quality, innovation and sustainability remain key priorities.
- Investments in stores, production and the logistics infrastructure result in higher depreciation charges.
- Operating profit (EBIT) remains on par with last year's level (5,4% of revenue).
- Result from investments in associates and joint ventures increases by EUR 17 million, primarily as a result of one-off effects in Parkwind Group.
- The Belgian corporation tax reform has a one-off positive impact of EUR 6 million on the income tax expense.
- The 2017/18 net profit amounts to EUR 374 million (4,1% of revenue). Excluding one-off effects, the net profit amounts to EUR 351 million and is in line with last year (EUR 348 million).
- Investments in tangible and intangible assets amount to EUR 392 million.
- Decrease of the net cash and cash equivalents to EUR 87 million, mainly due to the investments and the repurchase of treasury shares.
- As at 31 March 2018 Colruyt Group has 27.795 employees (full-time equivalents), an increase by 162 full-time equivalents compared to last year-end.

2. CONSOLIDATED INCOME STATEMENT

Colruyt Group's **revenue** rose by 3,4% to over EUR 9,0 billion. Excluding petrol, revenue increased by 2,8%. The revenue growth compared to last year is attributable to sales price inflation, sales surface expansion and organic growth. All banners made a positive contribution to the revenue increase.

The market share of Colruyt Lowest Prices, OKay and Spar in Belgium expanded from 31,7% last year to 31,8% in the financial year 2017/18.

The **gross profit margin** amounted to 26,0% of revenue (25,8% in 2016/17). The margin decline in the first semester was fully offset in the second semester. In the first half of 2017/18 the margin decreased as a result of intensified price and promotional pressure and increased promotional activity. In the second semester the Belgian retail market was less competitive than last year. Operational improvements also positively impacted the gross margin of the second year-half.

Operating expenses are under control. In the financial year 2017/18 Colruyt Group further sharpened its focus on cost control. At the same time, the group continued to invest in its long-term strategy and transformation projects, as well as in its employees and its distribution network. Efficiency, quality, innovation and sustainability remain key words within the group. Net operating expenses developed practically in line with revenue.

The **EBITDA margin** amounted to 8,1% versus 8,0% in the financial year 2016/17. The increase is mainly attributable to the higher gross margin.

Investments in stores and the logistics infrastructure resulted in an increase of the depreciation charges by EUR 13 million to EUR 238 million.

Operating profit (EBIT) increased by EUR 21 million to EUR 488 million. The EBIT margin remained at last year's level (5,4% of revenue).

The participation in Parkwind Group generated one-off gains that were higher than last year (EUR 17 million versus EUR 7 million in 2016/17). Excluding these one-off gains, the result from investments in associates and joint ventures improved by EUR 7 million.

The effective tax rate increased to 29,6%, partly due to the further decrease of the notional interest deduction in Belgium. The 2017/18 financial year includes a one-off positive effect from the reform of the Belgian corporation tax (EUR 6 million).

Profit for the financial year amounted to EUR 374 million (4,1% of revenue). The EUR 26 million increase is essentially due to the higher operating profit, the improved results from investments and the one-off tax benefit.

The **profit excluding one-off effects** amounted to EUR 351 million, which is in line with last year's comparable profit (EUR 348 million).

3. INCOME STATEMENT PER SEGMENT

3.1. Retail

Retail revenue grew by 3,1% to EUR 7.460 million. Retail accounted for 82,6% of the consolidated revenue.

The Belgian retail market was marked by increased price and promotional competitiveness during the first six months of 2017/18. In the second semester the Belgian retail market was less competitive than last year. The share of the own brands grew, partly as a result of further national brand price increases. The negative effect of cross-border purchases amplifies since the introduction of higher alcoholic beverage excise duties two years ago.

Colruyt in Belgium and Luxembourg reported a revenue growth of 2,0% as a result of new customer inflow and sales price inflation. A strong year-end and a favourable calendar effect (+0,3%) also contributed to the revenue increase. In 2017/18 Colruyt continued to focus on store expansions and modernisations. Over the past financial year, 16 stores were fully renewed and converted and 42 stores were given the new 'look & feel' of the renewed store concept. Colruyt Lowest Prices delivers on its brand promise day after day by guaranteeing the lowest price for every product at every moment. Price reductions and promotions offered by competitors are immediately integrated in its sales prices. Colruyt remains the cheapest supermarket in Belgium, as was once again confirmed by consumer organisations and specialised trade press publications.

OKay, Bio-Planet and Cru reported an aggregate revenue growth of over 7% thanks to new store openings, new customer inflow and sales price inflation. This financial year six OKay and three Bio-Planet stores opened their doors. OKay's renewed store concept is greatly appreciated by the customer and will be rolled out progressively. In the coming years OKay plans around six openings per year. Bio-Planet remains the group's pioneer in organic products, sustainability and healthy food. For the three Cru markets the priority this year was to drive up revenue and profitability.

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

Revenue of **Colruyt in France** increased by 9,3%. Excluding petrol, the stores reported a revenue growth of 7,8%, mainly as a result of organic growth. The French retail market experienced a slightly deflationary climate in 2017, despite modest inflation in the second semester. The customers appreciate the qualitative product range, the new store concept, the brand promise 'Tout simplement l'essentiel' and the sharp prices of the French Colruyt stores. Four new stores were opened in 2017.

The combined store revenue of **Dreamland and Dreambaby** was 3,6% higher than last year. The revenue growth is the result of a favourable calendar effect and good weather conditions in spring. The growth was partly offset by a further shift towards online sales. Dreambaby opened two new stores this financial year. Early 2018 the family and seasonal store Dreamland converted all its Belgian stores to put the new product range even more in the spotlight. In April 2018 Colruyt Group announced its intention to close its two France-based Dreamland stores.

Colruyt Group continues to invest in its **online store concepts** and its digital applications. Thanks to these investments in e-commerce and the customer's confidence, online revenue increased to EUR 370 million in 2017/18. Online represented more than 5% of the retail revenue excluding petrol.
The online revenue was mainly realised by Collect&Go, the group's online shopping service. Collect&Go expanded its customer base on account of its extensive network of collection points, the reliability of its services, the

quality of its fresh products and the friendliness of its employees. Collect&Go is the market leader in the Belgian online food market.
Early 2017 the SmartWithFood app was launched to support the consumer in making choices that fit with his personal nutritional profile, taking into account individual preferences and intolerances.
During the financial year, new functionalities were added to the MyColruyt app to make shopping even easier for the customer.

Xtra, the joint loyalty card of Colruyt Group, was successfully launched in April 2017. Today over 4,2 million customers are actively using the card or the app. Thanks to Xtra, customers automatically and immediately enjoy all advantages at the ten store formats and webshops of the group. Customers can manage their interaction with Colruyt Group and their own preferences themselves in a transparent way.
In May 2018 a payment function was added to the Xtra card and app, making the checkout process even faster and easier.

3.2 Wholesale & Foodservice

Revenue from the wholesale and foodservice segment increased to EUR 927 million in 2017/18, an increase by 1,6% compared to the comparable revenue of 2016/17. These activities accounted for 10,3% of the consolidated revenue in 2017/18.

Wholesale revenue showed a 1,4% increase to EUR 782 million. This revenue comprises the deliveries to independent storekeepers in Belgium (Retail Partners Colruyt Group) and France (Coccinelle, Coccimarket and Panier Sympa).
Retail Partners Colruyt Group is the co-licensee of the Spar brand in Belgium. At the same time, it is responsible for the purchasing of goods for and the provision of logistics services to Alvo, independent Mini Markets and smaller independent storekeepers.
The new Spar store concept, which is based on the value-driven, customer-oriented collaboration with the independent Spar entrepreneurs, was further rolled out in 2017/18.
The renewed stores achieved an above average revenue growth and a profitability that ranks among the best on the market.

The Belgian **foodservice** business Solucious and the export activity Colex posted an aggregate revenue increase of 2,1%. This financial year Solucious once again managed to attract new customers, mainly in the hospitality and social catering segments. Solucious' growth was held back by the scarcity of deliverers on the Belgian labour market. Solucious' assets remain the ease-of-use, the personal service, the reliable deliveries and the transparent and keen prices. Colex was able to maintain its revenue from export activities in a highly volatile market.

3.3 Other activities

Revenue increased by 9,0% to EUR 644 million, accounting for 7,1% of this year's consolidated revenue.

This segment basically comprises the revenue of the Belgian **DATS 24** filling stations. In 2017/18, revenue of DATS 24 increased as a result of network expansion, volume gains in existing stations and higher fuel prices.
DATS 24 continues to distinguish itself through its ecologically sustainable policy. The CNG network in Belgium was expanded with eight stations, bringing the total to 55 at year-end. CNG (Compressed Natural Gas) is more economical and ecological than conventional fuels and less impacting on the environment and health. DATS 24 also installed 41 electric charging points near Colruyt Group stores.

Colruyt Group seeks to increasingly meet its own energy needs.
Eoly, the group's green energy producer, therefore continues to invest in sustainable energy projects. Two new wind turbines became operational in the financial year 2017/18 and the generation of energy through wind turbines, solar panels and combined heat and power plants will be further developed in the future. As a reliable and transparent supplier of sustainable energy, Eoly is currently also targeting the external market.

Eoly also aims for a sustainable relationship with the people living in the vicinity of the wind parks. Early 2017 a participation model was set up, **Eoly Cooperative**, allowing neighbours of wind turbines to become co-owners of a wind turbine and thus share in the profits. The first wind turbine of Eoly Cooperative became operational in the financial year 2017/18.

4. BALANCE SHEET

The net carrying amount of the **tangible and intangible fixed assets** increased by EUR 139 million to EUR 2.314 million. The increase is basically the net effect of new investments (EUR 392 million) and depreciation (EUR 238 million). In 2017/18 the group invested in its store network and logistics infrastructure, in the modernisation of its production departments and in transformation programmes.

The increase of the **non-current financial assets** can in part be explained by the minority stake acquired by Colruyt Group in December 2017 in **Newpharma**, the largest Belgian online player in pharmacy-related and over-the-counter products. The investment fits with the group's ambition to respond to the consumer's needs in the different stages of his life cycle through adapted store concepts, including online concepts.

Net cash and cash equivalents amounted to EUR 87 million (net of EUR 125 million of straight loans). The decrease by EUR 436 million compared to prior year-end can mainly be attributed to the investments made during the financial year and to treasury share repurchases (EUR 329 million in 2017/18).

5. TREASURY SHARES

As at 31 March 2018 Colruyt Group held 11.688.496 treasury shares (7,8% of the total number of shares issued). During the first semester of 2017/18, 823.256 treasury shares were purchased. In the second semester of 2017/18, 6.596.931 treasury shares were purchased under the share buyback programme adopted by the Board of Directors at the end of September 2017.

On 27 September 2017 the Board of Directors of Colruyt Group decided to launch a **share buyback programme**. Under this programme Colruyt Group purchases treasury shares for a maximum amount of EUR 350 million. The purchase programme started on 2 October 2017 and has a maximum term of two years. The aim of the purchase programme is to reduce the company's available cash and to decrease the capital by cancelling shares acquired under the purchase programme in part or in full. Purchases are made in accordance with the applicable laws and regulations and under the authorisation granted by the Extraordinary General Meeting of Shareholders of 14 October 2014. The programme is being executed by an intermediary pursuant to a discretionary mandate, making it possible to purchase shares during both open and closed periods, without any intervention of Colruyt Group.
Since the launch of the share buy-back programme 7.458.287 treasury shares have been purchased, of which 861.356 after 31 March 2018. From the maximum amount allocated to the programme, EUR 331 million has been used in the period up to 13 June 2018.

As at 13 June 2018 Colruyt Group thus held 12.549.852 treasury shares (8,4% of the total number of shares issued).

6. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the balance sheet date.

7. NEW LEGISLATION ON THE PROTECTION OF PERSONAL DATA (GDPR)

On 25 May 2018 the new European regulation on the protection of personal data (General Data Protection Regulation or GDPR) came into force. Colruyt Group has made intensive preparations for the entry into force of this new legislation.
The Xtra card launched in April 2017 enables customers to manage their interaction with Colruyt Group in a transparent manner. Colruyt Group always treats customer and personal data as strictly confidential information. Data are never sold to third parties.

8. OUTLOOK

Colruyt Group expects the retail market to remain competitive in the financial year 2018/19. The group does not anticipate a significant upturn in the economic climate for the consumer in Belgium in the short term. In France, the group expects a modest inflation and a further improvement of consumer confidence.

Colruyt Group will continue to consistently implement its long-term strategy. The group will not scale down its long-term investments in employees, efficiency, innovation, sustainability and transformation projects and will at the same time maintain its sharpened focus on cost control.

Colruyt Lowest Prices will consistently implement its lowest prices strategy and guarantees its customers the lowest price for each article at each moment.

Colruyt Group will present its full-year 2018/19 guidance at the General Meeting of Shareholders on 26 September 2018.

9. DIVIDEND

The Board of Directors will propose a gross dividend of EUR 1,22 per share to the General Meeting of Shareholders. This amount is the result of the consistent application of the dividend pay-out policy.

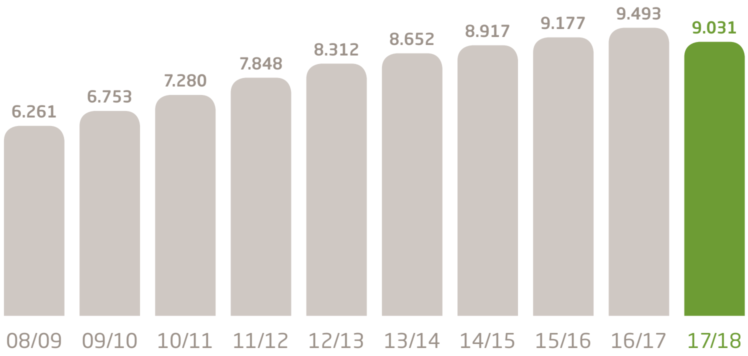
10. SEGMENT INFORMATION

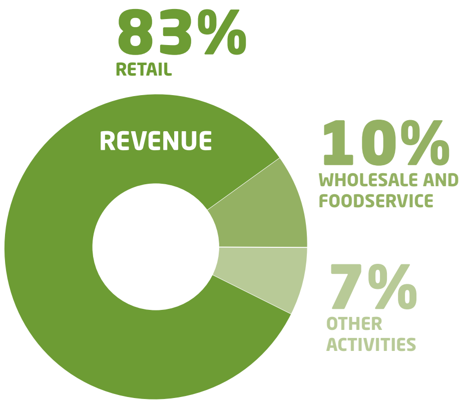
(in million EUR)	Revenue	EBITDA	EBIT
I. RETAIL (1)	**7.551**	**635**	**448**
Retail Food			
- Colruyt Belgium and Luxembourg (2)	5.828		
- OKay, Bio-Planet and Cru (3)	908		
- Colruyt France and DATS 24 France	468		
Retail Non-food			
- Dreamland (Belgium and France) and Dreambaby	255		
Transactions with other operating segments	91		
II. WHOLESALE AND FOODSERVICE (1)	**933**	**45**	**30**
- Wholesale	782		
- Foodservice	145		
- Transactions with other operating segments	6		
III. OTHER ACTIVITIES (1)	**690**	**23**	**12**
- DATS 24 Belgium	638		
- Printing & document management solutions	6		
- Transactions with other operating segments	46		
IV. ELIMINATIONS BETWEEN OPERATING SEGMENTS	**(143)**	**0**	**0**
V. CORPORATE (not allocated)	**0**	**31**	**(2)**
TOTAL COLRUYT GROUP CONSOLIDATED	**9.031**	**734**	**488**

(1) Inclusive of transactions with other operating segments.
(2) Inclusive of the revenue of the Collect&Go, Bio-Planet, Collishop, Dreamland and Dreambaby webshops realised by the Colruyt stores.
(3) Inclusive of the revenue of the Collishop, Dreamland and Dreambaby webshops realised by the OKay and Bio-Planet stores.

KEY FIGURES

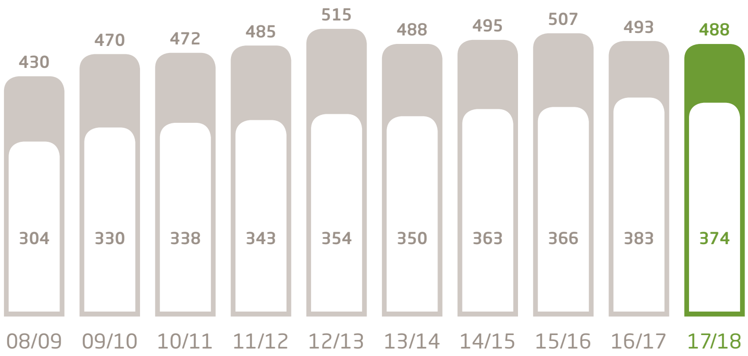
Colruyt Group revenue (in million EUR)

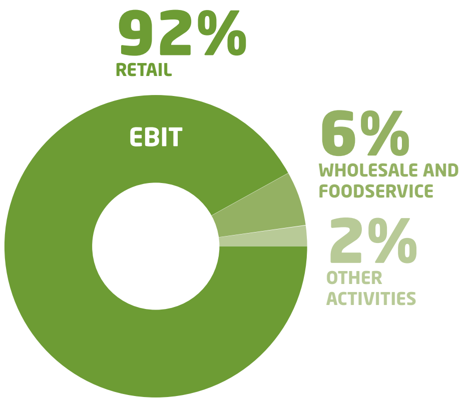




As from financial year 2017/18, all results exclude the French foodservice business Pro à Pro.

Colruyt Group results (in million EUR)

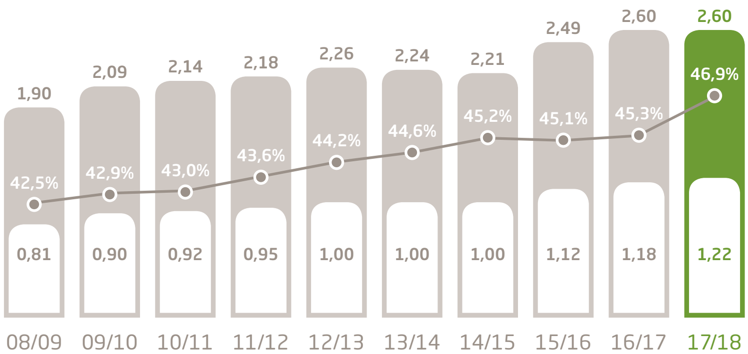




● EBIT ○ Profit for the financial year

As from financial year 2017/18, all results exclude the French foodservice business Pro à Pro.

Earnings and gross dividend per share (in EUR)



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

18 STORE OPENINGS

553 OWN STORES

581 INDEPENDENT STOREKEEPERS IN BELGIUM AND AFFILIATED STORES IN FRANCE

687.000 M² STORE AREA OF OWN STORES

392 MILLION EURO INVESTMENTS

29.388 EMPLOYEES

31,8% MARKET SHARE OF COLRUYT, OKAY AND SPAR IN BELGIUM

264 COLLECT&GO-COLLECTION POINTS IN BELGIUM, LUXEMBOURG AND FRANCE

48,4% OF THE ADDED VALUE GENERATED IN BELGIUM GOES BACK TO THE COMMUNITY VIA THE GOVERNMENT

ACTIVITIES

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

83%
of group revenue
Retail

10%
of group revenue
Wholesale and foodservice

BELGIUM WHOLESALE

FRANCE WHOLESALE

7%
of group revenue
Other activities

PARTICIPATIONS

BELGIUM
FOODSERVICE

BELGIUM
EXPORT

PARTICIPATIONS

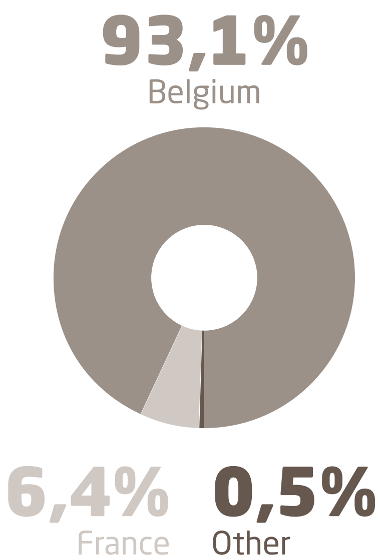
Geographic segmentation

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

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

A list of all companies incorporated in the consolidation can be found in note 34.2 of the financial section.

Geographic segmentation of revenue



Corporate activities

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

IN THE SPOTLIGHT

2017

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Colruyt Group develops two new apple varieties with apple growers
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Colruyt Group tests direct collaboration with local potato growers
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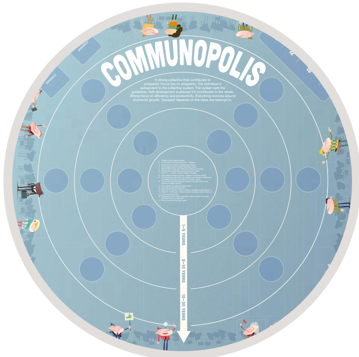
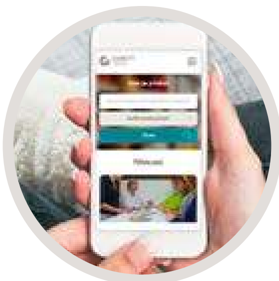


Launch of 'Mobility is a Serious Game'
p. 37

07

Digital platform 'Product Finder' helps customers make conscious nutritional choices
p. 41



08

Collishop, Dreamland and Dreambaby open first outlet
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First fossil fuel-free OKay store opens its doors
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2018

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Collibri Foundation brings young people from around the globe together in Halle
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Colruyt Group pre-finances the harvest of 2.200 coffee growers from North Kivu
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First real group discount for customers with Xtra card
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01

Neighbourhood supermarket OKay celebrates its 20th anniversary
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02

Colruyt reaches more than 2.000 families with social project 'Dinner is served in 1-2-3 euros'
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03

Shopping for others made easier with peer-to-peer platform Apporto
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One year XTRA, seven milestones

In the spring of 2017, we launched a new joint loyalty card for nine stores and webshops. Now, a year later, it has more than proved its value. Xtra now offers even more possibilities. And the story doesn't end there. In the coming years, we will develop Xtra further to make things even easier for our customers.

4 April 2017
More than 3,7 million customers receive their Xtra cards.

11 September 2017
The Xtra app is now also available for smartwatches.

2 November 2017
At DATS 24, customers can now fill up with Xtra.

DATS 24

End of the year, first joint campaign with XTRA
Nine stores and webshops took part in the first joint discount campaign with the Xtra card.
The campaign was communicated widely via a national press campaign, emails, Facebook, flyers, etc.

7 May 2018
Colruyt Group Academy opens its doors. Customers can now also book a workshop on the website using their Xtra login. They can now use their Xtra card in ten stores and webshops.

COLRUYTGROUP ACADEMY

22 May 2018
Customers can pay directly with their Xtra card in all Colruyt Group stores.

Today
4,2 million people have an Xtra card, half a million people use the app.

XTRA, excellent preparation for GDPR

On 25 May 2018, the General Data Protection Regulation (GDPR) came into force in the European Union. All of our processes are now fully GDPR-compliant. Thanks to Xtra, we already laid the groundwork for this a year ago. Customers manage all of their data and preferences themselves on their online profile. They can also specify which newsletters and flyers they want to receive. This means that we only approach customers with communications which we are sure they will want. Personal data is used solely to better meet our customers' requirements: we refine our offer, offer tailored promotions and open new stores in their neighbourhood.

Focus on innovation

Society is changing and our customers are changing too. New forms of family, technological gadgets, multiculturalism, food intolerances, an ageing population: these have an impact on how and where people shop. On top of this, technology creates the expectation that everything is fast, personalised and cheap. Meanwhile, customers seek authenticity and added value. They want to know where their products come from, what is in them and whether they are produced sustainably.

That gives us a unique opportunity to innovate as a retailer. As the final link in the chain, we have a special place: we see what happens before us and are also the sole contact with the end consumer. We want to make the most of this position. Firstly to guide customers in their nutritional choices. Not by holding their hands, but by giving them the tools to be able to make these choices themselves: conscious, transparent and informed choices. Secondly, we consider with all partners in the chain how we can make our products even healthier and more sustainable. Thanks to various partnerships, we can work on this with experts, universities and suppliers.

The right tools, the right choices

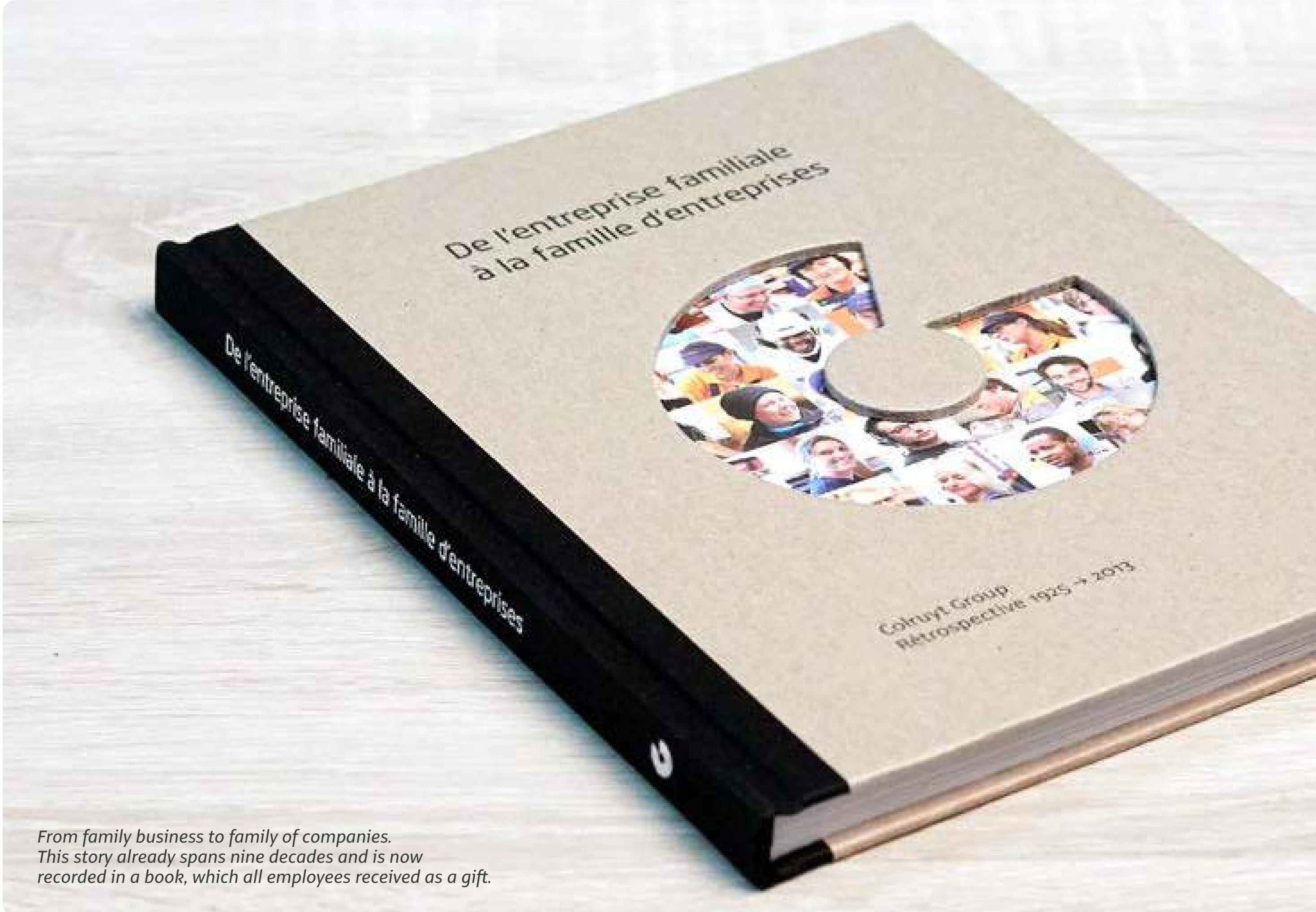
Tools such as our Product Finder or the SmartWithFood app make it easy for customers to choose a healthier and more personalised nutrition. Our SmartWithFood start-up has analysed around 20.000 food articles. Each separate ingredient is linked to criteria for a gluten-free, lactose-free, alcohol-free, vegetarian or vegan diet. Users can also always find the right nutritional values. In addition, we are working hard on other innovative tools which help customers make healthy nutritional choices.

The food of the future?

We were involved from the start with **EIT Food**, a European partnership of more than fifty companies, universities and research centres. Through this consortium, we are investing some EUR 1,2 billion over a seven-year period in innovation and making the food chain more sustainable. Colruyt Group is involved in four projects ranging from the use of vegetable proteins as potential sweeteners and waste flows from bread, bananas and potatoes to tools for calculating the environmental impact of products.

Alongside this, we are working on several other projects around sustainable and innovative food chains. Under the name of **North Sea Aquaculture**, we are researching, for example, the feasibility of cultivating mussels in offshore wind farms and the combined cultivation of seaweed, scallops and oysters off the coast at Nieuwpoort. The '**Food for the Future**' project is also part of this endeavour: together with four partners, we investigate sustainable ways of feeding the growing world population. Together, we are also setting up three sustainable food chains in developing countries, around quinoa, legumes and seaweed. At the same time, we set up **sustainable chain projects** there together with recognised NGOs and local actors, and then sell the end-products in our stores.

Who are we?



*From family business to family of companies.
This story already spans nine decades and is now
recorded in a book, which all employees received as a gift.*

COLRUYT GROUP, FAMILY OF COMPANIES

Over half a century Colruyt Group has grown from a family business into a family of companies with more than 29.000 employees. All of this time, our greatest focus has been on retail. We still make more than three quarters of our group revenue in that sector, with around ten store formulas. At the same time, we have greatly diversified our activities during the last twenty years. Nowadays, we also operate as a wholesaler, produce renewable energy and own substantial stakes in clothing chains and offshore wind farms. Belgium remains our home market, although we also trade in France and Luxembourg, while several corporate services are run from India and Hong Kong.

After an often modest start, most formulas have since grown into fully developed companies, with their own brand promise and target group. No matter how different, with every new initiative we want to provide meaningful added value. This means seeking sustainable solutions, in line with the spirit of the times, keeping up with new technologies and changing consumer demands. As a result, today all our activities are complementary and we are increasingly realising our ambition to provide relevant solutions with Colruyt Group for every stage of customers' lives. The strength of our diverse group finds its best expression in Xtra, the shared loyalty card and app for ten of our stores and webshops.

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

All of the Colruyt Group companies have grown organically, as fruits of the internal entrepreneurship which we so deliberately encourage. Like brothers, sisters and cousins, they therefore share the same people-oriented corporate culture and holistic view of entrepreneurship. What binds us all together is nicely summed up in our company mission: 'Together, we create sustainable added value through value-driven craftsmanship in retail'. The growth which we experience as a company is the result of how we put our mission and historically grown core values into daily practice, in the service of satisfied customers.

Nine values, nine points of interest

Our company mission consists in realising useful economic growth, while also bringing about a positive ecological and social dynamism. In order to realise this mission, every day we are inspired by **nine group values**: respect, simplicity, readiness to serve, togetherness, faith, hope, space, courage and strength. These shared values ensure that we speak the same language throughout the group. They also form the basis for our sustainable entrepreneurship.

In order to keep our customers satisfied we focus on **nine points of interest**. We want to deliver products and services of a **quality** which meets customer expectations. We want to do this **efficiently** and **effectively**. In addition we expect every **individual** to work at his or her full capacity and every **team** to be fully operational. In order to enable this, we want to create an environment in which there is **trust**, and we also make **resources** available to act on that trust. Furthermore, we **consciously** observe and analyse our actions and adjust them where necessary. Once we make all of this a reality, this automatically gives employees and teams a positive feeling. Then **entrepreneurship** can flourish and **job satisfaction** bloom. These two aspects ultimately mean that our customers like to shop in our stores and come back again. To achieve this, we all do our best time and time again.

SUSTAINABLE ENTREPRENEURSHIP

Step by step to a more sustainable world

Sustainable entrepreneurship is in Colruyt Group's DNA and runs as a common element through all our operations. At the same time, starting with an economic impetus, we also aim to bring about a positive social and ecological dynamism with long term results in mind. And with ambition, since we want to be a reference point and source of inspiration for sustainable entrepreneurship in Belgium.

Our dedication to sustainability was born out of economic necessity when we transformed ourselves from a wholesale business to a chain of discount shops in the '60s. These were very rudimentary stores, with the main advantage that they were cheaper than our competitors. However, to deliver on that promise, we had to make savings where we could, with many creative solutions. Gradually, it became second nature for us to deploy the available resources as effectively and as efficiently as possible. This dedication evolved into a broader ethical awareness and sense of responsibility. So, when we now treat raw materials, energy and human effort with care, we are not just doing this out of economic considerations. Out of respect for people and environment, we also want to help create a better world, including for future generations.

Based on the conviction that our entrepreneurship can drive sustainable change, we dedicate substantial resources to this. For example, employees devote themselves full time to reducing CO_2 emissions, making products healthier or improving animal welfare. These colleagues often work closely with a variety of partners from the production and distribution chain. We prefer this type of chain approach because we believe that only together can we make a meaningful difference and really generate sustainable added value for all links in the chain.

We are also highly aware of our exemplary role and want to actively contribute to a greater awareness of sustainability among partners, customers, employees, etc. We believe that with our initiatives we can inspire them to take action in turn.

When it comes to sustainable entrepreneurship, we are ambitious and want to become a credible point of reference. We are also very proud of what we have already achieved over the years, although we realise that the sustainability story is never complete. That is what makes us constantly dedicated to making a meaningful difference together, step by step.

How do we inspire our customers?

Through relevant ranges, information and inspiration, we want to enable consumers to consume more sustainably. Following an extensive survey, two years ago, we selected the themes close to customers' hearts and on which we can have a relatively great impact ourselves: health, society, animal welfare and environment.

Each of the four sustainability themes was given a recognisable icon, which we are using more and more frequently in our communication for Colruyt Group and the various store formulas. This means that consumers can easily find the information and products that allow them to make conscious, sustainable choices.

step by step

Our universal frame of reference for sustainability

We prefer to take as the frame of reference for our efforts in the area of sustainability the internationally recognised sustainability agenda of the United Nations, with its seventeen Sustainable Development Goals (SDGs). We fully support these sustainable development goals since they are recognised by all countries. They therefore form a useful frame of reference for every public authority, organisation or individual who wants to help create a more sustainable world. The international consensus around the agenda, the goals and the language used also makes it easier to combine forces in a targeted way and to make more progress together, on a local and a global scale.

As one of the first 'Voices' or ambassadors of the SDGs in Belgium, in 2017, we made a formal commitment to spread the goals among the general public. Ever since, we have continued to explain how our projects help realise one or more SDGs. In addition, for our first Sustainability Report, we have selected seven goals as benchmarks for reporting on this.

The seventeen goals fall under five themes on which the UN intends to focus and to which we are also committed

- **People**: we are committed to a safe, respectful environment in which everyone feels valued.
- **Planet**: we want to generate an impact that is positive for the whole ecosystem and all partners in the chain.
- **Partnership**: we prefer to work closely with partners in the chain, knowledge institutions, interest groups, etc.
- **Peace**: through a positive view of society and values such as faith and hope, we want to make a meaningful difference, in dialogue and full transparency.
- **Prosperity**: starting with our economic impulse, we want to contribute to prosperity and well-being, with respect for people and environment.

First Sustainability Report is a reality

The sustainability agenda of the United Nations also forms a coherent frame of reference for our very first Sustainability Report, published at the same time as this annual report. In the Sustainability Report, we report for the first time in a structured manner on the social added value which our group creates.

From the broad framework of the seventeen Sustainable Development Goals, we have selected seven which will serve as relevant, specific benchmarks for our sustainable entrepreneurship in the coming years. To this end, we began by performing a materiality analysis and made an inventory of the group's 150 main sustainability projects. In general, we based this on the data for Colruyt Group in Belgium, since more than 90% of our activities are concentrated there. Then we investigated the extent to which each of the projects contribute to the realisation of one or more SDGs. We found that most of our projects impact on seven specific sustainability goals, which we have incorporated as benchmarks in our Sustainability Report:

- Good health and well-being
- Affordable and clean energy
- Decent work and economic growth
- Responsible consumption and production
- Climate action
- Peace, justice and strong institutions
- Partnerships for the goals

For each SDG, we discuss three to five themes on which we have an impact as an organisation and where we contribute to the realisation of the goal. Based on KPIs, we also illustrate how we are progressing with several specific commitments.

Sustainability in our organisation

'Creating sustainable added value' is at the heart of our mission. But how do we ensure that all parts of the group actually think sustainably? To permanently embed and track the theme within the organisation, we have split it into three pillars: People, Product and Environment. Each pillar has its own vision and working groups and is headed by a member of the management team. Over the next few pages you will read about a small selection of achievements during the past financial year.

People

Environment

Product

We are making our house brands more sustainable, from their origin through nutritional value to packaging

The fruit and vegetables for Boni Selection are packaged in recycled cardboard punnets. These are made from the cardboard waste from our own stores and are more sustainable than the old pulp punnets.


The first container of green beans from Kivu arrived at our coffee-roasting house in Ghislenghien in September 2017.

Commitment and definite outlet for 2.200 Congolese coffee growers

Quality, dedication and craftsmanship are not always enough for an economic success story. For example, the North Kivu region produces the best coffee in the Democratic Republic of Congo, but this is not necessarily sold for a fair price. Building on the work in the region by NGO Rikolto, Colruyt Group has given 2.200 small coffee growers from the Kawa Kabuya cooperative access to the market.

In 2017, we agreed to purchase a guaranteed 28,5 tonnes of green coffee beans per year, a fifth of their production, for the next three years. We also pay higher than the market rate and pay 60% of the purchase volume to prefinance the harvest. This means that the cooperative can pay the farmers when they deliver their crops and there is no need to take out an expensive bridging loan. Thanks to this financial breathing space, the cooperative can invest more in aspects such as education, quality and certificates to boost exports. A stronger organisation, better quality and higher selling prices promote the sustainable development of the region. Meanwhile, our own coffee-roasting house processes the arabica beans from Kivu into high-quality coffee for Colruyt, OKay and Spar. Our educational fund Collibri Foundation is also putting the finishing touches to a training project for young people in the region.

Unique coffee blend

We also import large quantities of certified coffee from Burundi and Colombia. Our corporate fund Collibri Foundation supports training projects for young people there as well and puts farmers into touch with one another. The exchange inspired our coffee roaster to create a unique coffee blend using beans from Burundi and Colombia, on sale at Spar. Collibri Foundation often links training projects to projects for the development of more sustainable production chains. We sell the products from these chains (coffee, rice, cocoa, etc.) under our house brands.

Product

For us, working towards a more sustainable range means creating added value in multiple areas at the same time: environment, health, society and animal welfare. A considerable task, since, in food alone, we have around 3.500 own brand products and the road from raw material to end product can be long and complex.

We therefore achieve the best results by taking action together with multiple links in the chain. For example, we have helped build more sustainable production chains for coffee, quinoa and cocoa, with added value for all parties involved. An important aspect here is that working together and increasing sustainability tends to become easier as we make the production chains shorter and more transparent. For this reason, we are constantly setting up more direct partnerships with farmers and cattle breeders, which benefit not only themselves, but also consumers, animals, the environment, etc.

In addition, we focus on products with large sales volumes, where small changes can have a big impact. For this reason, we are also focussing more on ecodesign, and already take into account the ecological footprint over the entire lifecycle when developing a product.

Ecodesign nappies prevent 400 tonnes of CO_2

In the process of improving sustainability, we also focus on products with big sales volumes and impact. That includes nappies, of which each baby needs 4.250 on average. For this reason, we designed the new nappies for our house brand Boni Selection according to the ecodesign principle. This involves considering the impact on the climate for the entire lifecycle of the product already during its product development. We worked with the supplier to calculate the total environmental footprint and addressed the most impactful factors. Result: the nappies are more absorbent but thinner as well. The smaller volume means forty fewer trucks on the road each year and prevents 300 tonnes of household waste. Partly because the entire production runs on green electricity, the total CO_2 emissions of the nappies are reduced by 400 tonnes per year, or the average emissions from 143 cars. This pilot project forms part of a wider European project, which is researching the environmental footprint of products, and was also supported by the Flemish government.

To reduce the total CO_2 emissions of the nappies, we addressed the factors with the greatest environmental impact.

Shorter chain? Yes please!

Shorter chains have many advantages: less transport, less food loss, a boost for local craftsmanship ... For this reason, we tend to work directly and systematically with producers of vegetables, fruit and meat.

For example, we were the first Belgian distributor to set up a pilot project with nine potato growers, aimed at more sustainable crops and transport. Together we selected the varieties which are best suited to the local soil and the Belgian climate, and entered into quality agreements. The first crop of 5.000 tonnes went on sale at Colruyt in September 2017. Through this partnership, we can offer our customers even more consistent quality, while guaranteeing the growers a fair price and therefore income security. We are also extending the Belgian season and reducing potato imports.

At the start of 2018, our co-creation with three Belgian apple growers also began to bear fruit. That is when our OKay stores put the first crop of Magic Star, one of two new apple varieties specially developed for our group, on display. At 15 tonnes, this first crop was very small, partly because planting was spread over three years and partly because weather conditions were less than favourable. With this product too, we offer triple added value: for the consumer, the environment and the producer.

Health and safety first

During the past financial year, the food sector had to deal with a series of scandals involving animal welfare and food safety. As the link between producers and consumers, this affected us deeply and we naturally wanted to take responsibility here. Firstly, we continue to work closely with the various links in the chain to prevent abuses and make production more sustainable. On the other hand, in a crisis, we take action immediately and do our best to communicate with consumers as transparently as possible.

Here, we give absolute priority to the health and safety of our customers, including during the Fipronil crisis in August 2017. An audit by food agency FASFC revealed that no contaminated eggs were on sale in our stores. To be on the safe side, we removed several lots of eggs marketed under our house brands from sale. The lot numbers sometimes varied by just one figure from the lot numbers of contaminated eggs yet we wanted to avoid any possible confusion for our customers. Besides, the eggs on our shelves were not only screened by the FASFC. We had already asked our suppliers to supply extra analyses of their samples in order to guarantee absolute safety for our customers.

Extra measures for respectful slaughtering

Meat is and remains an important part of our range. For this reason, we have already taken considerable steps to improve animal welfare among farmers and to ensure a respectful slaughtering process (with as little stress and pain as possible). Since the various crises revealed that this did not always proceed as it should, in the autumn of 2017, we imposed extra measures on all 25 of the Belgian slaughterhouses with which we work. For example, they had to comply with the FEBEV (National Belgian Federation of Slaughterhouses) covenant, even if they were not members. This means that the slaughterhouse had to provide camera surveillance at strategic points in the slaughtering process and allow an audit by the Thomas More Hogeschool. Each slaughterhouse also had to appoint an Animal Welfare Officer, who permanently monitors the respectful slaughtering and reports directly to the management. Finally, we also had several waves of unannounced checks carried out by the inspection body "Quality Control".

We are convinced that we had to take these steps, but also that we can only really make a difference if we work together, firstly with our suppliers and more broadly with the sector and the relevant authorities.

Extra measures for slaughterhouses are designed to ensure the slaughter process is monitored even better in the future and takes place as respectfully as possible.

Our aim is to reduce our ecological footprint together

Less litter through behaviour change

We continue to work to make our environment free from litter under our five-year plan 'Together for less litter' which began at the end of 2015. As a company with more than 29.000 employees and millions of customers, we consider it important to set an example here and inspire people to change their behaviour. We believe that this approach can achieve more than, for example, introducing a deposit system for cans and plastic bottles. That would only partly solve the litter problem and also undermine the successful PMD collections. Collecting waste via the store network also involves extra expense, which we will inevitably have to pass on. That is reason enough to go all out for a global approach and fundamental behaviour change.

To set this in motion, for the first time, we have rolled out a major campaign appealing for colleagues, customers and the general public to deal with litter together. In the last financial year, we also organised several clean-up actions in the area around our sites. And we have begun to place 600 extra waste sorting bins and 600 cigarette bins on all Colruyt car parks and around offices and distribution centres, an investment of about EUR 700.000.

82,7%

In 2017, we recycled a record percentage of our company waste

Pedal and collect

Dealing with litter efficiently requires action in places where a large amount of waste is produced, such as at festivals and similar events. For this reason, we provide organisers who want to keep their event litter-free with free Recycles: specially designed electric delivery bikes which make it easy to collect PMD and residual waste. In 2017, we lent out our Recycles 72 times at 39 events, including large festivals such as Dranouter.

By sorting better and better year after year, we manage to recycle more and more waste and incinerate less. In this way, in 2017, we easily reached our target and put 82,7% of our total waste and surplus products to good use. In the coming years, we want to achieve a recycling rate of at least 80%.

Environment

Dedication to reducing our environmental footprint is a constant in virtually all of our activities and the main goal of several long-running projects. As part of our CO_2 reduction plan, for example, we invest strongly in the energy-efficiency of our properties. To this end, the energy-efficient refurbishment of our stores and offices is in full swing and we have opened the first new stores which no longer use any fossil fuels. Also thanks to other innovative solutions in areas such as refrigeration and transport, we are well on the way to reducing our CO_2 emissions by 20% by 2020, compared to 2008.

Alongside this, we continue to invest in the production of renewable energy. Our green energy producer, Eoly, already covers 30% of our electricity requirement and, eventually, we aim to produce all the electricity we require sustainably ourselves. Through Eoly Cooperative, for the first time, private individuals have become co-owners of a wind turbine, broadening support for a more sustainable energy supply. We also follow multiple approaches to dealing with litter, for example by investing in extra waste infrastructure and in public campaigns encouraging changes in behaviour.

First fossil fuel-free stores become a reality

In the last financial year, we have made major strides in our commitment to reduce our CO_2 emissions by 20% by 2020, compared to 2008. We opened two new OKay neighbourhood supermarkets (Stavelot and Viroinval) which use no natural gas or fuel oil at all. We recover the residual heat from their refrigeration systems to heat the store space. As a result, the stores emit 99% less CO_2 for their heating than traditional stores with a heating boiler.

Most of the residual heat from a refrigeration plant is expelled into the open air. However, the two test stores are equipped with propane refrigeration systems which are especially suited to using residual heat. The stores are also very well insulated so that they can be fully heated using the residual heat from the refrigeration system. If it is necessary to supplement the heat on very cold days, this is achieved using 100% green electricity from our sustainable energy producer Eoly.

A year of testing revealed that heat-recovery was sufficient in winter too. We have therefore decided to continue to install the system in new and refurbished stores.

234 stores will be converted into low-energy stores

We also expect a sharp reduction in our CO_2 emissions due to the energy refurbishment of 234 existing stores owned by us and built before 2007. This wave of refurbishments spans a twelve-year period and involves an investment of around EUR 35 million. By the end of 2017, we had already converted fourteen stores into low-energy stores and a further seven will be completed by the end of 2018. By 2029, we aim to have renovated 234 stores and all of our stores will be low-energy stores. This will reduce our CO_2 emissions by more than 3%, which corresponds to what 1.480 families emit each year for their heating.

The energy-saving conversion also prepares the stores for the future installation of other energy-saving, sustainable technologies such as heat pumps. There are also less draughts and an increased supply of fresh air in the refurbished stores, increasing comfort for our staff and customers.

MOBILITY IS A SERIOUS GAME

A fun way of making mobility more sustainable

Mobility matters for everyone, an issue where we too are pleased to play our part in society and help to find solutions. To this end, last year, we developed the brand new game 'Mobility is a serious game' together with five partners. Players put themselves in the position of another social player, giving them a fresh, new view of the mobility story and fostering connections. In turn, this can help the players acquire new insights and come up with original solutions together. The game can be purchased for EUR 25 from sustainability organisation The Shift in Brussels or downloaded from its website.

We presented the game during the 'Connecting the Dots' mobility congress at our head office in June, where we brought together a variety of players in society. This is because we believe that progress is only possible when all parties involved join hands and take action. The congress and the game were initiatives of six partners: Colruyt Group, VUB, Inland Navigation Europe, Durabrik, Fockedey and Netwerk Duurzame Mobiliteit.

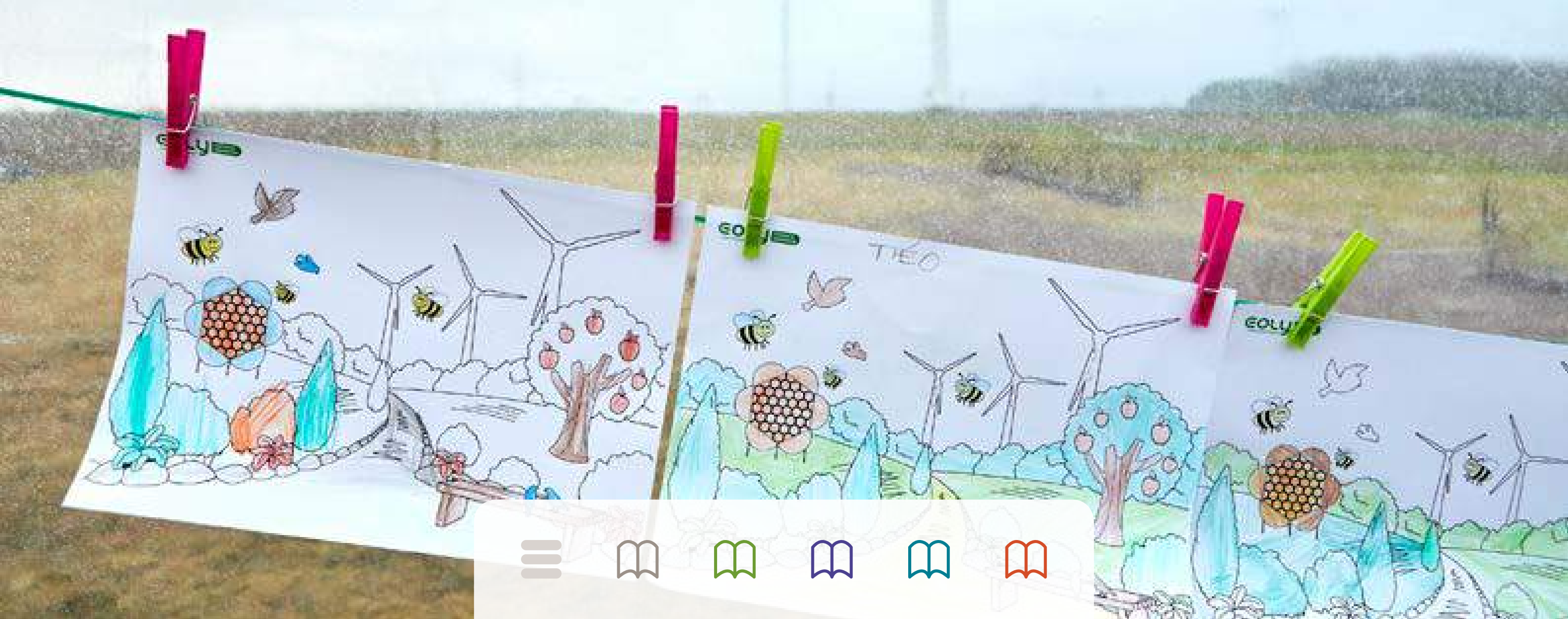
1.200 citizens invest in wind energy

Colruyt Group uses exclusively green electricity and already generates more than 30% of the electricity it consumes itself, using wind turbines and solar energy systems. To increase public support for green energy, we set up Eoly Cooperative last year. Via this cooperative society with limited liability (cvba), private individuals can invest in wind farms belonging to our green energy producer and supplier Eoly. As co-owners, they help create a more sustainable energy supply and are entitled to a dividend.

Eoly Cooperative's first wind turbine has been in operation since October 2017 and was officially inaugurated in the presence of Minister Bart Tommelein in November.

The capital of EUR 4 million required was provided by 1.200 member-owners in less than six weeks. This enthusiasm encourages the cooperative to invest in its own wind turbine on future Eoly wind farms as well.

The wind turbine forms part of our recent wind farm in Halle, which has a total of three turbines. Together, they produce 17.260 MWh of electricity every year, corresponding to the annual consumption of 5.100 households. Eoly has also been granted permits for two new wind farms with seven turbines in Wallonia. Read more about Eoly on pages 83 and 84.



We also support those who have fewer chances

More than fifty young people from different corners of the world met one another during 'Tomorrow's Voices'. Together they reflected on the theme of 'personal leadership'.

Young people make tomorrow's voices heard

Educate
Develop
Empower

Through our Collibri Foundation corporate fund and for many years, we have supported training projects for young people in difficult situations, in Belgium and abroad. Since exchanges between different projects and cultures can create lots of inspiration and connections, in October 2017, we brought together more than fifty young people from four training projects at our head office for the first edition of 'Tomorrow's Voices'.

The young people took part in a session on 'personal leadership' with talent coach Luk Dewulf, during which they reflected on how they can inspire other young people to take control of their own future. The participants then used their own talents to design a campaign for their peers. They presented this to a four-person jury, including CEO Jef Colruyt. The interaction between the teams and with the jury was a highly inspiring experience for everyone.

At the event, 25 young people from Brussels took part in the BOOST project which helps talented young people to achieve their secondary diploma and successfully move on to higher education. The Belgian organisation YOUCA (Youth for Change and Action) was represented by five participants from Flanders and twelve from El Salvador. Four recent graduates from our project in Indonesia, who were doing internships at Colruyt Group at the time, also took part.

110 towns, cities and municipalities already take part in social project

Making healthy and balanced food accessible to all, that is the aim of the Colruyt 'Dinner is served at 1 -2-3 euros' programme. Over 2.400 families have already registered in just eighteen months. We reach them via partnerships with social organisations in 110 Belgian towns, cities and municipalities. Every two weeks, participants receive a booklet containing six delicious, healthy and child-friendly recipes costing a maximum of EUR 1, 2 or 3 per person.

People

We take responsibility in many ways for the well-being and health of our employees, customers, suppliers and wider society. In view of this, we have launched an online platform that makes it easier to shop for groceries for others. This tool fills up the cupboards of people who find it difficult to shop for themselves as well as encouraging connections between people - an added bonus in an age of increasing loneliness. We have also launched a range of digital tools to help consumers make healthy choices that fit in with their individual nutritional pattern.

Making conscious nutritional choices requires a range to match. For this reason we constantly improve the nutritional composition of our house brands, so that many products now contain less sugar, fat or salt. Around 1.300 new and adapted products have been tested and approved by a total of 50.000 consumers during the last two years.

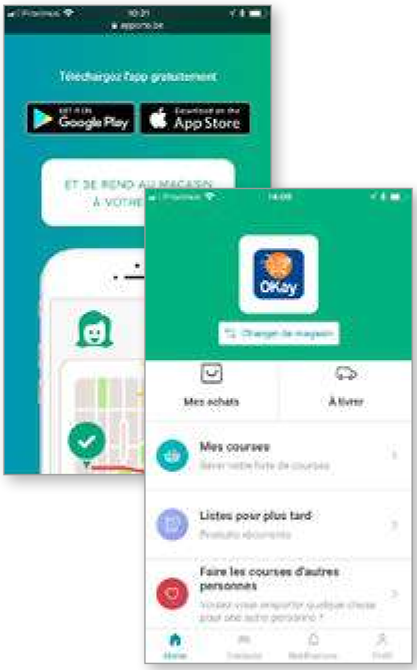
We are also dedicated to helping those who have fewer chances and invest in the education and training of young people worldwide, for example.

Apporto: making it easier to shop for groceries for others

In an age of increasing loneliness, we also aim to create social added value. For this reason, we have launched a platform that makes it easier to shop for groceries for others. Under the motto "Graag gebracht, met plezier gekregen" ("A pleasure to bring, a joy to receive") the Apporto shopping platform links up people who are prepared to shop for others with those who, for whatever reason, cannot get to the shops and like their groceries to be delivered to their home. The service is handy for anyone who already shares their shopping, as well as for those who do not yet know one another.

The platform can be accessed via a smartphone app which can be downloaded for free from the App Store and Google Play. Anyone who wants to use it enters their shopping list in the app plus the desired place and time of delivery. Apporto then matches the requester with local people who are planning to go shopping at Colruyt, OKay, Bio-Planet or Spar. The app combines the shopping lists and displays them clearly, making it easier to shop more efficiently. The two parties can also agree on payment and settle up on delivery, in cash or with a bank app.

For people with less digital skills, Apporto has also developed a telephone platform. A first application, the Samana Grocery List, has been rolled out in Flanders.




Apporto makes it easier to shop for groceries for others. The platform connects people who cannot get to the shops with local users who are planning to go shopping.

Better working conditions at our suppliers

Thanks to investments in social audits and training, working conditions at our suppliers in at-risk countries are gradually improving. This was revealed by the 2017 report, containing the results of audits of 552 non-food factories, agricultural and food companies, mainly in China and Southeast Asia. In the lion's share of them, the working conditions were sufficient to continue the partnership. We ended our partnership with eighteen producers who refused an audit or scored badly and were not prepared to take action.

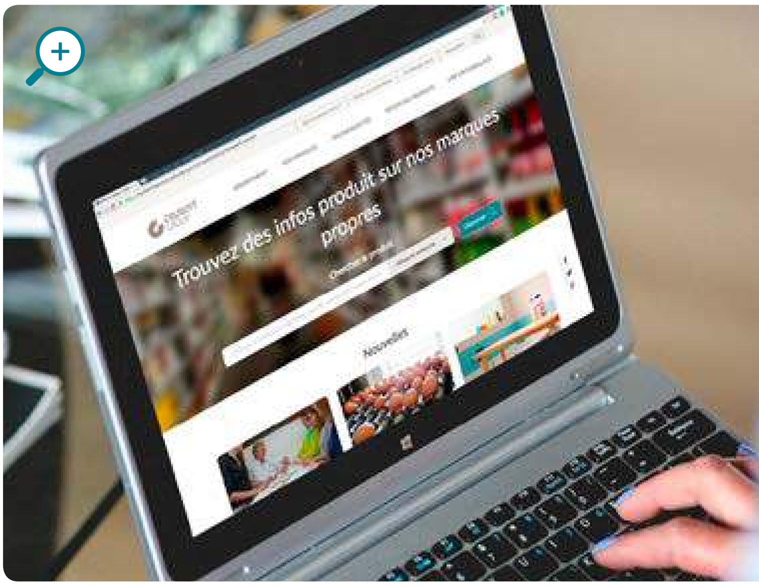
Transparent product information enables the right nutritional choices

In an age when people are flooded with information, it is not easy to make healthy food choices. At the same time, more and more people want or have to make more conscious choices when it comes to their food, either for their own well-being, or because they want to create a better world. That is why we are taking many initiatives to provide consumers with information in the simplest possible way and help them make healthier, more personalised choices.

Our new 'Product Finder' website (productzoeker.be) offers in-depth information about our house brand food products. The site mainly provides support for people with food allergies or intolerances, who can filter the whole range for (traces of) one or more of the fourteen current legitimate allergens. People who want to eat a vegetarian, vegan or organic diet can easily find the right products too. Users can look up lists of ingredients, nutritional values, storage tips, preparation instructions, information on sustainability, etc. Later, the site will also be able to store personal profiles, which will make searching even more efficient.

Consumers can also register to take part in taste tests on Product Finder. So they can help decide on the composition of new or adapted products.

Besides Product Finder, we have a range of other tools to support consumers in their food choices. For instance there is our SmartWithFood app, a pioneer in personalised digital food info. The app recognises the barcodes of some 20.000 products available from Colruyt, OKay, Bio-Planet and Spar, both house and national brands. It immediately shows whether the scanned product fits one or more personal profiles and also suggests alternatives. The system already takes into account intolerances to gluten and lactose and in future will also take into account preferences for less fat, sugar, calories and so on.



Activities

RETAIL

Last financial year these activities realised a revenue increase of 3,2% to EUR 7.551 million. Retail comprises the store formulas of Colruyt Lowest Prices, Collect&Go, OKay, Cru, Bio-Planet, Colruyt France, Dreamland, Collishop and Dreambaby. The results of Colruyt Group Fine Food are also recorded under Retail. Finally, the participations in clothing group ZEB, MyUnderwear24 and Newpharma are also included in Retail.

colruyt lowest prices

Colruyt Lowest Prices is primarily aimed at families with children who want to shop rationally in a price-conscious way. The supermarket is known for its lowest prices, skilled and attentive staff, and its service, efficiency and simplicity. The supermarket chain has a wide range of quality products and pays plenty of attention to its butcher shop and fresh food department. Every two weeks in the personalised shopping leaflet, 'Selection for you', almost 1.700.000 customers can find a personalised selection of offers based on their requirements.

*For more than forty years Colruyt has consistently offered **the lowest prices** for national brands, house brands and discount brands. Every day employees record more than 62.000 prices and promotions in shops across the country. If a product is cheaper elsewhere, then Colruyt immediately lowers the price.*

° 1976

EUR 5.828 million
revenue (+ 2,0%)

239 stores
(including 4 in Luxembourg)

1.700 m²
average store area

10.900 food (including fresh and frozen products), 7.200 non-food
number of items

More than 14.600
employees in FTE

Lowest prices

colruyt.be

Colruyt managed to maintain its position well in a challenging, promotion-driven and mature retail market. Colruyt's revenue in Belgium and Luxembourg rose by 2,0%. This revenue increase is partly due to the influx of new customers and a rise in the average shopping basket. Inflation also played a positive role. The fine spring weather in 2017, a strong end-of-year period and a positive Easter effect contributed to the good result. Conversely, the poorer summer weather had a negative impact.

Thanks to its competitive model, logistical efficiency and international cooperation in the area of purchasing, the retailer is able to consistently realise the unique lowest prices strategy. COO Frans Colruyt: "We don't deviate from our lowest prices promise. We respond to all of our competitors' promotions and constantly adjust our prices. By keeping operating expenses well under control, we can achieve comparable profitability."

10.850 m² extra

Two new stores were added this financial year. In November, Colruyt Wemperhardt opened in Luxembourg and at the end of March 2018, Colruyt Épinois opened its doors. Thirteen branches were enlarged and two stores were housed in completely new and larger premises. In total this provided an additional 10.850 m² in store area. As of 31 March, there were 239 Colruyt stores in Belgium and Luxembourg.

Further rollout of new generation of stores

The rollout of the latest generation of Colruyt stores is complete. Last financial year, sixteen stores were converted to this modernised concept and 42 stores were given the new look & feel. By the end of the financial year, there were 52 new stores and 172 stores with this fresh look & feel. The new concept further emphasises the lowest prices and makes shopping more pleasant and more efficient for customers. At the beginning of January, Colruyt replaced its last traditional butcher shop with a new self-service butcher shop. Customers no longer use order forms, but choose their meat themselves from a large refrigerated cabinet. The butchers, who cut and package the meat on the spot, still provide customers with help and information.

Colruyt is still the cheapest

According to consumer organisation Test-Aankoop, Colruyt is still the cheapest supermarket in Belgium. For their annual price survey, Test-Aankoop compared 237 stores from nineteen supermarket chains and checked more than 48.000 prices. Colruyt also came out cheapest in the summer and winter reports by independent research bureau GfK.

Baby On Board

Colruyt wants to serve its customers at every stage of their lives. For this reason, it launched 'Baby On Board' this financial year. Through all kinds of actions, the retailer supports women during their pregnancy and after the birth of their baby. For example, they receive trial boxes of samples, a baby shower voucher and e-mails with personalised content. They can reserve and collect via Collect&Go, which presents itself as the ideal retail channel during pregnancy and after the birth. Baby specialist Dreambaby cocreates the content for the project.

Responding to changing customer requirements

Colruyt is finding that more and more customers with diverse lifestyles are visiting its stores: vegetarians, vegans, Muslims, people with food intolerances or allergies and so on. By adapting the range, for example, Colruyt is able to better meet their needs. For instance, the supermarket offers special gluten-free, lactose-free or animal-product-free ranges. Customers will also find a multicultural range in certain stores comprising specific products such as bulgur wheat, herbs and spices and tea.

Colruyt also constantly investigates how it can respond to new types of family and the ageing population. Accordingly, the retailer is now also offering smaller packs and convenience food. Following some local tests, since the autumn, the butcher shop offers several ready-made dishes. The butchers prepare and put together the dishes on site. The success of the ready-made dishes proves that customers are increasingly looking for simplicity and convenience. Colruyt therefore wants to gradually expand the range to all butcher shops.

The MyColruyt app has 400.000 users already

Extra features for MyColruyt

Last financial year, the retailer launched the 'MyColruyt' app for Android and iOS. Since then, the app has been given many new features. For example, customers can organise their shopping list based on the layout of their preferred Colruyt store. This makes shopping even quicker and easier. They can also specify a preference for gluten-free, lactose-free, vegetarian, vegan, alcohol-free and/or halal. A thumbs up icon shows which products are suitable, for both house and national brands. Once customers have drawn up their shopping list, they can reserve it immediately with Collect&Go. Colruyt plans plenty of updates in the next financial year too. As of 31 March 2018, around 400.000 people had downloaded the app.

Colruyt's meal box is aimed at families with children who want to serve a delicious, nutritious meal despite lack of time.

Colruyt launches its own meal kit

In October 2017, Colruyt launched its own meal kit, specially designed for families with children. The 'Lekker Koken' (good cooking) box contains the ingredients and recipes for three meals. Customers simply order the box via Collect&Go and can collect it the next day after reserving, which makes the box unique in the Belgian market. Colruyt also guarantees the lowest price for the meal kit.

The retailer started out with thirteen collection points, mainly in and around East Flanders. But after receiving many positive responses from customers, Colruyt decided to expand the number of collection points. Since 12 March, customers can go to 72 collection points, spread throughout Flanders, Wallonia and Brussels.

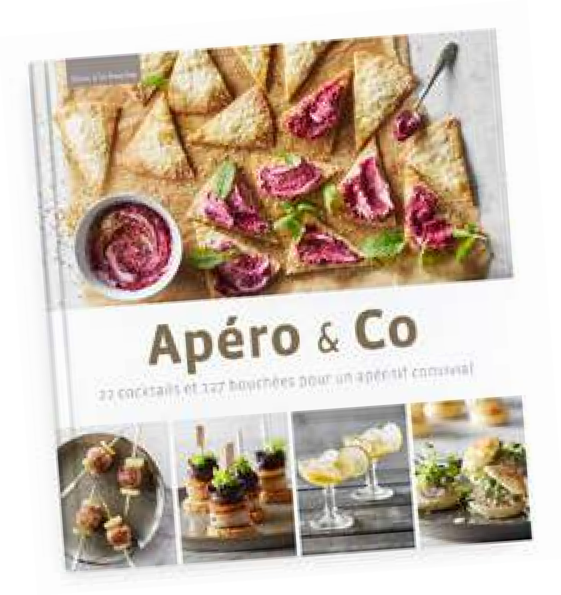
Broad platform for social initiatives and partnerships

During the last financial year, Colruyt temporarily added chocolate truffles from Confiserie Elise to its range. The chocolate factory featured in the popular Flemish TV series Tytgat Chocolat. Half a euro per box was donated to non-profit enterprise Downsyndroom Vlaanderen. The truffles also went on sale at OKay and Spar. Furthermore, Colruyt offered a broad platform to Wonky: a start-up that transforms 'ugly' vegetables into healthy vegetable dips. This approach is a perfect fit for Colruyt's efforts to reduce food loss over the last few decades. In this way, the retailer can play its social role via partnerships too.

Strategic European purchasing alliance

Colruyt Group is a member of the European purchasing group AgeCore. The group joins forces with five international partners: Conad from Italy, Coop from Switzerland, Edeka from Germany, Eroski from Spain and Intermarché from France. Thanks to its membership, Colruyt Group can buy at competitive prices on the European market. AgeCore covers both well-known national brands and own brands. Colruyt Group can also share knowledge and experience with the other members, opening up prospects for growth and synergy.

AgeCore is the largest strategic purchasing alliance in Europe. The six retail groups have a strong market position and an extensive network of stores in eight countries: Belgium, Germany, France, Italy, Poland, Portugal, Spain and Switzerland.



During the last 30 years, more than 4 million Colruyt cookery books have passed through the tills

Launch of 'Apero & Co'

In their 34th cookery book, the Colruyt cooking team focussed on stylish get-togethers. The new book 'Apero & Co' provides plenty of inspiration for cocktails, dip sauces, canapés, tapas and so on. The 'Lekker Koken' team has been creating recipes for Colruyt customers for more than thirty years. Naturally, all of the ingredients are available at Colruyt. The cookery books are written, designed and printed internally. During the last thirty years, more than four million copies have already passed through the tills.

New store in Luxembourg

In November, a new Colruyt opened its doors in Wemperhardt. Right from the start, the supermarket achieved good results. This brings the number of stores in the Grand Duchy of Luxembourg to four. All branches in Luxembourg performed in line with the forecasts and display positive profitability. Just as in Belgium, customers can be assured of the lowest prices. In addition, the Luxembourg Colruyt stores fit in with the local culture, with regional and Portuguese products. In the next few years, three more store openings are planned.

Crowned Retailer of the Year by consumers

Colruyt was crowned 'Retailer of the Year'. The retailer achieved the highest final score across all channels in Qrf's consumer vote. For the first time this year, a sustainability award was also presented. Colruyt was immediately placed in the Top 5 most sustainable companies in Belgium. More than 187.000 people voted in total.

Promoting entrepreneurship

Last summer, webshop Grands vins/Klassewijnen presented its offer to customers in an accessible way. The travelling wine truck 'Château Remorque' could be seen in numerous Colruyt car parks. Customers could taste wines for free and order them there. Château Remorque is the brainchild of a wine advisor at Colruyt Zottegem. He launched the idea via IDnet, Colruyt Group's ideas platform. He was then given a budget to set up a trial and put together a project team. Through initiatives like Château Remorque, Colruyt Group intends to promote entrepreneurship among employees and anchor its stores more locally.

"

6.600 LICs transport 95 to 99% of fresh products

Continuously improving logistical efficiency

All year round, the logistical department works on ensuring the stability and continuity of its systems and goods flows. Without any major technological innovations, Colruyt managed to generate a 5% productivity gain in its distribution centres.

Liquid ice: rollout complete for fresh products

As of this financial year, virtually all fresh products at Colruyt, OKay and Bio-Planet are delivered in mobile refrigerated containers containing liquid ice. More than 6.600 'liquid ice containers' (LICs) are now in use. This means a drastic reduction in CO_2 emissions. The liquid ice is produced using the group's own green electricity and then continually recycled. Also due to the increased autonomy and greater load volume, a LIC has 58% less impact on climate change than a conventional mobile refrigerated container.

Colruyt Group is now working hard to develop a version of the liquid ice container for frozen products. Engineers are already building a large liquid ice production unit. The group is also investigating whether it can develop a smaller mobile refrigerated container for the Spar neighbourhood supermarkets.

CITRUS: intelligent transport system for trucks

This financial year, the first trials began for the CITRUS (Cooperative Intelligent Transport Systems for Trucks) project. In mid-February, the first truck drivers tried out the Companion App. This app sends alerts to drivers who are approaching traffic problems. They can then adjust their speed or route based on real time information. This aids smart traffic flow and is designed to prevent collisions at the start of queues and on the hard shoulder.

CITRUS is a project led by a consortium of companies and public authorities with three-years' funding from the European Commission. In the long term, it aims to improve safety on the Belgian roads, reduce CO_2 emissions and promote mobility. The project forms part of Colruyt Group's broader strategy of doing its best to promote more sustainable mobility.

First ecocombi in Wallonia

Together with Colruyt Group, brewer AB InBev is testing an extra-long truck (ecocombi) which can transport 38 pallets, twelve more than a conventional truck. The first ecocombi on Walloon roads travels between the Jupille brewery and the Colruyt distribution centre in Ollignies, including the return journeys with empties. It covers the 300-km route (round trip) twice a day. That makes 500 to 750 journeys a year. The saving on normal truck journeys means less traffic and 22% lower CO_2 emissions, amounting to 21 tonnes of CO_2 per year.

Collect&Go

*Collect&Go is Colruyt Group's **online shopping service**. It distinguishes itself through its professionalism, reliability and quality fresh products. Customers who entrust their shopping to Collect&Go can count on excellent service: the employees carefully select the best products.*

*Customers choose from the **Colruyt or Bio-Planet range** and reserve their shopping via the website or app. If they choose from the Colruyt range, they are always certain of the lowest price online. If they reserve their shopping before midnight, they can collect it the next day from a collection point and at a time of their choice.*

*Collect&Go has **186 collection points** in Belgium and Luxembourg. 176 of them are at a Colruyt store and ten are stand-alone collection points. At the three Collect&Go drive-throughs, employees put the shopping straight into the customer's car.*

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

° **1999**

186 collection points
in Belgium and Luxembourg

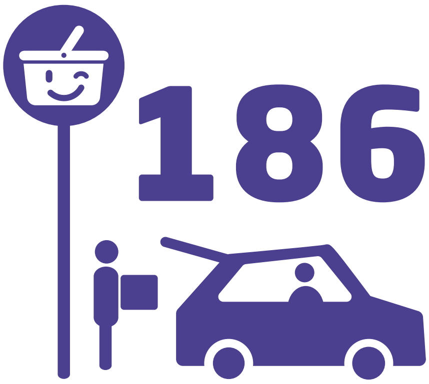
More than 350
employees in FTE

We do the shopping for you

collectandgo.be

Collect&Go can look back on a successful financial year. Colruyt Group achieved online revenue of EUR 370 million and the majority of this comes from Collect&Go. Once again, the online shopping service achieved significant revenue growth in a highly competitive market. Collect&Go remains the market leader in the Belgian online food market.

Collect&Go broke some records this financial year. Once again, the end-of-year period was particularly successful. The online shopping service finds that customers tend to prefer the convenience of collecting their shopping during the busy festive period. Collect&Go therefore wants to present itself as the easiest and most reliable online shopping service. This financial year, this translated into more than 80.000 new customers.



Already 186 collection points

This financial year, Collect&Go opened seven new collection points at Colruyt stores. One was closed. This brings the total to 186 collection points, including ten stand-alones.

In the next financial year, Collect&Go will continue to develop an intricate network of collection points, based on regional density. The online shopping service wants to be as close to customers as possible and has plans for eleven new collection points in the next financial year. Eleven existing collection points are to be expanded. A trial involving some collection points at OKay is also planned. Read more about this on page 54.

Larger organic range

As of this financial year, Collect&Go offers the full Bio-Planet range, except for frozen products. The products are order picked at six Bio-Planet supermarkets and customers collect them from eighty collection points. Bio-Planet and Collect&Go also want to continue to focus on their online organic offer this year. The number of collection points and order-picking stores will therefore continue to rise.

More efficient order picking

In the previous financial year (2016/17), Collect&Go launched a new in-store order picking system for PDAs (pocket computers) which employees use to prepare reservations in Colruyt and Bio-Planet stores. The online shopping service also made further improvements to the app this year. Result: a time saving of two minutes per reservation.

Website continues to evolve

Collect&Go continues to invest in new features for its website and app. When searching, customers can now see the products from their purchase history too. They can see more clearly when they get a discount or how many products they still need to add to their shopping cart to receive the discount. The website is also indexed, making it easy to find the right results using Google. Collect&Go has also

> **Next financial year, Collect&Go plans to open 11 new collection points**

provided a smooth connection between its order module and the MyColruyt app. Read more about this on page 46. Through such updates, Collect&Go continues to realise its mission: to make online shopping easy.

First trials of home delivery

Collect&Go believes that there is extra potential in home delivery. There is clearly a demand for this. For this reason, the online shopping service intends to begin some trials during 2019. But Collect&Go sets the bar high for sustainability. Home deliveries must take place at least with vans that run on natural gas or are hybrids.

Success for fresh products

Collect&Go customers buy far more fresh products than conventional in-store customers. In this way, they demonstrate their confidence in the quality of the products and the care the employees take when preparing reservations.

Further partnership with Colruyt

As of this financial year, Collect&Go offers a range of extra services in partnership with Colruyt. Customers can reserve the 'Lekker Koken' (good cooking) meal kit via the website collectandgo.be and collect it from one of the 72 participating collection points in Flanders, Brussels and Wallonia. Collect&Go is also involved in the Baby On Board programme for young parents and parents-to-be. Customers can collect the trial boxes containing samples from a collection point near them. Read more about both Colruyt projects on pages 46 and 47.

*The **OKay neighbourhood supermarkets** distinguish themselves through their friendly local staff and an extensive offering of quality fresh products at the lowest prices in the neighbourhood. OKay customers shop quickly, cheaply and conveniently. The stores have a **full range in a compact area**, large car parks and long opening hours. The neighbourhood supermarkets are located along busy approach roads close to town centres.*

OKay offers a good mix of national brands, house brands and discount brands. In addition to fresh bread, every day breakfast pastries are also baked in the store. The good mix of convenience and ready-made products is also an asset.

*The **six OKay Compact stores** are small neighbourhood supermarkets in the **centre of town**.*

1998

EUR 908 million
combined revenue
OKay, Bio-Planet and Cru (+7,4%)

135 stores
(including 6 OKay Compact stores)

400-650 m²
average store area

6.400
number of items

More than 2.100
employees in FTE

Fast, inexpensive and convenient

okay.be

OKay looks back with satisfaction on the previous financial year: the neighbourhood supermarket managed to forge ahead on its own momentum. OKay attracted more customers once again, in line with the increase in turnover. The margin and shopping basket remained stable. The neighbourhood supermarket also worked hard on its logistical processes and internal organisation, resulting in an efficiency gain.

This financial year, the neighbourhood supermarket focussed more than ever on fresh products and is also experiencing growing bread sales. Demand for convenience food also continues to rise sharply. During the end-of-year period, for example, customers opted for ready-made festive menus en masse.

OKay is noticing that the neighbourhood store segment continues to grow.
The neighbourhood supermarket is on the rise as a store formula in Belgium, partly due to the issue of mobility and the ageing population and the resultant trend to shop closer to home. OKay views this as confirmation of its chosen path of offering accessible stores and a wide range of fresh products, bread and national brands.

Keep growing, build more sustainably

OKay opened six new neighbourhood supermarkets this financial year: in Stavelot, Viroinval, Alken, Kortessem, Orp-Jauche and De Panne. This brings the total to 135 stores. The neighbourhood supermarket in Leopoldsburg relocated to a new, larger site in the sub-municipality of Heppen. The new stores in Stavelot and Viroinval operate entirely without natural gas, fuel oil or other fossil fuels: a first for Belgium. The store space is heated using the residual heat from the eco-friendly propane refrigeration system. Read more about this on page 36.

OKay also continues to roll out the concept of its second generation stores. All new stores have a new look as standard, and existing stores are receiving the same treatment: OKay Hofstade was renovated this year and OKay Ramsdonk was renovated and extended. In the coming years OKay plans six openings per year on average. In the longer term, OKay aims for around 180 neighbourhood supermarkets.

Continued expansion for OKay Compact

The first test phase involving six stores went well. Judging by revenue and customer reactions, OKay Compact considers that it matches the requirements of a city clientele well.
The aim is now to expand while also working on profitability. During the next financial year, OKay Compact is aiming for three new stores.

OKay opened six new neighbourhood supermarkets this financial year, including one in Alken. At a reception, local residents and future customers met the store team.

Image campaign increases brand awareness

OKay launched a new image campaign, this time on TV for the first time. The campaign highlights the neighbourhood supermarket, referring to it with a wink as the ‘best kept secret’. Customers tell why they would prefer to keep their store secret, highlighting OKay’s strengths at the same time.

During the coming financial year, OKay wants to continue to boost its brand awareness with advertisements and campaigns. For example, it is organising its first collecting campaign over the summer. The neighbourhood supermarket is doing this in conjunction with Dreamland, to tie in with the new Jurassic World film. Customers can collect stickers and dinosaur figures with their purchases. Through this collecting campaign, the two store formulas want to generate a broader reach and appeal to a common target group: families with children.

OKay comes out on top in GfK report

With a score of 8,62, OKay took first place in the general, national rankings of the GfK summer report. This examines how satisfied customers are with the benefits, appearance and friendliness of their store. OKay achieved a particularly high score of 9,18 for the friendliness aspect. In the subsequent winter report, OKay shared first place with Colruyt. Every summer and winter, independent research agency GfK surveys around 5.000 families about their perceptions of Belgian supermarket chains.

OKay also scored well in the annual price survey by consumer organisation Test-Aankoop. The neighbourhood supermarket achieved third place for the basket of national brands and for the mixed basket. “This is confirmation of our brand promise: fast, inexpensive and convenient”, said manager Fabrice Gobbato.

OKay celebrates 20 years

On 14 January 2018, it was exactly twenty years since OKay opened its first store in Ertvelde, in the province of East Flanders. Since 1998, the neighbourhood supermarket has responded to the ageing population, the issue of mobility and the trend for shopping closer to home. OKay celebrated its twentieth anniversary together with employees, customers and suppliers, with a special anniversary newsletter and festive promotions in store such as a free biscuit tin.

Trial of Collect&Go collection points at OKay

To support the continuing growth of Collect&Go and offer its customers an extra service, OKay is experimenting with collection points on its own store sites. Customers can collect products from the Colruyt range reserved by them via Collect&Go from there.

The stand-alone collection point in Roeselare has been operated by OKay employees since November 2017. During the next financial year, Collect&Go will launch a trial with a collection point at the new OKay store in Heusden. The OKay stores fulfil the two requirements for a Collect&Go collection point: they are located along access roads close to town centres and have good parking facilities. After the trial, OKay and Collect&Go will evaluate whether to carry on with the project and possibly extend it to other stores.

Four new veggie products from Boni Selection

As of the beginning of February, customers can find four new vegetarian items from Boni Selection Veggie on the shelves of OKay and OKay Compact. They are vegetarian gyros, pittas, soya chunks and pea chunks. The products contain no additives, artificial colourings or preservatives and have the same taste and texture as meat or fish. This is the first time that a retailer's house brand has brought such pure, innovative veggie products to the market. In this way, the neighbourhood supermarket is responding to the surging demand for veggie products. OKay is targeting flexitarians looking for inspiration and a change as well as vegetarians and vegans.

First sweet potatoes grown in Belgium at Colruyt and OKay

Last November, the first Belgian sweet potatoes hit the shelves at Colruyt and OKay. This is a test project of De Aardappelhoeve in the West-Flemish town of Tielt, in conjunction with Colruyt Group. Growers Reo Veiling and Belorta also planted the first sweet potatoes for Colruyt Group. Following good initial results, Colruyt Group will expand the trial during the next financial year: the sweet potatoes will go on sale nationally.

Sweet potatoes are becoming very popular with Belgian customers. They often come from America or Africa but the tropical plant grows well in Belgium too. The increasingly mild climate and soft sandy loam soil in West Flanders mean that the root vegetables also grow well in those regions.

__Cru__ is a covered market for people with a passion for delicious food, pure flavours and quality products. The enthusiastic professionals from Cru provide __authenticity in a modern way__: ordinary things done extraordinarily well. They offer products in their purest form, make them ready to cook or process them on site into quality dishes. Customers are served the dishes at the __Cuit eating house__ in Overijse and Ghent, or take them home to continue the culinary experience there with family and friends.

The market has __ten specialist areas__ and offers a special selection of __fresh seasonal products__: fruit and vegetables, meat and delicatessen, poultry, fish, but also cheese, drinks, flowers, chocolates and self-made bread. Customers can taste them at their leisure and ask for advice.

° 2014

EUR 908 million
combined revenue
OKay, Bio-Planet and Cru (+ 7,4%)

3 markets

650 m²
average market area

850
number of items

More than 100
employees in FTE

Market every day

cru.be

Cru looks back on a successful financial year, with strong revenue growth and increased profitability. This was the first full financial year for the establishments in Wijnegem and Ghent. Cru finds that the city-centre location has great appeal. The covered market in Ghent counts among its regular customers not only local residents, but also many day trippers and people from just outside the city. Last financial year, Cru Overijse and Wijnegm also attracted many new customers.

The deli range from its own kitchen is especially popular, as are the Cuit eating houses in Overijse and Ghent. In the market itself, at the various stalls, customers can easily order a plate of finger food, a snack or a glass of wine. It is all part of the experience and thus represents strong added value.

Relocation of central bakery to Fine Food

Following the great success of its artisan sourdough bread, Cru wants to anticipate future growth. For this reason, during the summer of 2018, the central bakery will relocate to the buildings of Fine Food in Halle, where the Cru bakers can make artisan dough all week long. Besides bread, they will also prepare cakes there. From Halle, the dough goes to the three covered markets where professionals bake the bread themselves.

Adjustments behind the scenes

During the last financial year, Cru continued to focus on its margin, logistical efficiency and operating costs. In view of this, in the autumn of 2017, it made a conscious choice in favour of more multi-skilling, both in central services and in the three markets. This enables Cru to deploy its staff more efficiently and effectively, every day of the year. As a result the employee costs dropped.

During the next financial year, Cru will focus on optimising the internal processes, so as to prepare thoroughly for its future steps. With a view to continued profitability, Cru also intends to continue to call on the strength and expertise of Colruyt Group. In this way, it aims to ensure that quality and efficiency go hand in hand.

Cru Ghent attracted many new customers during its first full financial year: not only local residents and day trippers, but also people from the wider region find their way to the market experience.

***Bio-Planet** is an organic supermarket with an extensive range of **organic and ecological products**. The fresh food market and the service counter with meat, cheese, vegetarian products and ready-made dishes provide a unique offering. The organic supermarket inspires its customers to enjoy food responsibly and differentiates itself with its skilled employees. Customers can also do their shopping online via **Collect&Go**. Customers collect their reservation from a Collect&Go collection point.*

*For Colruyt Group, Bio-Planet is a pioneer in organic food and **sustainability**. Where possible, Bio-Planet applies the latest environmentally-friendly technologies in new branches. For example, in new establishments the energy consumption is lower thanks to LED lighting and skylights. And at most stores there are charging posts for electric cars.*

2001

EUR 908 million
combined revenue
OKay, Bio-Planet and Cru (+ 7,4%)

27 stores

650 m²
average store area

6.000
number of items

500
employees in FTE

Conscious enjoyment

bioplanet.be

Bio-Planet is satisfied with its results across the board. Revenue rose strongly, partly due to the opening of three new stores. Even the stores that opened during the previous financial year achieved good revenue growth and attracted many extra customers. Due to the large inflow of new customers, the average shopping basket fell slightly. A logical consequence, as new customers generally spend less during their first purchases.

The organic market in Belgium continues to grow and is becoming increasingly competitive. More and more conventional retailers are also offering organic products. There are also more and more small-scale, local organic initiatives. Nevertheless Bio-Planet remains unique as a store formula with an offer of more than 6.000 products and a strong focus on the constantly growing demand for gluten and lactose-free products.

Three new stores

Bio-Planet opened three new organic supermarkets last financial year: in Machelen, Charleroi and Mol. The last two are 'combisites': Bio-Planet Charleroi shares a building with Dreambaby and Bio-Planet Mol with Dreamland and Dreambaby. This brings the total number of stores to 27.

Next financial year, new branches will open in Antwerp and Verviers. The first ever Bio-Planet in Kortrijk will relocate to new premises. Bio-Planet continues to aim for a potential of fifty branches for the current store concept.

Next financial year, Bio-Planet will open new stores in Antwerp and Verviers

Continued dedication to operational excellence

Once again this financial year, Bio-Planet invested in the further professionalisation of its operations, so as to increase efficiency and effectiveness and reduce operating costs. In this way, the organic supermarket managed to increase productivity in the stores by double figures, while still maintaining good customer service.

Bio-Planet customers are the most satisfied

For the second year in a row, Test-Aankoop asked around 4.000 customers how satisfied they are with their store. Bio-Planet came in first place, with top scores for convenience, quality of meat and bread, waiting time at the till, politeness of staff and range of products. “We’re very happy about this”, said Jo Ghilain, business unit manager of Bio-Planet. “Every day, we do our best to identify our customers’ requirements and fulfil them as far as possible. Clearly, our customers recognise and appreciate this too.” Incidentally, the whole group scored very well in the satisfaction index, with Colruyt in second place, OKay in third and Spar Colruyt Group in tenth.

Extravert and proactive communication

Bio-Planet has updated its communication strategy. This was immediately apparent to customers in the monthly magazine, on social media and in the stores themselves. The booklet was given a fresh and modern layout and is focussed more than ever on inspiration. Bio-Planet’s website was also given a new look. All stores were given new signs in the aisles, such as ‘Just in’, ‘Our favourites’ or ‘Discount with XTRA’. The aim: to inform and inspire customers and help them make decisions.

End-of-year campaign with famous foodies

Five famous food bloggers each developed a three-course festive end-of-year menu for Bio-Planet. Each menu has a different theme, from global cuisine to local produce to classics with a twist. All recipes are well-balanced and made using Bio-Planet products, under the title #EchtGoedGemaakt (#ReallyWellPrepared). Partly thanks to the campaign, the organic supermarket achieved excellent revenue during the end-of-year season.

*The Colruyt supermarkets in the **north east of France** differentiate themselves with helpful staff, traditional butcher shops and an extensive quality range of fruit, vegetables and fresh products. The wine range and regional products are also assets. All stores have a Collect&Go collection point.*

*The Colruyt stores offer national brands and comparable products at the **best value** in their neighbourhood. The supermarket has a complete range in all brand layers: national brands, the house brands Belle France and Boni Selection, and the discount brand Everyday.*

The contribution of the French DATS 24 filling stations is included in the revenue of the French Colruyt stores.

1996

EUR 468 million
revenue (+ 9,3%) (1)

78 stores

750-1.000 m²
average store area

7.000 food, 3.500 non-food
number of items

More than 1.700
employees in FTE

41 filling stations
of DATS 24

Tout simplement l'essentiel

colruyt.fr

(1) Financial year from 1/1/2017 to 31/12/2017

Colruyt France can look back with particular satisfaction on the last financial year: the neighbourhood supermarket achieved a revenue increase of over 9%. This includes the DATS 24 revenue. The strong revenue increase is an outstanding achievement in the highly promotion-driven French market. During the last financial year, this market was still affected by a slightly deflationary climate, despite early indications of an inflation effect in the second semester.

The success is due to a variety of factors. Existing stores gained in maturity and brand familiarity and saw a steady increase in customer numbers. The further rollout of the new store concept also had an impact. At the same time, the shopping basket remained stable. Customers opted for significantly more fresh products, such as vegetables, fruit and meat. Despite falling meat consumption in France, the butcher shop remains a prime focus.
In addition, the retailer has noticed an economic revival following the election of President Macron, with a positive impact on consumer confidence. The French government is also working on measures to guarantee a fair price for all partners in the chain, thus putting an end to the price war.

DATS 24 opened two new filling stations and saw its sold volumes and profitability rise once again. The filling stations therefore made a positive contribution to group results.

Four new stores

In 2017, Colruyt opened four new stores, in Laneuveville, Sens, Saint-Aubin and Saint-Just-de-Claix. This brings the total to 78 stores as at 31 December 2017. All four stores were also given a Collect&Go collection point. Eight branches were refurbished in line with the new store concept. This brings the total number of refurbished stores to 24 at the end of 2017. Colruyt intends to continue to grow steadily and to open new stores in 2018. It will maintain this rate of growth in 2019.

Opening hours extended

As of this financial year, the French Colruyt stores are open every day between 8h30 and 19h30 and on Sundays until 12h30. The opening hours of the Collect&Go collection points have also been extended. From Monday to Saturday, customers can go there between 10h and 19h15. Colruyt feels that in this way it can fulfil its role as a complete supermarket even better, at any time of the day.

"Fresh products remain a prime focus

'Tout simplement l'essentiel'

During the last financial year, Colruyt concentrated heavily on its brand awareness in France. A strong marketing campaign put new and existing stores in the spotlight. The campaign focuses on what makes Colruyt stand out from its competitors: its pricing policy, the choice of fresh products and proximity. The baseline 'Tout simplement l'essentiel' is its main asset. Customers find everything they need for their weekly shop under one roof, but without being overloaded with choice.

To inspire customers even more, the retailer continued to expand and add to its range this financial year. For example, French Colruyt stores now also offer fresh fish, individually packaged for customers. The quality range of fresh bread is another key focus. In shops without a traditional bakery, the retailer will install fully fledged 'points chauds'. Staff bake fresh bread and pastries there several times a day. The first 'point chaud' opened in 2017, followed by another fourteen in 2018.

Personalised butcher shop for customers

During the last financial year, Colruyt trialled a butcher shop with a larger self-service counter in three stores. The meat is still prepared and cut up by skilled staff on the spot. But instead of handing their order to the service counter, customers choose directly from individually packaged portions at the self-service counter. In this way, the retailer wants to ensure that its butcher shops match closely to customer requirements in this modern age. At the same time, Colruyt takes into account regional differences, for example between urban and rural areas. The aim is therefore to find the right formula for each store, to create a convenient shopping experience. If the results of the trial and customer responses are positive, Colruyt will fine-tune the formulas and then gradually roll them out.

More sustainable stores

Colruyt France opened two stores which use heat recovery this financial year. The heat generated by the refrigeration systems is used to heat the actual store space. This has a great impact on the branch's CO_2 emissions and environmental footprint. Colruyt intends to continue to optimise this technology and roll it out for every newbuild and refurbishment in the future. OKay also opened two neighbourhood supermarkets with heat recovery in Belgium this financial year. Read more about this on page 36.

__Dreamland__ has a wide and diverse range: from (outdoor) toys and gaming to school items and sports accessories, to books and children's bedrooms, plus seasonal ranges such as garden, carnival and Christmas. The __family and seasonal store__ inspires children from 0 to 14 years and their parents, family and friends and encourages them to play together and have fun.

Alongside a wide network of stores there is also a __highly developed webshop__. Customers con reserve online and collect their items at a collection point or opt for home delivery. The family and seasonal store guarantees the lowest price, both in the stores and in the webshop.

Dreamland's __online revenue__ is included in the retail activity where collection took place.

1994 acquisition of Droomland, renamed Dreamland in 2002

EUR 255 million combined Dreamland and Dreambaby revenue (+3,6%)

45 stores 43 in Belgium, 2 in France

1.600 m² average store area

65.000 number of items (stores and webshop)

More than 900 employees in FTE

You have more fun when you play

dreamland.be

Dreamland looks back with satisfaction on the previous financial year. In a particularly competitive market with a great deal of promotional pressure, the family and seasonal store met its objectives and achieved good growth, both offline and online. The shopping basket remained stable. As is traditional, the retailer saw its revenue peak in the periods around Easter, Saint Nicholas and the start of the school year. The excellent results during the end-of-year period surpassed expectations. Dreamland continued to focus strongly on its operating costs and efficiency this financial year.

Dreamland remains the market leader in toy selling and saw its market share grow in several segments. The gaming market remains strong, for example, mainly due to the rush for the Nintendo Switch. Thanks to the sunny weather in the spring of 2017, outdoor toys also did very well. LEGO and Playmobil remain mainstays. Collectables such as L.O.L., Hatchimals and Num Noms did particularly well.

Growing online market

The number of purchases via the webshop continued to rise this year and now accounts for more than one fifth of total revenue. Customers are increasingly choosing to collect their reservations made in the webshop at Dreamland or OKay, where they can check out quickly. At Dreamland, customers can also call upon the expertise of the staff and explore the rest of the range at the same time.

The toy market is under pressure globally from online sales. Nevertheless, Dreamland managed to grow its offline revenue slightly, thanks partly to seasonal effects and the opening of a new store. In its stores, the retailer prioritises experience, including really low prices and gadgets.

New store in Mol

In the autumn of 2017, Dreamland opened a new store in Mol, on a combisite with Dreambaby and Bio-Planet. The store layout in the new branch is designed to stimulate children's imagination as much as possible. The family and seasonal store has gone to great lengths in this respect. Even the checkouts, wrapping tables, doors and toilets are decked out in a fun way. Dreamland intends to extend this fun decor to the rest of the stores in future. The new store had an immediate positive impact on the figures, although the total revenue was also affected by the closure of the store in Eeklo and the temporary closure of the store in Marche-en-Famenne.

First pop-up store

For the first time, Dreamland opened a pop-up store, in Lokeren. From March to June 2018, customers found a selection of seasonal items, toys, gaming, comic books and outdoor toys there. They could also visit the temporary Collishop showroom in the same premises. Since Dreamland does not yet have a store in the Lokeren area, it views this kind of pop-up concept as an opportunity and a useful test.

Updated range

Last financial year, Dreamland took a further step as a 'family and seasonal store'. The retailer is opting more than ever to expand its target group: not just children and teenagers, but adults as well. Above all, this is apparent in the range. For example, Dreamland is focussing increasingly on fun, new and trendy items. From cheesy Christmas jumpers to squishies and Star Wars merchandise to original party games. The family and seasonal store now also offers games, books, multimedia, gifts and a garden range aimed at adults.

Between the beginning of January and the end of March, Dreamland converted all of its stores to highlight the new ranges as much as possible. In just a week, each store was given a gift zone, a football zone and a large seasonal space, for example. The first effects of the conversion on sales already made themselves felt by the end of the financial year. The conversion also took place on schedule and within budget. The impact on revenue and sales during the works was minimal.

Board games under own house brand

Dreamland added a new category to its own range of toys: board games. In September 2017, the toy specialist launched fifteen new items on the market under the house brand Dreamland. These are mainly own versions of classics for which the patents have expired. Through competitive prices, Dreamland wants to make the board games accessible to every family.

Offering inspiration on social media

Dreamland offers inspiration tailored to its various target groups via social media such as Facebook, Instagram and YouTube. For example, the family and seasonal store creates plenty of interaction through competitions. The photo competition for classes during young book week, for example, generated a real buzz. Dreamland also organised a special LEGO Ninjago promotion in the spring of 2018. Hugely popular vlogger Dylan Haegens invited children via YouTube to come and film their best tricks in Dreamland stores.

Newstory: updated second-hand formula

Shortly after the end of this financial year, Colruyt Group launched online platform Newstory. The second-hand formula grew out of the former Dreambaby Tweedehands webshop and guarantees customers the same service, but now across a broader range. Newstory comprises a webshop and two donation and collection points in Lochristi and Wilrijk. Besides typical investment items for babies such as car seats, Newstory will also offer children's bicycles and larger toys. Under the slogan 'First class Second-hand' it offers customers a fast, reliable and convenient alternative to existing second-hand platforms. In 2017, around three thousand items changed hands via Dreambaby Tweedehands, or 80% of the offer in the webshop.

Continued focus on STEM toys

This financial year, Dreamland continued to focus on STEM toys. STEM stands for Science, Technology, Engineering & Mathematics and aims to stimulate children's interest in those areas. Following a successful trial, the toys are now available in all branches. Dreamland has expanded its STEM range further, for example with robots that children can build and program themselves.

Dreamland also organises science-themed workshops and birthday parties for children in conjunction with Colruyt Group Academy. These constantly change theme and are a great success. Read more about this on page 92.

Saint Nicholas brings toys for 7.090 underprivileged children

For the sixth year in a row, Dreamland organised a collection campaign under the motto 'Dreamland seeks toy savers'. Children could bring old but still usable toys to any branch during November. The collected toys were carefully sorted by a sheltered workshop and then sent to 24 organisations which in turn helped make 7.090 underprivileged children happy.

ColliShop

Collishop *differentiates itself as a webshop by its physical presence: the webshop has an extensive network of* ***quality service points*** *where customers collect their reservations and obtain advice from expert employees. In addition, Collishop continuously monitors the prices and promotions of competitors. Reservations are not only made online. Customers can also reserve in the store in Sint-Pieters-Leeuw, at the Collishop meeting point in a Colruyt store, or by telephone. Most customers collect their reservations from a Colruyt, OKay or Dreamland store. A proportion chooses home delivery. There are also temporary showrooms with seasonal ranges.*

Collishop Professional *is the B2B arm of Collishop and is specifically aimed at companies and organisations which want to offer their customers, employees or partners extra benefits.*

The ***online revenue*** *of Collishop and Collishop Professional is included in the retail activity where collection took place.*

° 1983

413 collection points in Colruyt, OKay and Dreamland stores

1 store in Sint-Pieters-Leeuw

24.000 non-food items spread across 12 categories

More than 80 employees in FTE

Choosing made easy

collishop.be

Collishop looks back with satisfaction on the last financial year. In a fast-growing and promotion-driven market with stiff international competition, the webshop managed to keep up with market trends and generate double-figure growth in revenue. This revenue growth was well supported by online marketing, image campaigns and smart investments in the website. Collishop did particularly well in November, peaking on Black Friday. The spring and summer of 2017 also saw pleasing revenue. Collishop remains the largest Belgian e-commerce platform.

Customers discover the Patio and Garden range in the pop-up in Harelbeke.

Seeking customers with pop-ups and outlet

In the spring of 2018, Collishop opened temporary pop-up stores for the fifth year in a row. In Waterloo, Harelbeke, Lokeren and Gerpinnes, customers could discover and order garden furniture and sets from March to June. Visitors could count on attractive offers and expert advice. As a 'webshop with a face' Collishop gives its customers the opportunity to try out investment items first. This helps them make a considered choice.

Collishop also opened a successful outlet store in Aartselaar together with Dreambaby and Dreamland. From August to December, customers could find thousands of products with discounts of up to 50%. Collishop mainly sells items for the patio and garden, storage solutions and tableware there. The outlet store was also the first major public collaboration between the three non-food store formulas.

National sleep survey

Collishop commissioned a national sleep survey in conjunction with Antwerp University Hospital. The sleep expert surveyed 2.000 Belgians about their sleeping habits in 2017. The survey revealed, for example, that 44% were not satisfied with their sleep and that one in ten couples sleeps in separate bedrooms. Collishop shares all of these insights on its website and uses it to give customers tips for a better night's rest. The webshop will continue to focus on sleep next year.

__Dreambaby__ helps future and new mothers and fathers get off to a good start as parents. The baby specialist differentiates itself with its personal guidance and tailor-made advice. Dreambaby offers a complete and quality range at competitive prices for infants from 0 to 24 months. The __Dreambee__ house brand is a great asset here.

__Birth lists__ are a prime focus. Customers can compose and manage them __both online and in the store__. They collect the chosen items from their Dreambaby store, from Colruyt, Dreamland or OKay, or have them delivered to their home. Family and friends can also order items in the stores and from home.

Dreambaby's __online revenue__ is included in the retail activity where collection took place.

° **2001**

EUR 255 million
combined Dreamland and Dreambaby revenue (+ 3,6%)

26 stores

600 m²
average store area

8.000
number of items (stores and webshop)

More than 250
employees in FTE

dreambaby.be

dreambaby

Dreambaby looks back on a successful financial year, in line with its own forecasts. The baby specialist achieved a good revenue increase, both in the stores and in the webshop, and kept operating costs under control. The number of customers and the average till receipt continue to rise. The baby specialist finds that the majority of customers do some research online before buying.

The baby supplies market remains highly competitive, particularly online. At the same time, this financial year the birth rate fell slightly. As a result, the baby specialist will focus primarily on the Antwerp-Brussels-Ghent triangle for the next few years. The birth rate is still rising in this region, despite the general falling trend in Belgium.

Two new baby stores

Dreambaby opened two new branches this financial year, in Charleroi and Mol. This brings the total number of stores to 26. Both baby stores exceeded expectations from the start. The store in Mol shares a combisite with Bio-Planet and Dreamland. In Charleroi, Dreambaby opted for synergy with Bio-Planet. With different store formulas on the same site, Colruyt Group meets different customer requirements and the group can also operate more efficiently.

Dreambaby aims to grow further in the coming years. Next financial year two store openings are planned, in Dilbeek and Drogenbos. The baby specialist sees potential for around 35 stores.

Bigger target group

Last financial year, Dreambaby worked hard behind the scenes on its updated brand identity. The baby specialist is expanding its primary target group: from women who are three months pregnant to parents whose (youngest) child is about to start nursery. Among other ways, this will be apparent to customers in Dreambaby's marketing communication and its range. For example, Dreambaby now offers its range of maternity wear in even more stores. All large stores now stock an extensive collection.

Own distribution centre

In late summer 2018, Dreambaby's first distribution centre of its own in Halle will go into service. This means that the baby specialist can organise the entire supply chain based on its specific requirements and meet customer requirements as fully as possible.

"In its stores and communication, Dreambaby prioritises inspiration, experience and warmth

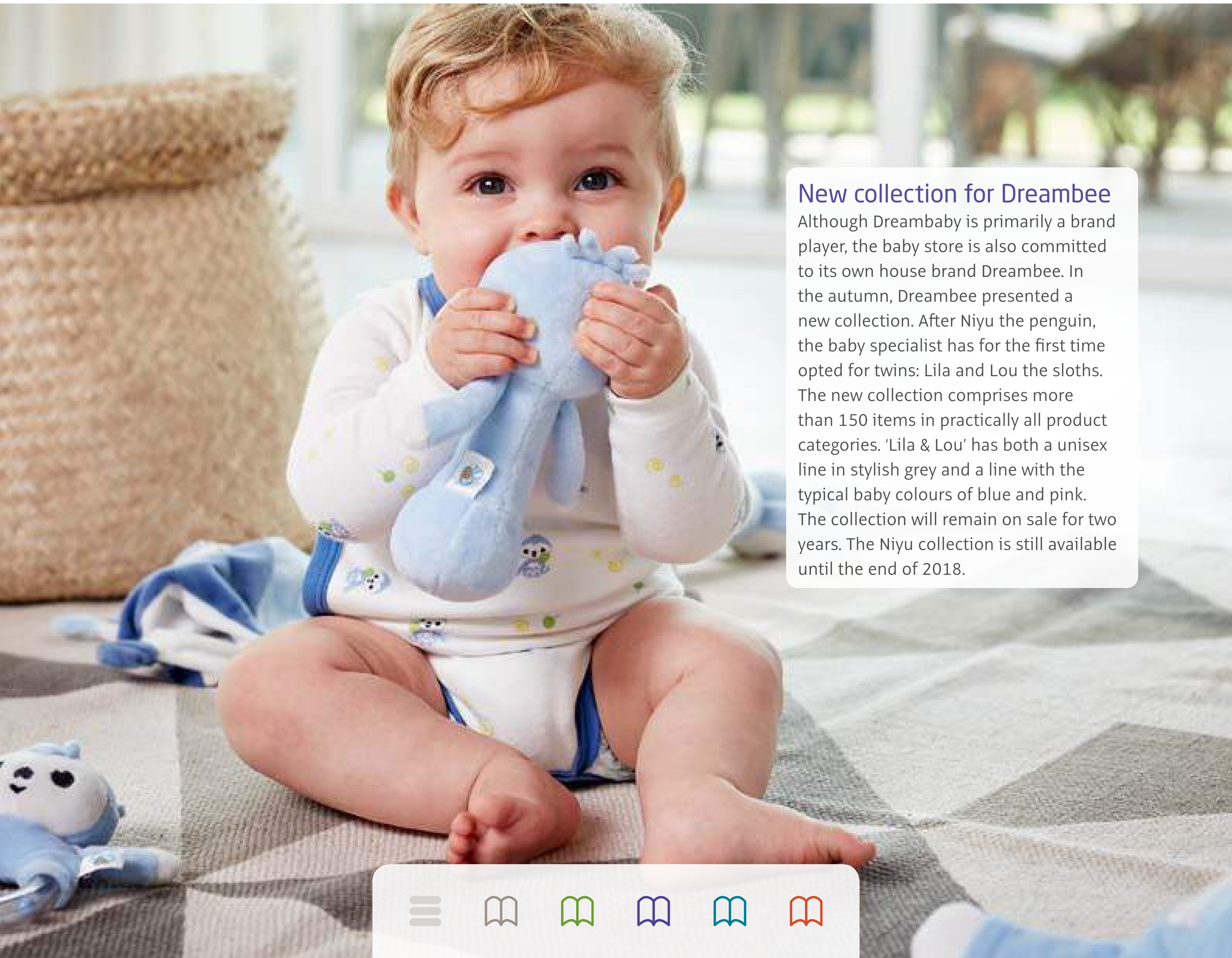
Strong focus on experience

Following a successful trial at the baby store in Beveren, Dreambaby has perfected its updated store concept and rolled it out in the new stores in Charleroi and Mol. The new store concept focuses on experience and primarily radiates even more warmth and inspiration. Dreambaby also adjusted the orientation of the shelves and the position of the various ranges. The bedroom department has been given a new look: bedroom arrangements inspire customers and display the range in an attractive way. The new concept will be extended to all new stores.

Dreambaby prioritises inspiration, experience and warmth in its redesigned catalogue. Large photos, clear product info and inspiring articles help young parents in their choices. In addition, customers now receive a booklet of targeted marketing actions in the post four times a year.

Best retailer in Baby & Child category

In September, Dreambaby won the award for 'Qrf Best Retail Chain in Belgium' in the Baby & Child category. Over 187.000 consumers rated more than seventy retailers. Dreamland was also among the prizewinners in the Toy category, as a store and a webshop. Colruyt won in the Supermarket category and was crowned Retailer of the Year across all channels.



New collection for Dreambee

Although Dreambaby is primarily a brand player, the baby store is also committed to its own house brand Dreambee. In the autumn, Dreambee presented a new collection. After Niyu the penguin, the baby specialist has for the first time opted for twins: Lila and Lou the sloths. The new collection comprises more than 150 items in practically all product categories. 'Lila & Lou' has both a unisex line in stylish grey and a line with the typical baby colours of blue and pink. The collection will remain on sale for two years. The Niyu collection is still available until the end of 2018.

Colruyt Group Fine Food

Fine Food Meat
The meat-processing company cuts up, processes and packages poultry, beef, veal, and pork and also takes care of salads, ready-made dishes and vegetarian products. Fine Food Meat has more than 850 employees, 200 of whom are qualified butchers.

Fine Food Wine
The wine department purchases, blends and bottles 120 wines from across the world. The 25 employees produce 14 million bottles and 4 million party boxes every year. 1 in 4 bottles of wine purchased in Belgium is from Colruyt Group.

Fine Food Cheese
The largest cheese-processing production department in Belgium has 100 employees. They remove the rind, process and package around 75 types of hard and semi-hard cheese, totalling 165 items. The twenty employees in France process and package 150 types of soft cheese.

Fine Food Coffee
The only coffee roaster in Belgian distribution roasts, blends and packages around fifty types of coffee. Each year the 25 employees roast 7.400 tonnes of coffee in Ghislenghien.

Fine Food Bread
Roecol is the bakery of Colruyt Group and Roelandt bakery. Each party has a 50% stake in the joint venture. On two production lines, forty employees produce up to 7.000 loaves per hour, abiding by the tradition of a long proving time.

As the only retailer in Belgium Colruyt Group has its own production departments, which are grouped within Colruyt Group Fine Food. Through this craftsmanship the group can operate more efficiently, save costs, guarantee quality and create added value for its customers.

Colruyt Group Fine Food continues to grow. The production volumes are constantly rising, despite the downward trend nationally for sales of bread, meat and wine. Thanks to the additional meat-processing site in Halle, which started production during the previous financial year, Fine Food Meat even managed to increase its capacity to 14.000 tonnes of meat per year. However, Fine Food also takes into account changing eating patterns. For example, behind the scenes, it is busy researching alternative proteins and certified organic meat.

Reorganisation of Fine Food Meat production site

During the last financial year, Fine Food improved the infrastructure of the existing Fine Food Meat 1 site in Halle. The production site was given a technical uplift and reorganised. The production lines and flows were also reviewed and partially relocated to the new buildings of Fine Food Meat 2. The aim: to make the processing of fresh meat even more efficient and high quality, with an extensive focus on automation and ergonomics.

Gluten-free cold meat products

As of the end of this financial year, Fine Food Meat also produces certified gluten-free cold meat products for house brand Boni Selection. This comprises twelve existing products which contain no gluten and, following adjustments to factors such as the production sequence, are guaranteed gluten-free. They therefore also carry the official logo. The cold meat products are now on the shelves of Colruyt and OKay, which are therefore responding to the growing demand for gluten-free food. Fine Food Meat is exploring which other products will eventually be able to bear the official logo.

"Fine Food intends to continue to focus on Belgian meat and sustainable partnerships with its suppliers and the relevant inspection bodies.

Bread range extended

Despite the general downward trend for Belgian bread sales, Fine Food Bread's range is doing very well. Sold volumes continue to rise slightly at Colruyt and OKay. This year, therefore, the bakery added three new loaves to its range: sunflower loaf, speckled loaf and walnut and raisin loaf.

99% certified coffee

Colruyt Group Fine Food Coffee continues to deliberately choose sustainably produced coffee beans and increasingly purchases beans with a sustainability certificate. At the beginning of 2018, 99% of the coffee beans processed bore an official quality mark for sustainable agriculture and fair trade. This milestone was preceded by an intensive five-year journey. In 2015 only 1,6% of coffee beans were certified.

New coffee range for Spar

As of this financial year, the coffee roasting house in Ghislenghien makes 26 new coffee products for the Spar house brand. These new products include pods, capsules and filter coffee. Fine Food Coffee has also created a unique coffee blend using beans from Colombia and Burundi. This is on sale exclusively at Spar Colruyt Group stores. Read more about this on page 73.

Focus on animal welfare

During the last financial year, Fine Food Meat was faced with repeated scandals in slaughterhouses and on farms. In the meantime, the meat-processing company called for extra controls itself. As a result, in the autumn of 2017, the 25 Belgian slaughterhouses with which the company works, put additional measures in place. Read more about this on page 33. Stefan Goethaert, Colruyt Group Fine Food Manager, explains why: "We believe that it is important to take control of certain aspects of the meat chain ourselves as far as possible. So that we can oversee every link. As Fine Food Meat systematically increases its production volumes, it can guarantee quality, food safety and animal welfare more and more strongly." Fine Food Meat therefore intends to continue to focus on Belgian meat and sustainable partnerships with its suppliers and the relevant inspection bodies.

Participations

__ZEB__ was founded in 1993 and is the main __multibrand chain for ladies' and men's fashion__ in Belgium. ZEB offers more than seventy brands in 66 stores with an area of 800 to 1.200 m². The chain also has a successful __webshop at zeb.be__.

Walloon franchise concept __PointCarré__ was established in 1995 and now has 29 stores in Belgium and France. Along with ZEB, it is the largest __multibrand chain__ in the Belgian market. PointCarré offers clothes from some forty brands for women, men and children.

__The Fashion Store__ has existed since 2006 and has nine stores in Flanders, one of which under the name of Ziffiks. The __multibrand chain__ offers over a hundred fashion brands for men and women.

__For Stars__ is a __multibrand store for children__ in Hasselt. In an area of over 1.200 m², children aged from 2 to 16 will find clothes, accessories and shoes from more than a hundred brands there. Customers can then order everything conveniently online in the __webshop__.

The __MyUnderwear24__ webshop was formed in 2010 and sells a broad range of __underwear and nightwear__ from top brands at competitive prices.

The __Newpharma__ webshop is the largest Belgian online provider of __parapharmaceutical and over-the-counter products__ at affordable prices.

Colruyt Group has a direct participation of **68%** in Belgian clothing group ZEB, one of **50%** in online underwear store MyUnderwear24 and one of **26%** in online pharmacy Newpharma. These participations fit in with the ambition of the group to respond to consumers' needs at all stages of their lives with suitable retail formulas.

Minority interest in Newpharma

At the end of 2017, Colruyt Group acquired a minority interest of 26% in online pharmacy Newpharma. The investment fits in with the group's ambition to respond to consumers' needs at all stages of their lives with suitable online and offline retail concepts. Korys, the Colruyt family's investment holding company, became the principal shareholder of Newpharma (39%). The current management retains a participation of 35%.

The participation in Newpharma is in keeping with Colruyt Group's long-term strategy: the online retailer has a clear future vision, a sustainable strategy and strong management. The online pharmacy also has substantial expertise in e-commerce, especially with regard to IT, logistics and marketing. In this way, Colruyt Group can boost its own logistical and operational competencies with the experience of Newpharma.

In the coming years, Newpharma intends to further strengthen its position in its core markets of Belgium and France and also expand its presence in other European markets.

MyUnderwear24 — SOUS-VÊTEMENTS ET PLUS —

MyUnderwear24 wants to keep growing

In the coming financial year, MyUnderwear24 will concentrate primarily on continued growth and acquiring customers. The webshop does this in several ways: from personalised mailings to a user-friendly website and optimal stock management. MyUnderwear24 also has its sights set on the Netherlands and France.

ZEB MULTI-BRAND FASHION STORE

PointCarré

THE FASHION STORE

FOR STARS

Successful financial year for ZEB and PointCarré

Once again, ZEB can report pleasing figures after a good financial year. Despite the challenges in the fashion market, the multibrand chain is holding its own. Both the summer and winter collections did very well, offline and online. The combination of personalised marketing communication and partnerships with Belgian designers is clearly working and distinguishes ZEB from its competitors. The webshop is also doing well and growing year on year.

During the last financial year, ZEB opened four new stores: in Anderlues, Borsbeek, Arlon and Zoersel. This brings the total to 66 stores. The multibrand chain also extended the store in Merchtem and refurbished the stores in Zottegem and Wevelgem. ZEB Westerlo relocated to new premises. PointCarré also expanded: the chain opened new stores in Dinant and Hautrage, bringing the number of stores to 29. The branches in Waremme, Barchon, Beaufays and Huy underwent a remodelling. More store openings are planned for the next financial year.

Investing in digital touchpoints

During the last financial year, ZEB invested heavily in technological innovation to prepare its stores and webshop for the digital future. Large screens were installed in all stores on which customers can immediately order a missing size or colour in the webshop. The switch to RFID (radio-frequency identification) tags, means that staff can easily update the stock and makes the checkout process much faster. In December 2017, ZEB also launched a new website which makes online shopping even more user-friendly. Finally, the retailer has installed digital signage and self-service checkouts in several stores.

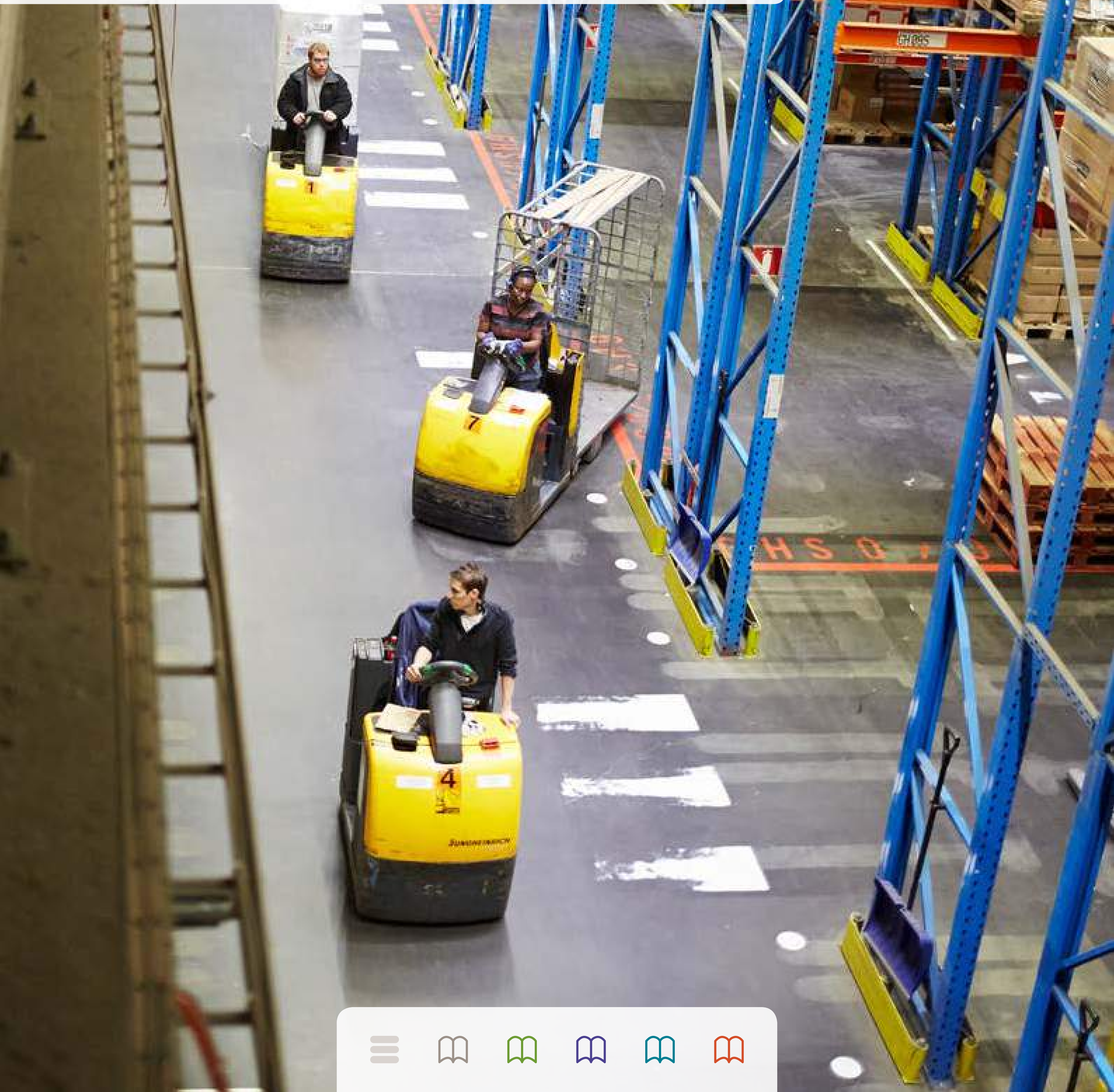
ZEB acquires The Fashion Store and For Stars

Just before the end of the financial year, the holding company behind multibrand chain ZEB (Fraluc NV) acquired 58% of the shares of The Fashion Store. The chain was formed in 2006 and now has nine stores in Flanders. The day-to-day management remains in the hands of the current management. In October 2017, Fraluc NV also acquired 75% of the shares of For Stars, a branded clothing store for children in Hasselt.

Through the two acquisitions, amongst other aims, ZEB wants to reach new target groups: an active but mature audience with The Fashion Store and children aged 2 to 16 with For Stars. The goal: to be present throughout the country, with sufficient diversity in terms of age and target group. In addition, the group hopes to be able to perform better against the major international players. “The fashion world is a hyper-competitive world with lots of global players which we have to tackle as a local chain. Joining forces and creating economies of scale is essential in order to remain future-proof”, commented CEO Luc Van Mol.

WHOLESALE

This financial year the combined revenue of the wholesale activities was EUR 782 million (+ 1,4%). Wholesale comprises Retail Partners Colruyt Group in Belgium and Codifrance in France.



RETAIL PARTNERS COLRUYTGROUP

__Retail Partners Colruyt Group__ (RPCG) is the licensee of the Spar formula in Belgium and works closely with __215 Spar storekeepers__. Besides the entire logistical process, the organisation of independent storekeepers also determines the commercial policy, from marketing to sales support. RPCG also offers a __unique consultation model__ based on partnership. An elected delegation of storekeepers sits on consultative bodies and helps give direction to the range, commercial focus and future of Spar.

RPCG also supplies fresh products and groceries to __68 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. The Alvo members chart their own commercial course.

Finally, there is the supply of __112 independent retailers__, including __32 Mini Markets__. These are small self-service businesses in the F3 segment with an area of between 70 and 300 m². The stores determine their own pricing policies.

2014
Retail Partners Colruyt Group

215 Spar stores
68 Alvo stores
112 independent retailers
(including 32 Mini Markets)

More than 750
employees in FTE

retailpartnerscolruytgroup.be

Retail Partners Colruyt Group comprises all activities of Colruyt Group that relate to independent storekeepers in Belgium.

Retail Partners looks back on this financial year with particular satisfaction. Spar achieved excellent results and exceeded expectations, despite the competitive market. Spar did particularly well during the autumn and at the start of 2018. The shopping basket continues to rise and the number of customers is increasing year on year. Alvo performed in line with expectations. The margin of the Spar independent storekeepers and the independent retailers remained at the same high level as the previous financial year. Retail Partners also managed to keep its operating costs well under control.

Modernising the distribution centres

To optimise the logistics chain, Retail Partners Colruyt Group invested in the modernisation of its distribution centres. For example, the storage areas for fresh products and processing of empties were extended. RPCG also improved the automatic systems for empties and for potatoes, fruit and vegetables. This enables the organisation of independent storekeepers to further improve its efficiency and the service to storekeepers. The entire operation will be completed by the autumn of 2018.

Opportunities for prospective independent storekeepers

Retail Partners constantly offers opportunities for motivated prospective independent storekeepers. The organisation of independent storekeepers continues to open new stores and also seeks successors for retiring storekeepers. Potential independent storekeepers can count on thorough training and maximum support from RPCG.

Clean-up action in Mechelen

In September, for the first time, Retail Partners Colruyt Group organised a major litter-picking campaign on the Mechelen-Zuid business park. Together with several other companies, the organisation of independent storekeepers thoroughly cleaned up the area around the head office. Through the clean-up action, RPCG aims to reinforce its social engagement, while making a tangible contribution to Colruyt Group's broader action plan 'Together for less litter'. Read more about the litter campaign on page 35.

In the spring and autumn, RPCG organises inspiration fairs for its independent storekeepers at which the new ranges are presented.

*The **Spar stores** differentiate themselves with their **personal service**. In addition to the competitive prices, the quality Spar house brand and the focus on fresh products, it is the **independent storekeepers** in particular that make the difference. Their craftsmanship and love of delicious food make their stores unique in the neighbourhood.*

*Spar was founded in the Netherlands in 1932 as the first **cooperative of independent retailers**. With more than 12.700 member stores in 48 countries, Spar is the retail organisation with the largest number of stores in the world. Worldwide Spar serves more than 13,5 million customers every day. The cumulative annual revenue is more than EUR 34 billion. **Spar International** supports the national organisations from a central office in Amsterdam.*

- **2014** Retail Partners Colruyt Group
- **2003** Spar Retail, licensee of the Spar formula in Belgium
- **1932** De Spar, the current Spar International

215 stores

350-1.800 m² average store area

mijnspar.be

Three new Spar stores

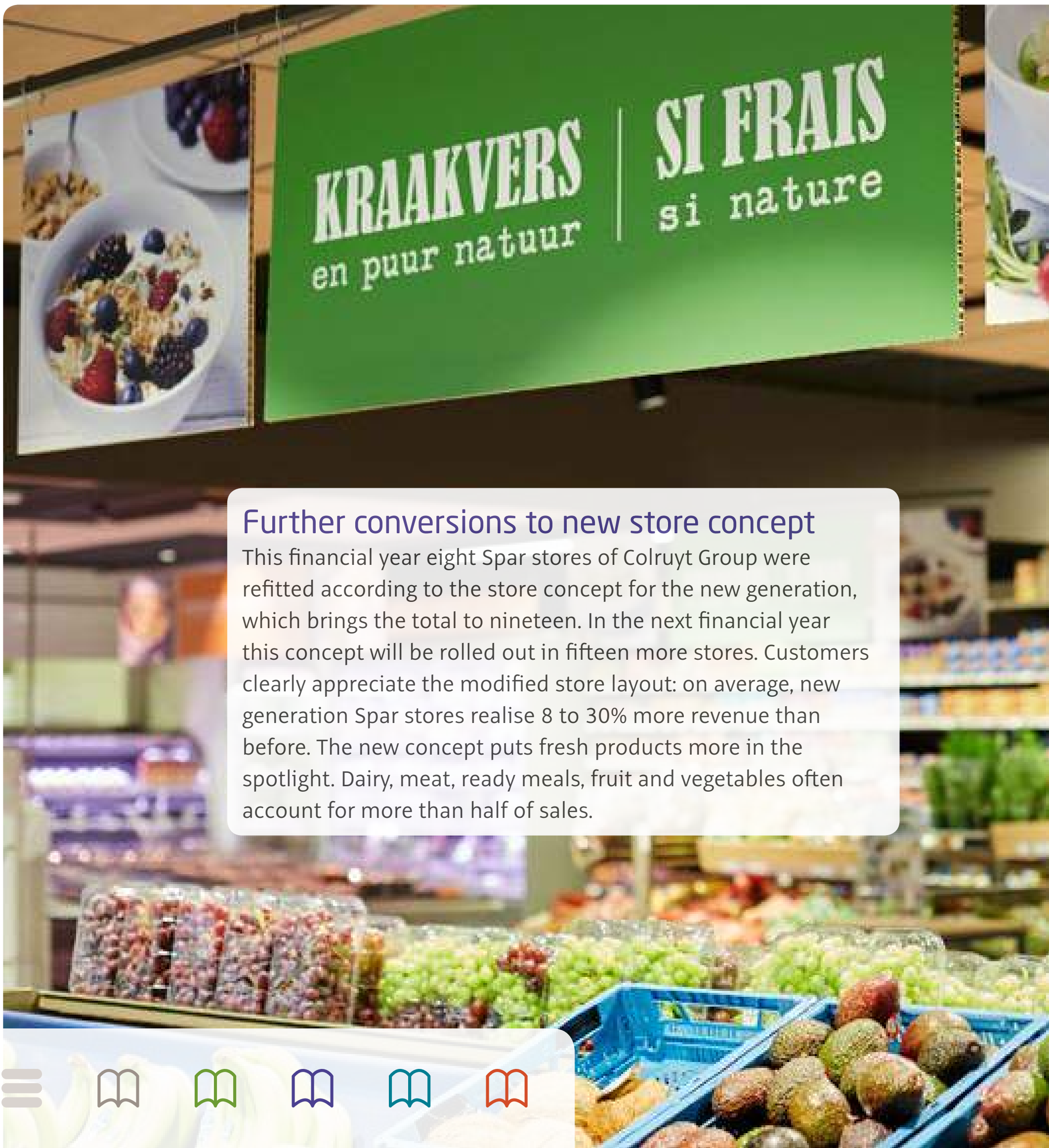
This financial year three new Spar stores opened their doors. One supermarket left the Spar formula, but remained a wholesale customer. Two stores closed permanently. Five storekeepers had their stores enlarged. This brings the total at the end of March 2018 to 215 Spar stores. Six new Spar stores are planned for the next financial year.

Sunday opening remains a strong asset of Spar Colruyt Group. Other key aspects include the large range of fresh products, proximity and personal contact with the independent storekeeper and their staff.

Switch to Spar Colruyt Group

At the end of the financial year, 158 Spar neighbourhood supermarkets displayed the modified facade presentation with the Colruyt Group logo. That is about three quarters of stores. The banner shows that the Spar independent storekeeper has gone through the entire 'Value-Driven Customer-Oriented Partnership' programme of the Spar storekeepers and Retail Partners.

The stores that are converted to 'Spar Colruyt Group' realise a higher revenue per m² on average and attract extra customers. The shopping basket also rises.



Further conversions to new store concept

This financial year eight Spar stores of Colruyt Group were refitted according to the store concept for the new generation, which brings the total to nineteen. In the next financial year this concept will be rolled out in fifteen more stores. Customers clearly appreciate the modified store layout: on average, new generation Spar stores realise 8 to 30% more revenue than before. The new concept puts fresh products more in the spotlight. Dairy, meat, ready meals, fruit and vegetables often account for more than half of sales.

In the coming years, RPCG wants to modify the maximum number of stores to Spar Colruyt Group.

Successful marketing campaigns

Once again this financial year, Spar focussed on its brand awareness. During the end-of-year period, it conducted a successful campaign and the wine promotion in March did particularly well. Spar deliberately follows a 360° marketing approach and has stepped this up during the last year. The retailer relies on both traditional offline channels such as leaflets, newspapers and magazines, and online advertising and social media.

Updated coffee range

Spar has totally updated and expanded its coffee range. The thirteen existing items under the Spar own brand have been given a fresh look and 26 new products are on the shelves since February. These new products include pods, capsules and filter coffee. Spar has also added some single origin coffees to the range, including a unique coffee blend using beans from Colombia and Burundi. In both countries, Colruyt Group is helping local coffee growers set up a sustainable and efficient production chain. Collibri Foundation supports training projects for young people there as well. Read more about our company fund on page 31.

All Spar house brand coffees are roasted at Fine Food Coffee's coffee roasting house in Ghislenghien. As far as possible, Spar chooses certified coffee beans, with an official quality mark for sustainable agriculture and fair trade. Read more about Fine Food Coffee and the preference for more sustainable coffee beans on page 67.

Workshops and training courses for Spar storekeepers

In the spring and autumn, all independent storekeepers of RPCG are welcomed at a grand inspiration fair. There, the focus lies on fresh products. Retail Partners presents the new ranges there and organises many workshops and inspiration sessions. The storekeepers attending can then inspire and inform their customers in turn. The organisation of independent storekeepers intends to continue to develop this winning formula in the coming years.

In addition to inspiration sessions and the individual training programme for each prospective independent storekeeper, Retail Partners also develops other bespoke training courses for Spar. For example, it launched training courses on leadership and communication and also plans a practical course on Excel. Colruyt Group Academy offers support where necessary. Many training courses also take place in one of the nine Academies. Read more about Colruyt Group Academy on page 93.

Successful launch of XTRA

The introduction of the Xtra card at Spar went very smoothly. Since Spar did not yet have its own loyalty card, the independent storekeepers played a big role in this: they strongly encouraged their customers to use Xtra. As a result, by the end of the financial year, Spar had achieved the target set of 60% recognition. The insights gained by Retail Partners Colruyt Group thanks to Xtra allow them to meet customer requirements even better, in every store.

__Codifrance__ supplies the affiliated independent stores of Coccinelle, Coccimarket and Panier Sympa in France. These 'superettes' of the F4 segment are located in town or village centres and are aimed at customers who want to do daily shopping. Codifrance is responsible for the delivery of __dry and fresh food and frozen products__. In addition, the independent retailers are supported in the area of marketing, communications, range and pricing. Fresh products, drinks, fruit and vegetables form the bulk of the offering of Coccinelle, Coccimarket and Panier Sympa. In addition to national brands there are also __house and discount brands__.

Codifrance works on the development and expansion of the house brands together with the central purchasing organisation, Francap. Codifrance also ensures the supply of over __1.600 independent retailers__.

- **2003** Panier Sympa
- **1996** Coccinelle and Coccimarket

298 affiliated stores of Panier Sympa, Coccimarket and Coccinelle

1.605 independent retailers

100-400 m² average store area

Three quarters of France

More than 200 employees in FTE

codifrance.fr

Financial year from 1/1/2017 to 31/12/2017

Codifrance saw its revenue increase slightly this financial year. This is an impressive achievement, since the company decided to end its partnership with a major wholesaler to which it not only supplied products, but had also given permission to manage ninety Panier Sympa stores. Despite this, over the same period, Codifrance managed to increase its revenue and open 42 new stores under the Panier Sympa, Coccimarket and Coccinelle brands.

Sustainable partnership

Codifrance has always aimed for close partnerships in the long term. In the interests of both parties, Codifrance therefore carefully screens the solvency, professional knowledge and sense of entrepreneurship of future independent operators. The organisation of independent storekeepers monitors whether customers respect the store concept, the hygiene regulations and customer-friendliness in their own stores.

Codifrance also closely monitors whether customers pay their bills promptly. It follows a strict procedure for this. By adopting this rigorous approach on all levels, Codifrance wants to ensure a higher and higher quality group of stores which contributes to a positive brand image throughout France.

Expansion and sustainable growth

In the coming years, Codifrance wants to continue to expand and thus drive up revenue and profitability. In addition, Codifrance wants to increase its brand awareness and become the reference for neighbourhood stores throughout France. To this end, this financial year, the organisation of independent storekeepers has developed a new strategic plan which puts the aims for the next few years into focus.

FOODSERVICE

This financial year the combined revenue of the foodservice activity was EUR 145 million (+2,1%). Foodservice comprises Solucious and the export activity Colex.

Solucious
a taste for solutions

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

*Solucious offers **national brands**, and with Econom and Culino has **two house brands** for professional kitchens. There is also a sophisticated range of products which meets special requirements such as fairtrade and organic as well as particular requirements such as low sugar, gluten or lactose-free. 75% of customers order online.*

2013
merger between Foodinvest and Collivery

25.000
customers (social catering, SMEs, hospitality sector)

Throughout Belgium

10.000
number of items (dry, fresh and frozen)

3 distribution centres
6 hubs
109 trucks and delivery vans

More than 400
employees in FTE

A taste for solutions

solucious.be

In a strongly consolidating and competitive market, Solucious is once again able to present good revenue growth. Revenue continued to increase faster than the market. This financial year, Solucious also managed to attract many new customers, mainly from the fast-growing segments of hospitality and social catering. The foodservice company finds that those customers in particular are opting for supply instead of cash & carry. The B2B segment remained stable. Solucious' success and further growth largely depend on the recruitment of customer-friendly and competent delivery staff.

Offer geared more to the hospitality sector

In addition to its strong position in large kitchens and with companies, Solucious also sees a major growth market in the hospitality sector. It is therefore increasingly gearing its offer to this specific target group. For example, as of this financial year, the foodservice company also offers fresh meat, a larger selection of fresh and dried herbs and a wider range of frozen goods. During the coming financial year, Solucious also intends to continue to focus on a full offer of food and near-food, for both Econom and Culino. Without overloading customers with choice.

A year after the launch, the house brand Culino continues to grow steadily. It now comprises around 110 items in eleven categories: cold meats, conserves, bread, fish, potato croquettes, ice cream, cold sauces, nuts and dried fruits, cream, dairy and roux, fonds, bouillons and hot sauces. Culino is aimed exclusively at professional chefs and stands for quality, convenience, sustainability and inspiration.

Continuing to invest in digital touchpoints

Solucious wants to make the ordering process easier for its customers, from end to end. For this reason, the foodservice company has invested heavily in various digital touchpoints this financial year. The new website makes it possible to place orders using a smartphone or tablet. It is also easier for customers to find the right products, thanks to clearer navigation, a user-friendly search function and precise product information. Solucious is also working on digital invoicing, online empties processing and an app that customers can use to communicate instantly with delivery staff about the expected time of delivery and possible returns, for example.

Success of prepared meals

Since 2016, Solucious has also offered ready-made meals for day nurseries. From next financial year, it intends to expand this service to schools. The foodservice company offers many advantages in this area. For example, the meals are chilled instead of frozen. The various components are packed in a protective atmosphere, so that one delivery a week is sufficient. Solucious also guarantees varied, quality seasonal menus which can be prepared quickly. Customers can easily order everything online and receive support from Solucious around allergies and the correct infrastructure.

Workshops and coaching for customers

This financial year, many customers took part in workshops on food safety and changes in the law affecting professional kitchens. Solucious also organised practical sessions on lactose or sugar-free cooking. For this, it relies on the expertise, facilities and sometimes also the teachers of Colruyt Group Academy. Since the launch of the workshops, customers have completed around 3.000 hours of training. In this way, Solucious increasingly supports its customers so that they can handle the work in their kitchens more easily and efficiently.

Planning tool makes transport more efficient

A powerful tool makes that Solucious can now organise its transportation more efficiently. The new way of planning means that delivery staff travel in fewer vehicles and cover fewer kilometres. As a result, the foodservice company can deliver the same number of orders with 10 to 20% fewer journeys. This makes the deliveries more efficient and more sustainable.

COLEX
You order.
We make sure.

Colex *(Colruyt Export), the export department of Colruyt Group, delivers retail products by container or by air* ***all over the world****. Own brands, the unique total service and support with the marketing of products are Colex's greatest assets. The largest customers are retailers, wholesalers and supermarkets in Africa.*

Colex has a broad and deep 'three temperature' range: dry goods, fresh products and frozen food. Customers can choose from a wide range from ***house brands Boni Selection, Everyday, Graindor and Econom****.*

The export department has a prominent presence at ***international fairs*** *and uses them as an opportunity for meeting prospects, customers and suppliers, assessing market requirements and considering potential collaborations.*

Colex's revenue is included in the foodservice activity.

1995

400
active customers

5.000
retail products

65
countries

More than 20
employees in FTE

Bringing first class products to the world

colex-export.com

The Colex employees prepare all orders in the Bornem distribution centre, before they are delivered by air or ship.

Despite the highly volatile market Colex still manages to maintain its revenue. This financial year Colruyt Export attracted forty new customers and maintained its strong position in Congo and the surrounding African countries. The export department generates over two thirds of its revenue in this region. China is also a major growth market. In order to prospect the local market, Colex has account managers in Rwanda and Congo.

As of 1 April 2018, Colex will be included under the retail activities. Colex's growing focus on the house brands Boni Selection and Everyday creates additional synergies with respect to the range. Partly due to its purchasing volumes, the export department is able to offer the group even better support in the negotiation of purchasing conditions.

House brands on online platforms

As of this financial year, the house brand Boni Selection is available throughout the Netherlands via online shopping service Stockon. Customers will find over four hundred Boni products in the range. The start-up Stockon is a direct-to-consumer platform on which producers offer their goods directly to consumers, without the intervention of a conventional retailer. Stockon delivers the shopping ordered to the home free of charge. Colex determines the range and pricing of the Boni products.

Colex is also exploring the possibilities of e-commerce platforms in China, alongside traditional retail channels.

Focus on house brands

Colex is focussing more and more strongly on Boni Selection and Everyday and has therefore reduced several other ranges. Colex will also support the two brands internationally, through targeted actions and marketing campaigns. As of the end of 2017, a large proportion of the packaging of Everyday also carries product information in English. This allows Colex to drill into new markets all over the world.

OTHER ACTIVITIES

Revenue from other activities amounted to EUR 690 million (+ 8,1%). Other activities comprise DATS 24, Eoly and the participations in offshore wind farms. Symeta's external revenue is also included in other activities. Read more about this on page 94.

DATS 24

*At **DATS 24** customers always fill up at **low prices** wherever they are. The Colruyt Group fuel specialist distinguishes itself with its **green and sustainable policy**. 50% of the stations are located next to one of the group's stores. Customers no longer have to drive several kilometres to find a filling station. At 58 stores, customers with electric vehicles can charge them with green electricity.*

*DATS 24 is the leading fuel supplier in Belgium for **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 vehicles, they emit 16% less CO_2, 76% less nitrogen oxides (NO_x) and 72% less fine particles. CNG cars do not emit benzene or other harmful substances and do not generate soot.*

*Thanks to its rigorous environmental policy, the fuel specialist has for several years been one of the few fuel suppliers to comply with the strict **ISO 14001 standard**.*

1972

EUR 638 million
revenue (+ 8,9%)

120 filling stations
including 55 with CNG

58 electric charging posts

More than 40
employees in FTE

Smart refuelling

dats24.be

Despite challenging market conditions, DATS 24 has managed to continue to grow. Revenue grew strongly and sold volumes rose slightly. The revenue increase can also be attributed to an increase of prices at the pump, the influx of new customers and the opening of new stations. This financial year, DATS 24 expanded its network with two new filling stations and eight CNG pumps at existing stations. The fuel specialist also installed 41 more electric charging posts, including 35 at Colruyt stores and six at branches of Bio-Planet. This brings the total to 120 filling stations, including 55 with CNG, and 58 charging posts.

In the coming financial year, DATS 24 plans to open seven new filling stations and add eighteen CNG stations, mainly in Wallonia.

Excellent year for CNG

More and more private individuals and companies are switching to natural gas. In Belgium, the number of orders for CNG vehicles has increased fivefold compared to last year. As at 31 March 2018, the number of orders even exceeded the annual sales for 2017. This strong increase can be attributed in part to the growing CNG network and DATS 24's marketing campaigns. Now that other fuel specialists are starting to invest in natural gas, the fuelling network no longer presents an obstacle.

Meanwhile, more than 40% of all Colruyt Group company vehicles run on alternative fuels such as CNG, electricity and hydrogen. The group promotes car brands which support natural gas as company cars and deliberately chooses delivery vans running on CNG. Employees can also swap their diesel car for a natural gas model.

First hydrogen station

DATS 24 has built its first public hydrogen station in Halle. The fuel specialist is now putting the finishing touches to the project, before the official opening in the autumn of 2018. The DATS 24 station at Dassenveld will then offer a full range of fuel options, for both passenger and heavy goods vehicles: petrol, diesel, AdBlue, CNG, electricity and hydrogen.

During workshops and inspiration sessions on sustainable mobility, customers consider alternatives to conventional fuels.

Inspiring and informing

For several years now, DATS 24 has organised the 'Greener on the road' workshop together with Colruyt Group Academy. Individuals can try out CNG-powered and electric vehicles and get eco-driving tips to reduce their fuel consumption. The fuel specialist also supports inspiration sessions on sustainable fuels in many areas, in conjunction with Eandis and Infrax. DATS 24 is also fully committed to inspiring its B2B customers. During a special workshop, fleet managers experience how they can use CNG in their business.

Reflecting on mobility with children

DATS 24 spent two days thinking about (alternative) mobility with primary school children from Lennik. The aim: to explore how children view mobility based on their own experiences. The teaching pack mainly consisted of experiments, craft projects and accessible explanations. The children looked openly at the implications of mobility and reflected intuitively on the possible solutions.

For DATS 24, the workshop mainly confirmed the power of simplicity: in its communications about alternative mobility and hydrogen, the fuel specialist wants to focus even more on providing clear information that everyone can understand.

Fill up with XTRA

As of November 2017, private individuals can fill up using their Xtra card at all Belgian DATS 24 filling stations. Xtra replaces the existing DATS 24 fuel card. Customers can easily see an overview of their refuellings and payments on their online profile. With Xtra, they also receive an additional discount on the price at the pump. Payment for the refuellings takes place automatically by direct debit in favour of Colruyt Group. For this, customers first create a digital direct debit instruction. Business customers keep their DATS 24 fuel cards.

DATS 24 looks back positively on the radical change: the complicated switch went smoothly and customers responded positively.

EOLY
COLRUYTGROUP ENERGY

__Eoly__, Colruyt Group's sustainable energy producer and supplier, generates green power using onshore __wind turbines, solar panels and combined heat and power generation__. Eoly uses existing technologies and at the same time innovates with __technologies__ such as hydrogen to be ready for the future.

Eoly supplies sustainable energy to Colruyt Group companies and external companies. The company is a __reliable and transparent supplier__. Eoly works with its customers to lower their energy consumption and make their energy supplies more sustainable. Eoly continues to increase its __production capacity__, in order to produce as much green energy as possible itself. In the future, the energy specialist wants to produce enough green energy to cover all of Colruyt Group's energy requirements.

Eoly works on forming sustainable relationships with people living near wind farms and all stakeholders with a passion for green energy. For this reason, the energy company offers them the opportunity to become a participant through __Eoly Cooperative__.

° **2016**

14 wind turbines
including 1 for Eoly Cooperative

54 solar energy systems

More than 20
employees in FTE

eoly.be

This financial year, three new turbines were added on the Dassenveld site, one of which is owned by Eoly Cooperative. The wind turbines have been operational since October 2017 and produce 17.260 MWh (megawatt hours) of green energy per year. One turbine has a capacity of 2 MW (megawatts), the other two 3,4 MW each. The wind farm will generate the annual equivalent electricity consumption of 5.100 households and save 5.500 tonnes of CO_2. The three new turbines bring the total to thirteen for Eoly and one for Eoly Cooperative. All turbines meet production forecasts.

Eoly was initially granted a licence for a wind farm with four turbines in Frasnes-lez-Anvaing and one with three turbines along the A8 at Rebaix/Bouvignies. The sustainable energy producer also actively seeks new investment opportunities, together with Eoly Cooperative.

Networking with B2B customers

In the autumn of 2017, Eoly organised its first 'Energy Night': a networking event for companies from the food sector. A series of speakers spoke about their belief in green energy and concern about the climate as well as clarifying the practical aspects. The event was held at Cru Ghent and was a great success for all those taking part.

Next steps as an external energy supplier

As of January 2017, Eoly also supplies green energy to companies from the private sector. Having started with mainly local consumers, the energy supplier now works with a variety of customers including artoos group, Bekaert, JBC, Torfs and Vanheede. More and more companies are showing an interest in joining in the story of local sustainable energy. For its B2B customers as well, Eoly takes as its basis the values of Colruyt Group: transparency and simplicity. Customers view evolutions, costs and components of their energy bill via a special portal. Eoly explores with them how they can reduce their energy consumption.

Eoly produced 55.800 MWh of green energy in 2017

Producing hydrogen on an industrial scale

Together with Fluxys (the operator of the Belgian natural gas transmission system) and Parkwind, Eoly is working on a power-to-gas facility where it can produce green hydrogen on an industrial scale. The unit is based on the production profile of an offshore wind farm. The aim: to convert renewable energy into hydrogen. Part of the hydrogen produced will be used for the purposes of sustainable mobility, a second part will be marketed as green hydrogen and a third part will be injected into the existing natural gas grid.

Eoly wants to help invest in the emerging hydrogen economy and sees the project as an excellent way to provide a more sustainable gas supply on a large scale. The partners are also exploring the possibilities for offsetting the variability of power generation through (offshore) wind energy, thereby improving grid stability.

Smart charging posts

Eoly is testing smart charging posts in Halle. These charging posts ensure that vehicles are charged taking into account the local availability of green electricity, fluctuating energy prices and possible imbalances in the energy grid. This then takes place according to specific arrangements: for example, the car is stationary for eight hours and the battery has to charge to at least 80%. Through this trial, Eoly continues to prepare for a future in which electric mobility takes over.

Eoly supports Leuven students in World Solar Challenge

Eoly was the official partner of the Belgian Solar Team which came third in the World Solar Challenge. The unofficial biennial world championship for solar vehicles crossed Australia, covering a distance of 3.021 kilometres. Eoly supported the team of 21 engineering students from the University of Leuven with a budget for local expenses and shared the story via various channels. Eoly will also support the Solar Team for the 2019 edition.

Eoly Cooperative unveils its first wind turbine

This financial year, Eoly Cooperative invested in its first wind turbine in Halle (3,4 MW), together with 1.200 member-owners. 40% of the amount was raised locally. In the autumn of 2017, the member-owners officially unveiled the wind turbine, together with Flemish Energy Minister, Bart Tommelein.

Eoly Cooperative reinforced its green commitment by laying a garden for member-owners containing indigenous fruit trees and bushes near its wind turbine. Member-owners are free to pick the fruit. The 2.800 m^2 garden also provides an excellent breeding site for a variety of species of birds and insects.

Participations in offshore wind farms

*Colruyt Group continues to believe in offshore wind energy and is investing in **wind farms off the Belgian coast**. The group has a 60,13% stake in the **Parkwind** holding company: an industrial company that is responsible for the development, contracting, financing, construction and operation of offshore wind farms in which it is also a shareholder. The holding company also participates in different **innovative initiatives**. At the end of 2017 Colruyt Group had an indirect interest in the operational wind farms Belwind (47,23%), Northwind (18,04%) and Nobelwind (24,70%) through Parkwind. The investment in Parkwind Group was incorporated in the 2017/18 Colruyt Group income statement based on these participation percentages. Korys, the family holding company of the Colruyt family and the Flemish government (via Participatie Maatschappij Vlaanderen) also participate in Parkwind.*

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

In 2017, the Belwind, Northwind and Nobelwind wind farms combined produced 1.820 GWh (gigawatt hours) of green electricity, equivalent to the annual consumption of 520.000 households. Nobelwind's output is fully included in this total from May 2017 only. During the last financial year, the Belwind and Northwind turbines once again achieved a very high availability, averaging 98%.

° 2010 165 MW 55 turbines	° 2014 216 MW 72 turbines	° 2017 165 MW 50 turbines
Belwind	**Northwind**	**Nobelwind**
78,54% Parkwind 21,46% Meewind	40% Aspiravi 30% Parkwind 30% Sumitomo Corporation	41,08% Parkwind 39,02% Sumitomo Corporation 19,90% Meewind

EUR 150 million

investments in green energy via Parkwind

178

total number of wind turbines of Belwind, Northwind & Nobelwind

Nobelwind wind farm fully operational

As of May 2017, Nobelwind's fifty turbines are also fully operational, with a total capacity of 165 MW. The construction of the wind farm between January and May took place fully on schedule and within budget. Following its completion, Parkwind is responsible for Nobelwind's operation for a period of twenty years. Among other facilities, the Operations & Maintenance team in Ostend now operates three offshore high-voltage substations, one for each of the three wind farms in the North Sea.

Development of Northwester 2

Together with the other partners in the project, Colruyt Group has begun the development of Northwester 2. The wind farm will have a capacity of 224 MW in the largest concession zone in the North Sea, 50 km off the Belgian coast. Parkwind expects the financing phase to be completed after the summer of 2018, although the timing depends to a large extent on EU approval of the Belgian government's support mechanism. The construction phase is scheduled for 2019 and 2020.

This financial year, Colruyt Group and Parkwind also took control of the Northwester 2 project: as of the end of March 2018, the group holds a 30% interest, Parkwind owns 46% of the shares.

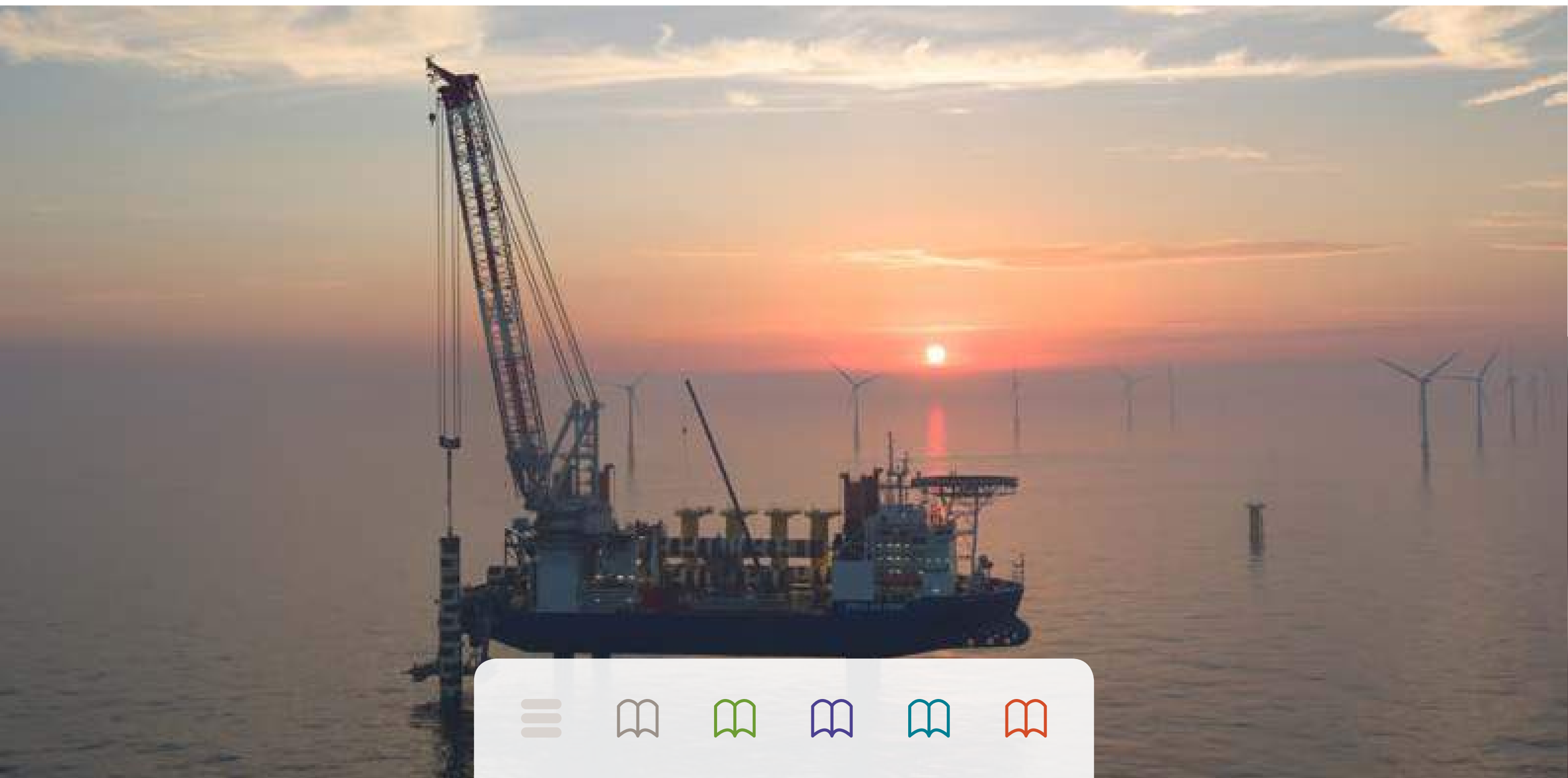
Participating interest in Oriel Wind Farm

Parkwind has acquired a strategic interest of 25% in the Irish Oriel Wind Farm, which wants to build the first offshore wind farm in Ireland. Parkwind has also acquired the development rights and operational control of the project. The financing phase is scheduled for completion in 2019 and construction in 2020 and 2021.

Ireland was an obvious choice: the country wants to reach European standards and is therefore very committed to offshore wind. This gives an extra boost to renewable energy.

Opportunities in and outside Europe

In the coming years, Colruyt Group and Parkwind will continue to invest in offshore wind energy. Parkwind also wants to use its expertise in other markets and is therefore constantly looking for opportunities abroad, both in Europe and internationally. For example, the company has pre-qualified for the French tender for Dunkirk.



CORPORATE ACTIVITIES

The corporate activities comprise all supporting divisions, departments and services. All Belgian corporate services are connected to their counterparts in the foreign departments.

CORPORATE SERVICES

Corporate services operate at group level and support all store formulas with their own expertise. The employees are specialists in IT, finance, communication, HR, marketing, technics, training and customer contacts.

Business Processes & Systems

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

BP&S has many different profiles: from solution analysts and business architects to software engineers and project managers. The department responds to the challenges of rapid technological developments and relates them to the specific requirements of Colruyt Group. Business Processes & Systems has more than 900 employees in Belgium, 25 in France and 430 in India. The ***department in India*** *makes up for the shortage of IT profiles in Belgium.*

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 commercial legal support. The department has 350 employees in Belgium, France, India and Luxembourg.*

Finance constantly explores how it can improve its ***efficiency and effectiveness****, to raise its service to an even higher level. For this reason, the department is focussed on the transformation to a* ***process-oriented organisation****. Accountability increasingly forms the basis for employees. In this way, Finance can respond even better to the financial requirements of the entire group.*

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 in 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's sixty-strong team develops the ***corporate branding*** *within Colruyt Group, based on a strong identity, smart positioning and a recognisable house style.*

Customer Communication & Experiences

Customer Communication & Experiences (CCX) *is Colruyt Group's communication and production agency. It translates the marketing objectives of the different brands into targeted offline and online communication. CCX excels in* ***personalised customer communication*** *and conveys the right message to the right person using the right channel.*

CCX also uses the ***Symeta*** *brand name with respect to external clients. The print and document management specialist simplifies and optimises document and information flows, has a unique print technology and is a major player in* ***personalised marketing communication****. Internal customers account for approximately 75% of Symeta's output, external customers for 25%. Symeta's external revenue is recorded under 'Other activities'.*

With ***more than 400 permanent employees****, CCX is the largest communication and production agency in Belgium.*

Technics, Real Estate & Energy

Technics, Real Estate & Energy *is Colruyt Group's internal technical department in Belgium and Luxembourg. The partner supports the group's growth and delivers efficient professional work.*

Technics, Real Estate & Energy sets itself apart by its pursuit of ***sustainable, innovative solutions*** *and often goes much further than required by law. The technical department offers a complete service, from study, design and procurement to construction, installation and maintenance. The 1.400 employees are all skilled workers and have diverse profiles. Together they* ***design, build, renovate and maintain*** *stores, office buildings, filling stations, distribution centres, etc. And they protect them against fire or theft. They service vehicles and machines and carry out installation and repair works. And finally, Technics, Real Estate & Energy makes buildings* ***more environmentally efficient*** *by systematically applying sustainable techniques and meticulously following environmental management rules.*

People & Organization

People & Organization *coordinates and supports Colruyt Group's HR policy. The different departments, with around 350 employees combined, have one common purpose: to* ***professionalise*** *the sustainable support, development and connection of the people, team and organisation. The HR partner offers* ***full support****: from payroll and recruitment, health and safety, work simplification and a medical department to social and legal advice and negotiations with social partners. People & Organization also assesses the needs regarding the* ***development of people, team and organisation****. The partner has a* ***knowledge centre*** *with HR domains such as personal and team development, remuneration, personal growth, health and craftsmanship.*

Colruyt Group Academy *is a close partner of People & Organization. The Academy covers internal training for Colruyt Group employees and external workshops for consumers.*

COLRUYTGROUP ACADEMY

Colruyt Group Academy *covers the internal training courses for Colruyt Group employees and the external workshops for consumers. The Academy has over seventy employees.*

Every year the group invests about ***3,16% of the payroll*** *in training for its employees, or about EUR 38 million. This means that Colruyt Group Academy has the largest training offer in the Belgian private sector. The group does this based on the conviction that the company grows to the extent that people grow in* ***knowledge, skills and personality****. This financial year 17.600 employees took part in training.*

Private individuals in Belgium have been able to attend ***workshops*** *at Colruyt Group Academy since 2012. The workshops are held at nine meeting centres and are about* ***everyday themes around living life more consciously****. They are broken down into six categories: Food & Drink, House & Garden, Health & Relaxation, Society, Kids & Co and Babies. Sustainable partnerships with external partners ensure affordable prices.*

In Contact

In Contact *looks after all contacts with customers of the store formulas and with employees, suppliers and other partners of Colruyt Group in Belgium. The contact centre handles enquiries through various channels.* ***Telephone*** *and* ***e-mail*** *are the most commonly used channels, although In Contact sees a key role for* ***social media*** *and* ***chat*** *in the future.*

The more than ***250 employees*** *of the contact centre are specialised in providing remote services to customers. The* ***customer is at the centre*** *of all that they do. Colruyt Group provides the necessary support, training and resources to allow the employees of In Contact to develop the necessary* ***expertise****. In addition, the group continually invests in* ***modern technology****, tools and* ***ergonomic office equipment****.*

"Colruyt India won the 'Best Learning and Development Strategy' award at the World HRD Congress in Mumbai

Over 400 IT specialists now work for Colruyt India.

Colruyt India celebrates 10 years

On 15 July 2017, BP&S Hyderabad celebrated its tenth anniversary. Nearly 1.000 employees and their families enjoyed an evening packed with traditional festivities. Staff with five or ten years' service were given a long service award. BP&S Hyderabad is responsible for three quarters of the daily IT infrastructure and operations. In the course of projects, Indian staff regularly travel to Belgium and vice versa. Via a rotation system, about forty BP&S Hyderabad employees are constantly in Belgium.

Realised by
Business Processes & Systems

Focus on apps

To prepare even better for digital and mobile evolutions, BP&S has set up a team which focusses entirely on the development of internal mobile apps. These apps are designed to make certain processes run more efficiently and allow employees to communicate smoothly with one another. For example, the team has developed an app for the Service Centre Price. Using a digital recording device, price recorders can do their work more efficiently and accurately. The app records and checks the price recordings in a single motion and makes them available to price setters instantly. This means that the Service Centre Price can respond more quickly to price changes at other retailers. Customers receive the lowest price even faster and can be certain of the brand promise of each store formula.

Realised by
Business Processes & Systems

Continuing to innovate with VR and AR

This year, the R&D&I teams from Business Processes & Systems and Technics, Real Estate & Energy made further progress in virtual reality, augmented reality and artificial intelligence. They mainly use VR to test new concepts faster and more efficiently. They also experiment with augmented reality for all kinds of mobile applications for customers, such as a product finder for smartphones.

In order to be able to try out the latest technology, Technics, Real Estate & Energy built its own innovation site last year. The R&D&I teams now make intensive use of the site. In this safe test environment, they convert ideas into prototypes, which they can immediately test and evaluate in demo spaces.

Realised by
Business Processes & Systems and Technics, Real Estate & Energy

Keep building sustainably

This financial year, Technics, Real Estate & Energy focussed more than ever on sustainable construction. The technical department began the energy upgrade of the central buildings and all stores built before 2007. Fourteen of them have now been fitted out as low-energy stores. They also built the first two fossil fuel-free OKay stores, in Stavelot and Viroinval. Read more about this on page 36.

Circular construction is also high on the agenda. Technics, Real Estate & Energy wants to build so that as many products, materials and raw materials as possible can be reused in their highest quality form. To this end, the technical department is testing screw and click systems, for example, and seeking applications for demolition materials.

Realised by
Technics, Real Estate & Energy

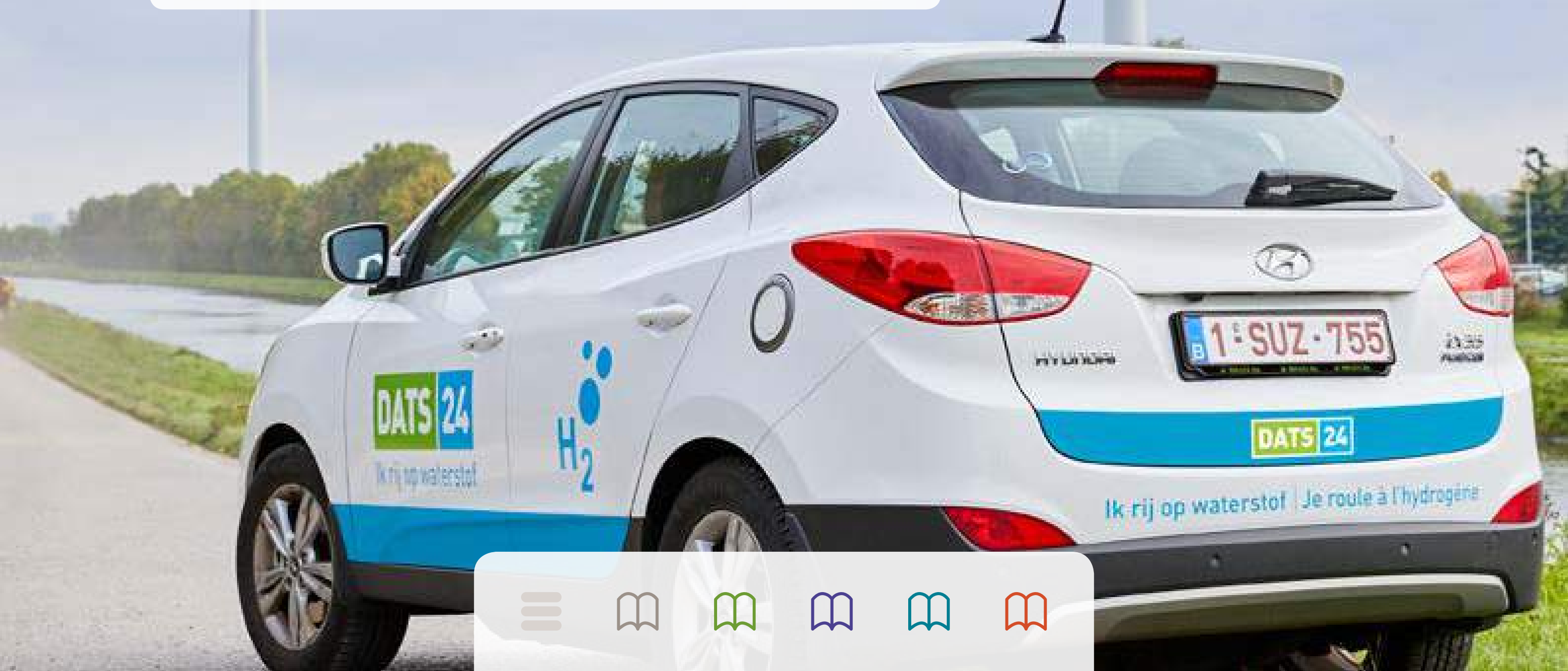
A third of company cars run on greener fuels

An ever greener fleet

Colruyt Group continues to invest in making its vehicle fleet greener. More than 1.600 cars and delivery vans run on natural gas (CNG), currently the most sustainable fossil fuel. Around 50% of newly ordered company cars also run on CNG. There are also ten electric and 41 hybrid cars. Since the first test vehicle in 2016, the group now already has thirteen hydrogen cars of various makes.

Colruyt Group is also committed to sustainability for goods transport. This financial year, Technics, Real Estate & Energy carried out tests with a CNG-fuelled truck and is working with other partners on a hydrogen tractor.

Realised by
Technics, Real Estate & Energy



Five years of workshops for consumers

In 2018, to mark five years in existence, Colruyt Group Academy launched an updated offer. The website was also given a thorough makeover. In the course of the financial year, the Academy organised nearly 2.500 workshops on 214 different themes. More than 29.000 people took part. The Academy also organised workshops on demand for groups and companies. The cooking workshops of the 'World cuisine' cluster continue to do very well, as do the workshops around personal care and make-up. The 10.000th workshop took place at the beginning of 2018.

On 1 April 2017, the new Academy in Uccle opened its doors. Consumers can access a bilingual offer there. Colruyt Group Academy is now present in eight regions with nine meeting centres. In the coming years, it aims to continue to expand nationally, with a target of twelve full sites. The Melle Academy, which will open in September 2018, will be the largest so far. By 2020, workshops will also be held in Kortrijk and Liège.

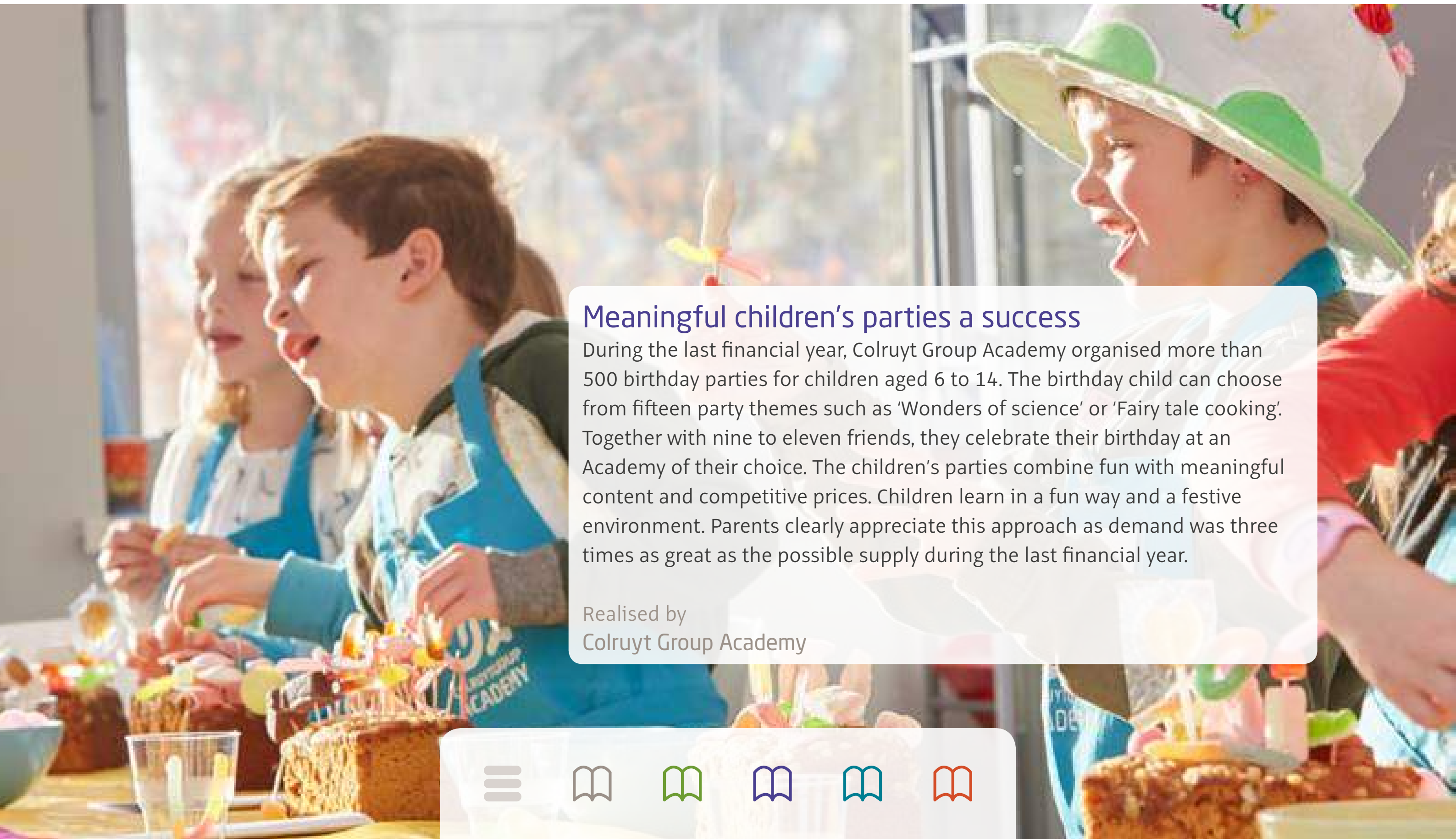
Realised by
Colruyt Group Academy

E-learning for employees

As of this financial year, employees follow a variety of digital training courses for the first time. Colruyt Group Academy developed the e-learning programmes based on existing requirements. Through e-learning, the Academy can reach employees faster, avoid unnecessary travel and reduce the average training time. Employees can follow the digital training programmes directly, in both French and Dutch. They can also consult the e-learning sessions as often as they want. This not only increases the efficiency of the training, but also its effectiveness.

Colruyt Group Academy also continues to focus strongly on 'conventional' training. The main aim is to expand and strengthen the current offer, where e-learning can provide real added value. For example, when many employees have to follow the same training in a short period of time.

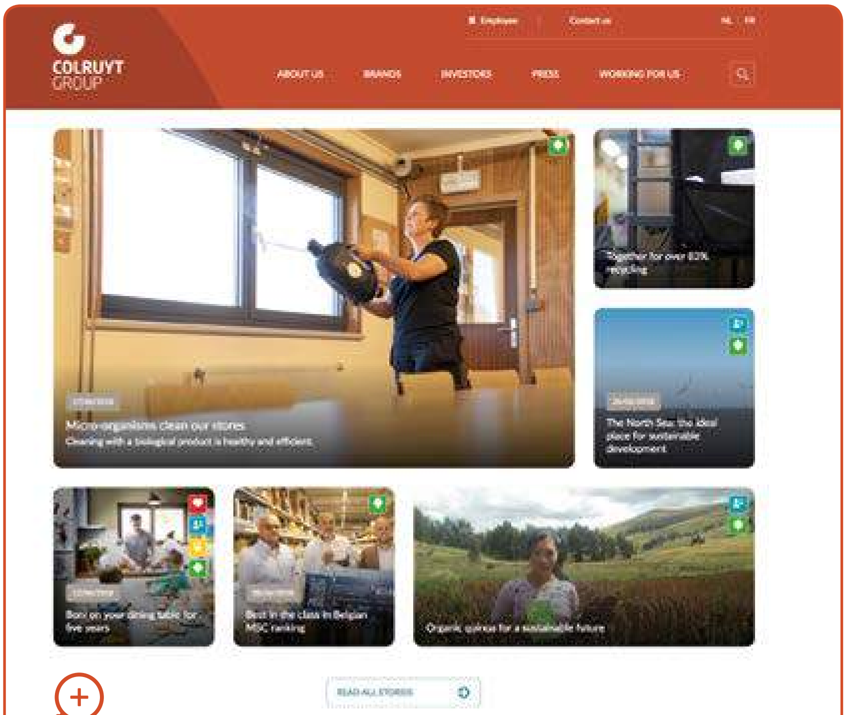
Realised by
Colruyt Group Academy and
Business Processes & Systems



Meaningful children's parties a success

During the last financial year, Colruyt Group Academy organised more than 500 birthday parties for children aged 6 to 14. The birthday child can choose from fifteen party themes such as 'Wonders of science' or 'Fairy tale cooking'. Together with nine to eleven friends, they celebrate their birthday at an Academy of their choice. The children's parties combine fun with meaningful content and competitive prices. Children learn in a fun way and a festive environment. Parents clearly appreciate this approach as demand was three times as great as the possible supply during the last financial year.

Realised by
Colruyt Group Academy



New website incorporates stories about sustainability

The colruytgroup.com website underwent a restyling during the past financial year. Visitors will now find stories about sustainable consumption there, clustered around four clear themes: health, society, animal welfare and environment. Each theme has been assigned an eye-catching and recognisable icon. So consumers can see at a glance what it is about. Under the motto 'Step by step', Colruyt Group wants to inform and inspire citizens about its efforts to create a more sustainable world.

Realised by
Corporate Marketing and Customer Communication & Experiences

Colruyt Group is strongest corporate brand

For the second year in a row, Colruyt Group has been named the 'Best Corporate Brand' of Belgium for 2018. Research bureau GfK surveyed more than 3.500 households, without the intervention of a jury. The survey calculates the strength of brands based on two criteria: their actual economic success and consumers' emotional perception. The survey showed that customers identify with the group and feel a strong connection with it. Colruyt Lowest Prices came third in the 'Best Product Brand' category.

In addition, for the seventh time in eight years, Colruyt has the best reputation of 25 major Belgian companies in the annual RepTrak consumer survey. With a total score of 81,3, the retailer came ahead of Lotus Bakeries (80,2) and Duvel Moortgat (78,0). The companies were rated on seven aspects: products, innovation, corporate social responsibility, corporate governance, leadership, financial performance and work environment. A reputation score of 80 points or more is considered excellent.

Realised by
Corporate Marketing

Traineeship for junior analysts

In September, eleven employees began a brand-new traineeship. This training programme is designed to prepare young talent to become analysts in one year. The programme was introduced in response to the increasingly large and complex projects for which Business Processes & Systems often has to bring in external experts. Through the new programme, the IT department aims to boost the inflow of its own analysts, helping reduce costs and promote sustainable growth in the longer term. Following the positive results, BP&S decided to repeat the programme in 2018 and extend it to software engineers.

Realised by
Business Processes & Systems and People & Organization

Baby On Board: from concept to campaign

CCX designed the Baby On Board project for Colruyt. Through this project, the supermarket chain aims to appeal to young parents and parents-to-be. The communication agency worked out the entire campaign, from content strategy and concept to practical realisation. Communication strategists, concept designers and digital specialists created items such as milestone cards, direct mailings, all kinds of recruitment material, two trail boxes, age-related e-mails, etc. Less than two months after the launch of Baby On Board, 12.000 interested people had already registered.

Realised by
Customer Communication & Experiences

Symeta's revenue keeps rising in a falling market

Symeta, CCX's print and document management specialist, had a successful financial year. It managed to increase its revenue by more than 13%, despite the downward trend in offline communication. The number of clients has also risen steadily, primarily in retail, automotive, fashion and non-profit.

In addition, Symeta is finding that large companies from the financial world increasingly prefer reliable mailing partners. Thanks to fully secure processes, the print and document management specialist can guarantee its clients that their invoices, payroll documents or account statements will reach the right person on time, digitally or on paper. To cope with the increase in customer demand, Symeta has invested in a new, state-of-the-art mailing line by Kern.

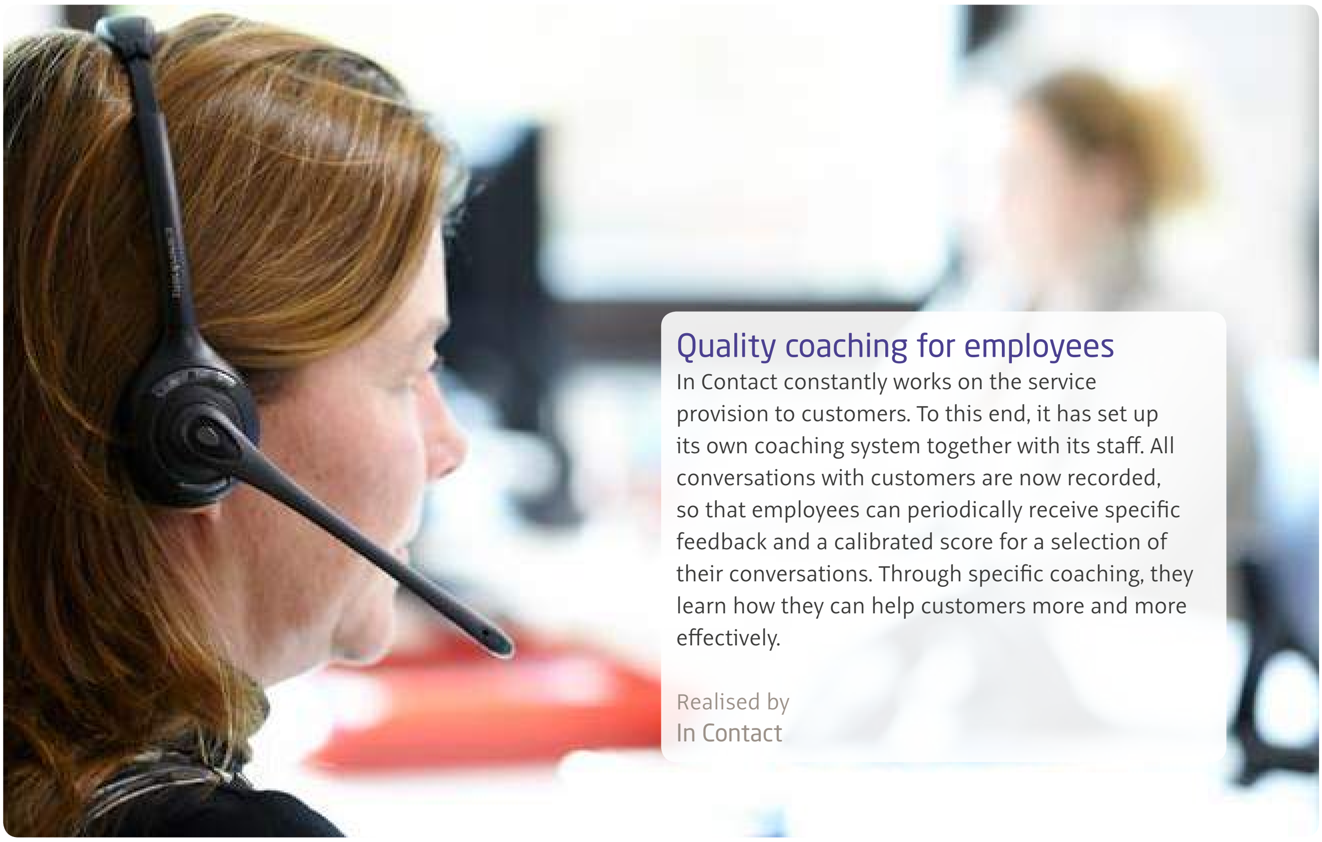
Realised by
Customer Communication & Experiences

More efficient software and knowledge management

Once again this financial year, In Contact focussed on professional software which allows employees to work more efficiently. An intelligent planning system regulates staffing levels based on peak times. And, thanks to the new ticket system, employees can document customer enquiries automatically. This represents a considerable time saving for them. At the same time, In Contact gains a transparent view of customers' enquiries, complaints and wishes. Via advanced dashboards, the contact centre can pass on this feedback to the commercial formulas. This allows them to adjust their service and processes where necessary and raise it to an even higher level.

In Contact is also hard at work on a smart FAQ database for employees and customers. This will enable them to look up the answer to their questions themselves, for example on the Colruyt or Dreambaby website. They can then indicate whether the answer they received helped them. In this way, In Contact can constantly keep its databases up to date. Self-service also leads to greater customer satisfaction and higher productivity.

Realised by
In Contact



Quality coaching for employees

In Contact constantly works on the service provision to customers. To this end, it has set up its own coaching system together with its staff. All conversations with customers are now recorded, so that employees can periodically receive specific feedback and a calibrated score for a selection of their conversations. Through specific coaching, they learn how they can help customers more and more effectively.

Realised by
In Contact

At the time of the XTRA launch, In Contact handled up to 10.000 contacts per day

Paying with XTRA

This financial year, Finance and BP&S worked hard on the payment functions of the future and on the continued automation of the relationship with our customers. The first milestone was marked by the delivery of the Xtra payment function. Since November 2017, customers have already been filling up and paying at DATS 24 using Xtra. As of May 2018, customers can also use their card to pay easily at the tills of Colruyt, OKay, Spar Colruyt Group, Bio-Planet, Dreamland and Dreambaby. This means that customers only need one card or app to complete the entire checkout process: a further step towards stress-free and convenient shopping.

BP&S handled all technical aspects of the payment function itself. Thanks to operational, process-related and organisational adjustments, Finance ensured the flawless processing of Xtra payments in the accounting systems and at the banks.

Realised by
Finance and Business Processes & Systems

2.458
new employees

Strong focus on employability

This financial year, Colruyt Group also continued to wholeheartedly pursue a sustainable, people-oriented HR policy. Colruyt Group Academy expanded its training offer for personal growth, to include quiet days and courses during the afternoon, for example. Through career orientation, People & Organization promotes job mobility within Colruyt Group. In this way, it wants to offer employees the prospect of a sustainable and varied career. Through its own rehabilitation programme, People & Organization also supports long-term sick colleagues. This works, since during the pilot it was found that employees who had been absent for a long time returned to work one month earlier on average thanks to the programme. By the end of 2018, the HR department aims to reach all long-term sick colleagues via its own programme. People & Organization has also launched a project around a balanced nutrition at work. Since colleagues in the stores, distribution centres and central services work according to different schedules, they also have different food needs. The HR department wants to address this, both via targeted coaching programmes and via the offer in company canteens.

Realised by
People & Organization and
Colruyt Group Academy


Thanks to the office bus between Ghent and Halle, employees can convert their travel time into worked (and therefore paid) time.

Regional and flexible working

People & Organization continues to prioritise work-life balance for all employees. The unique time-credit system allows executives to work flexibly: they can either receive payment or time off to compensate for the extra hours they work over and above the normal working week. Therefore, time worked is paid time. In addition, depending on their duties and responsibilities, employees can work regionally on a regular basis. For example, there are shared offices in Deinze, Haasrode and Mechelen. Colruyt Group continually explores possibilities for expanding and reinforcing its network of regional offices.

The trial project 'Office On Wheels' has been extended until March 2019, following many positive responses. Employees commute daily between Ghent and Halle in the office bus. On the bus, they have access to a printer, Wi-Fi and fresh coffee. Thanks to the office bus, there are 22 fewer cars on the road on average and Colruyt Group saves 239.431 car kilometres and 64 tonnes of CO_2 per year. People & Organization is considering how the concept can be extended further as part of a general approach to mobility and sustainability.

Realized by
People & Organization

IDnet: own initiative and entrepreneurship

Colruyt Group strongly believes in participatory entrepreneurship, a concept which also encompasses IDnet. Two years after its launch, the online ideas platform is a success: this financial year 631 employees launched 755 ideas. So far, 101 ideas have been selected and 37 have already been realised. As of the spring of 2017, People & Organization also runs practical workshops on IDnet. During these workshops, employees get involved and are shown the various steps, from launch to enrichment and implementation of their idea. If they make a successful pitch, they are given a budget, a project team and the necessary coaching to make their idea a reality. Recently, colleagues from Colruyt India have also been able to submit their proposals on the online ideas platform. A team from IDnet travelled to Hyderabad to introduce the ideas bank.

On 18 June 2017, more than 1.500 employees and their families took part in the first Colruyt Groupie Run in Halle. This race in and around the buildings of Colruyt Group came about at the initiative of several employees, who worked out the original proposal via IDnet.

Realized by
People & Organization

"The transformation programmes tackle the common challenges facing Colruyt Group

Through its transformation programmes, Colruyt Group tackles common challenges faced by multiple store formulas, departments and services. The aim: to improve the service for customers and employees. The programmes comprise dozens of projects and have a lead time of three to five years. Over a period of five to ten years, Colruyt Group invests in some ten transformation programmes. Some of the subprojects have already been completed.

New software platforms

In view of their need for a new software platform, the Finance, People & Organization and Technics, Real Estate & Energy departments each launched a transformation programme. This immediately gives Colruyt Group the opportunity to respond proactively to future changes and developments.

The programme C-People is building a sustainable, international and flexible HR platform for the entire group. Several projects have now been completed. For example, employees can now view their personal data and change it themselves on the intranet. Recruitment of internal and external candidates in Belgium and France is becoming increasingly automated. The launch of the Academy.Store makes it easier for employees to find training courses and sign up for them. People & Organization now also has better indicators, so as to deploy the resources more efficiently across the entire group.

Central pricing for all store formulas

The Service Centre Price now works for all retailers in Colruyt Group. A single team records all prices digitally and uses the same platform for all store formulas. This means that the group can respond faster and more accurately to price trends in the market. However, the price positioning is still determined by each store formula separately.

XTRA: shared loyalty card

Through the programme CCRM (Colruyt Customer Relationship Management), Colruyt Group intends to manage customer relationships at group level. The successful launch of Xtra in March 2017 represented the first major achievement. On 4 April 2017, over 3,7 million customers received their new loyalty card through the post. They can use this to identify themselves in ten Colruyt Group stores and webshops. An app and a payment function are also associated with Xtra.

Centralised product information

The transformation programme PIM (Product Information Management) is designed to centralise quality, reliable product information and make it available to customers. As a result, they can find all relevant information about ingredients and allergens on labels, in stores and on the various websites. The food product information is now centralised in a database containing all pack shots, commercial descriptions, logistical information, purchase prices, etc. A similar process also applies for non-food.

Standardised supply chain for food

Colruyt's existing logistics platform has been upgraded and standardised, so that Bio-Planet, OKay and Colruyt France can now use it too. Acceptance, stock management, storage, order processing, delivery and order forecasts now take place in a uniform manner. This also makes it possible to share expertise around logistics and supply chain. Retail Partners Colruyt Group will also use the same platform eventually.

In Contact: a single central contact centre

The transformation programme In Contact will finish at the end of 2018. More than forty helpdesks, divided between the various companies in Colruyt Group, merged to form a new organisation: In Contact. All contact centres were assigned a clear, uniform approach and have access to the same tools and software. This makes things simpler and more efficient for all employees and primarily also improves the service to customers.

COLRUYT GROUP IN FIGURES

1. Activities

1.1. Investments realised

(In million EUR)	2017/18	2016/17
I. Retail	**290,7**	**291,9**
Colruyt (Belgium and Luxembourg)	124,1	119,6
OKay, Bio-Planet and Cru	18,2	31,9
Dreamland (Belgium and France) and Dreambaby	3,6	1,8
Colruyt France and DATS 24 France	13,3	7,9
Other retail and real estate	131,4	130,7
II. Wholesale and Foodservice	**13,2**	**19,6**
Wholesale	3,8	3,9
Foodservice (1)	3,1	11,5
Real estate	6,2	4,2
III. Other activities	**17,0**	**23,6**
IV. Unallocated corporate activities	**70,7**	**51,4**
Total consolidated Colruyt Group	**391,6**	**386,5**

(1) In financial year 2017/18, the investments exclude the French foodservice business Pro à Pro.

The investments during the reporting period primarily relate to:
- The construction and modernisation of stores for Colruyt, OKay, Bio-Planet and Dreamland in Belgium and for Colruyt in France;
- The investments in CNG and green energy;
- The investments in our machine park;
- The investment in new refrigerator carts with liquid ice technology;
- The restyling of the administrative buildings in Halle;
- The investments in the production facility for Colruyt Group Fine Food in Halle;
- The investments in our transformation programmes.

Excluding any acquisitions or participations, Colruyt Group expects to realise an investment programme in a range between **EUR 375 and EUR 400 million** for financial year 2018/19. The majority of the investments relate to the construction of new stores or the renovation of existing stores and filling stations in Belgium and France. The other expected investments are for the restyling of the administrative and logistical buildings, the automation in the logistical buildings, the construction of meeting centres for Colruyt Group Academy in Belgium, and finally the further investments in important transformation programmes, liquid ice technology, CNG and green energy.

1.2. Distribution centres and administrative buildings

	m^2	number
Production/distribution centres		
Belgium	574.996	22
France	50.017	3
Administrative buildings (office area)		
Belgium	142.421	26
France	7.445	4

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

	2017/18	2016/17	2015/16	2014/15	2013/14
BELGIUM AND LUXEMBOURG					
Colruyt					
- number	239	237	237	236	234
of which leased externally	19	19	19	21	19
- in '000 m^2	414	403	395	384	373
OKay (1)					
- number	135	129	120	110	98
of which leased externally	25	26	22	19	12
- in '000 m^2	80	75	70	63	56
Bio-Planet					
- number	27	24	19	13	11
of which leased externally	13	12	10	7	5
- in '000 m^2	18	16	13	9	8
Dreamland					
- number	43	43	42	41	39
of which leased externally	15	15	15	16	15
- in '000 m^2	80	79	78	77	74
Dreambaby					
- number	26	24	23	22	17
of which leased externally	13	11	11	11	11
- in '000 m^2	15	14	14	13	10
Cru					
- number	3	3	1	1	
of which leased externally	2	2	0	0	
- in '000 m^2	2	2	1	1	
FRANCE (2)					
Colruyt					
- number	78	74	72	73	67
of which leased externally	3	3	3	4	5
- in '000 m^2	76	72	68	70	64
Dreamland					
- number	2	2	2	2	2
of which leased externally	2	2	2	2	2
- in '000 m^2	4	4	4	4	4

(1) Figures include six OKay Compact stores.
(2) For the French retail activity, the table takes account of the number of stores on closing date 31 December. At the end of March 2018 there were 79 integrated stores.

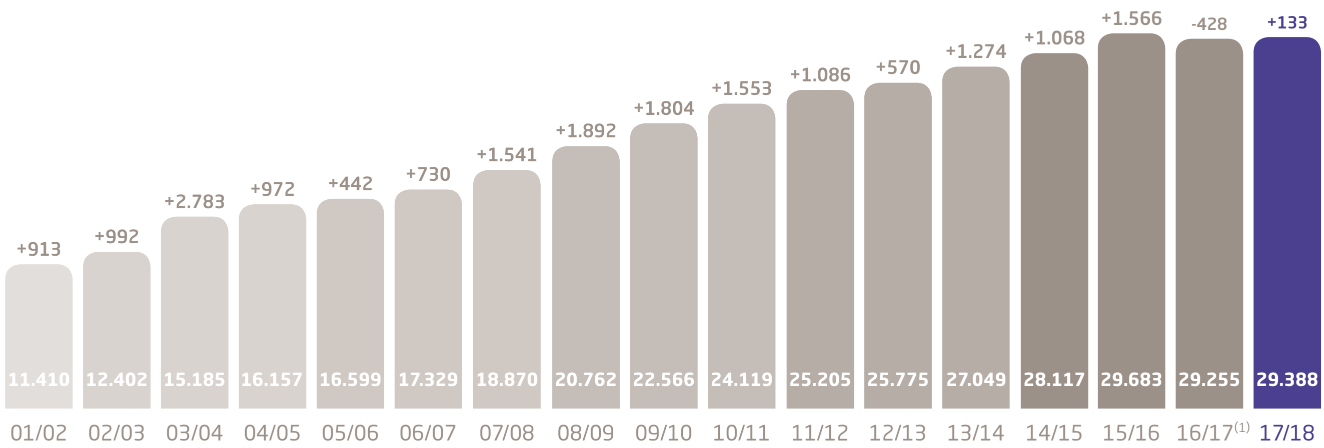
2. Employees

2.1. Job creation

Breakdown by segment	In number of employees 31/03/2018	31/03/2017	Evolution employment	In full-time equivalents (FTE) 31/03/2018	31/03/2017	Evolution employment
Retail [1]	24.900	24.793	+ 107	23.424	23.296	+ 128
Wholesale and foodservice [1]	1.454	1.488	- 34	1.424	1.448	- 24
Other activities [2]	70	237	- 167	68	226	- 158
Corporate (not allocated) [2]	2.964	2.737	+ 227	2.880	2.663	+ 217
Total Colruyt Group	**29.388**	**29.255**	**+ 133**	**27.795**	**27.633**	**+ 162**
- Belgium [3]	26.601	26.623	- 22	25.218	25.221	- 2
- Luxembourg	115	97	+ 18	115	97	+ 18
- France [4]	2.252	2.121	+ 131	2.042	1.901	+ 140
- Other countries	420	414	+ 6	420	414	+ 6

(1) The employees of the soft cheese production department in France were transferred from the Wholesale and foodservice segment to the Retail segment.
(2) Due to the merger of Symeta NV with Colruyt Group Services NV, the employees concerned were transferred from the Other activities segment to the Corporate segment.
(3) These figures are exclusive of job students employed during the weekend or in the school holidays. (6.003 on 31/03/2018 and 5.497 on 31/03/2017).
(4) For the French retail activity, the table includes the number of employees on closing date 31 December. On 31/03/2018 the French activities accounted for 2.210 employees (or 2.090 full-time equivalents).

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



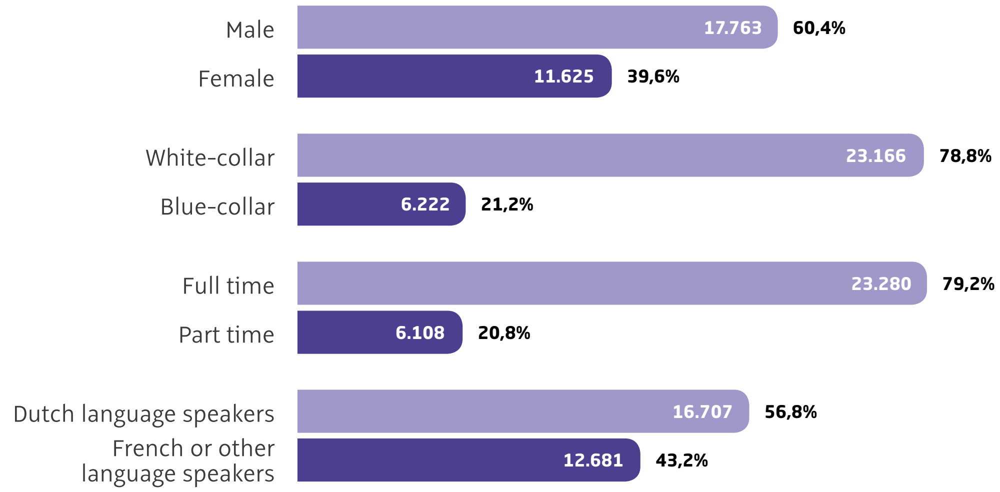
(1) In financial year 2016/17, due to the sale of Pro à Pro to the German Metro Group, 1.837 employees left the group. Excluding the sale of Pro à Pro, employment grew by 1.409 employees in financial year 2016/17.

2.3. Nationalities

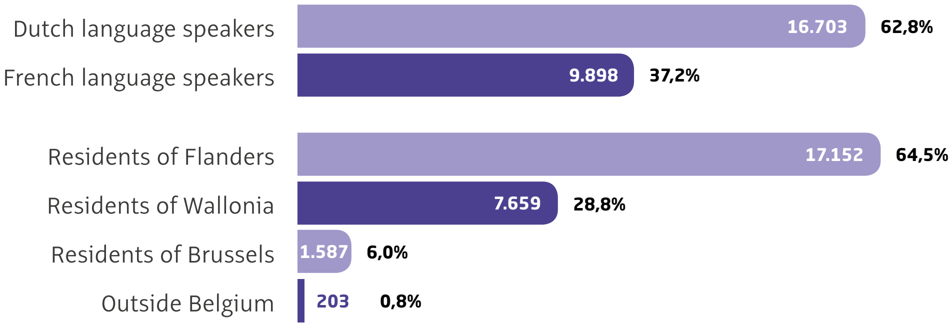
At the end of the financial year the workforce in Belgium comprised 82 nationalities, including 177 French, 174 Dutch, 142 Italian, 53 from Spain and Portugal, 46 from Bulgaria, Hungary, Poland and Romania, 23 from Germany, 9 from Greece and 30 from other European countries. Of the 472 employees of African nationality, the majority come from Congo (125), Morocco (105) and Cameroon (95), Guinea (30), Algeria (16), Rwanda (16), Angola (15) and Tunisia (12). Finally there are 88 employees from Asia (of which 21 from China, 16 from Turkey and 8 from India) and 16 from North and South America together.

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

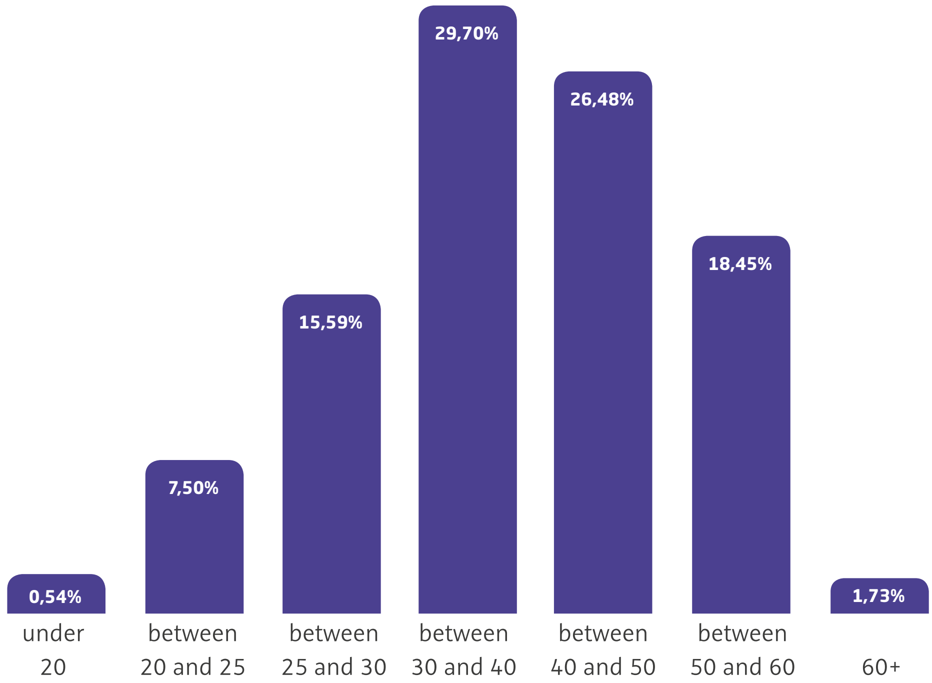
The number of employees in the group at the end of the reporting period was 29.388, made up of:



At the end of the reporting period the employment percentage of Colruyt Group in Belgium was 91%.
The number of employees employed in Belgium at the end of the reporting period was 26.601, made up of:



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

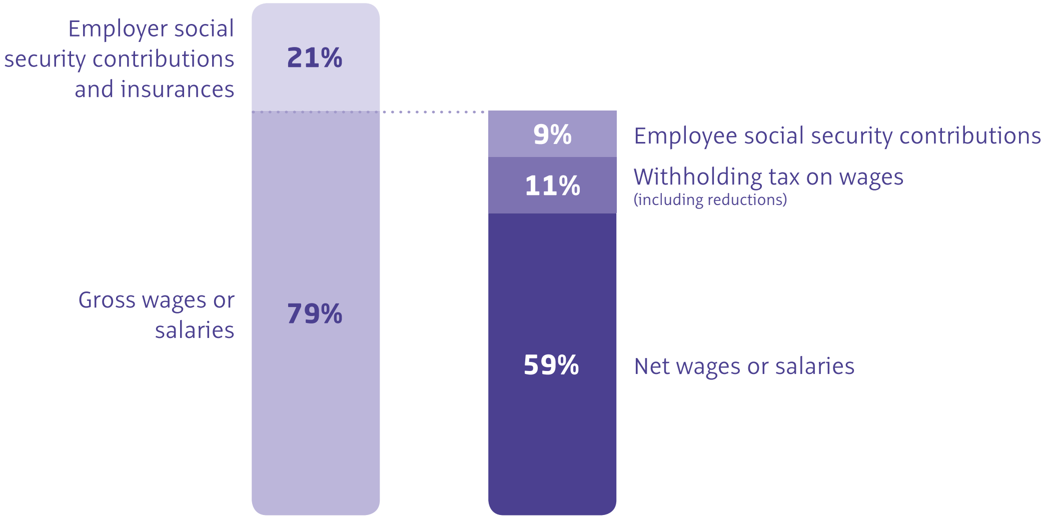
Colruyt Group invests a great deal in the development of its employees, convinced that the company grows as its employees grow. The total training and education costs in Belgium compared to the total Belgian labour costs amounted to 3,16% or around EUR 38 million. Last year the focus was primarily on increasing professionalism in managing changes and team development.

2.6. Payroll costs and net wages in Belgium

The total annual payroll cost for Colruyt Group in Belgium was EUR 1.198,45 million, consisting of EUR 251,42 million (21%) in employer contributions to social security and other statutory insurance and of EUR 947,03 million (79%) in gross wages and salaries. Of the EUR 947,03 million gross wages, EUR 101,70 million (9%) is transferred to social security and EUR 137,48 million (11%) is passed on to withholding tax. The employees finally receive a net amount of EUR 707,85 million or 59% of the total employer labour cost.

In financial year 2017/18 Colruyt Group passed on an amount of EUR 333,75 million to social security, i.e. EUR 232,06 million in employer contributions and EUR 101,70 million in employee contributions.

Total payroll costs in Belgium



2.7. Contributions passed on to the Belgian treasury in proportion to the added value

Last year all Belgian companies of Colruyt Group together passed on EUR 983,68 million in social, fiscal and product-related taxes to the Belgian treasury. In addition the net VAT payment (difference between the payable and deductible VAT) to the tax authorities amounted to EUR 314,05 million.

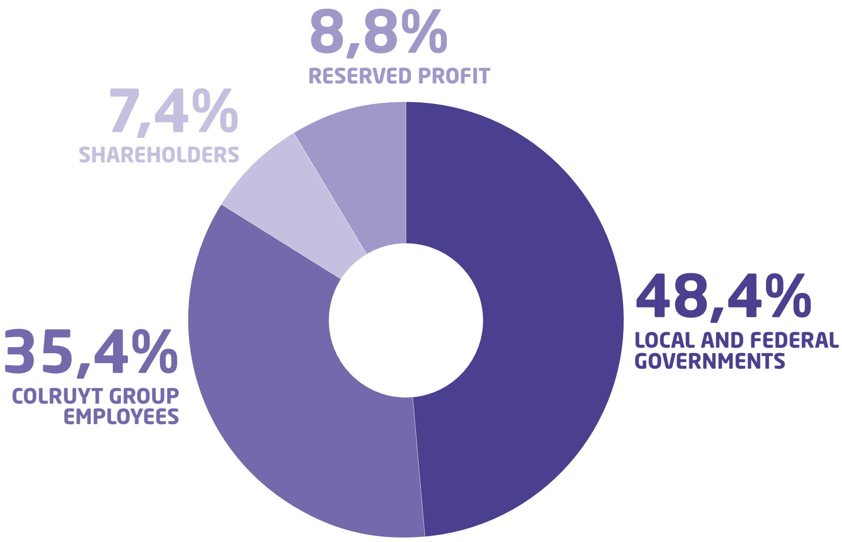
Payments made to the Belgian treasury

	(in million EUR)
Social security (1)	333,75
Withholding tax on wages (1)	137,48
Income tax on profits	155,55
Product-related taxes (customs, excise)	316,57
Tax on income from investments	23,10
Property tax	9,31
Registration duties, provincial and municipal taxes and other federal taxes	7,90
Total	**983,68**

(1) Including charge reductions obtained on a federal and regional level.

Breakdown of the net added value generated by Colruyt Group in Belgium

All these taxes are the result of the added value creation of the group. The net added value [1] generated by Colruyt Group in Belgium amounts to EUR 2,03 billion. Of this, 48,4% in taxes flows to the various local and federal governments and 35,4% is paid to the employees for the services provided. 7,4% is paid to shareholders [2] and the remaining 8,8% is invested back into the group to finance future projects.



(1) The excises paid have been integrated into the net added value so as to be able to express the total contribution to the treasury of EUR 983,68 million as a percentage of the thus corrected net added value.
(2) This calculation method takes no account of the purchases or cancellations of treasury shares.

2.8. Financial involvement

2.8.1. Profit sharing

As a mark of the appreciation of everybody's contribution and dedication, Colruyt Group lets all employees in Belgium share in the profit. A separate system applies for the employees in France, in accordance with French legislation.

History of profit sharing in Belgium

- Since 1988 a substantial group of executives has participated in the company capital through a collective shareholding.
- In 1996 an 'employee dividend' was paid out for the first time.
- In 2002 a number of companies of the group, together with the social partners, finalised a profit-sharing system, based on the Act of 22 May 2001 on employee participation in the capital and profits of the companies.
  In the meantime this company collective labour agreement has already been extended a number of times. The most recent collective labour agreement runs until the end of 2018.
- Since financial year 2007/08 the system has been extended to all companies of the group for the employees employed in Belgium. The share varies according to the operating result of the previous financial year. It consists of a base amount multiplied by coefficients for pay, years of service and position. A proportion of this is paid out in cash or shares of the parent company, according to choice. From 2001 to 2010 a total of EUR 152,46 million has been paid out to staff employed in Belgium.
- Since financial year 2010/11 the profit sharing has been determined according to a combination of the Act of 22 May 2001 on employee participation in the capital and the profit of companies (called the profit participation) and collective labour agreement 90 (CLA 90) of 20 December 2007 followed by collective labour agreement 90bis of 21 December 2010 on non-recurring result-related benefits. The benefits of collective labour agreement 90 can only be paid out in cash.
- Due to a change in the legislative framework, a solidarity contribution of 13,07% has been deducted from the results-related bonuses (CLA 90) since 2013.
- For financial year 2017/18, subject to approval by the General Meeting, the total share in the profits will be EUR 26,67 million, broken down as follows:
  - a profit participation payment of EUR 5,97 million (76% in cash and 24% in shares), as stipulated according to the Act of 22 May 2001 on employee participation in the capital and profit of companies;
  - a payment of EUR 20,70 million according to CLA 90 and 90bis on non-recurring results-related benefits.

Overview of the profit participation since financial year 2001/02

Year	Amount of profit participation in million EUR (1)	Total number of employees	CASH In million EUR	CASH Number of employees	SHARES In million EUR	SHARES Number of shares	SHARES Number of employees
From 2001 to 2010	152,46	101.136	79,61	61.763	72,85	2.504.540	39.373
2010/11							
Profit participation	9,89		5,54	11.985	4,35	101.339	7.620
Results-related bonus	14,95		14,95				
	24,84	19.605	20,49				
2011/12							
Profit participation	8,97		5,55	13.797	3,42	97.196	7.080
Results-related bonus	15,62		15,62				
	24,59	20.877	21,17				
2012/13							
Profit participation	7,46		4,64	13.807	2,82	63.921	7.396
Results-related bonus	18,56		18,56				
	26,02	21.203	23,20				
2013/14							
Profit participation	5,43		3,66	14.948	1,77	37.378	7.301
Results-related bonus	16,95 (2)		16,95				
	22,38	22.249	20,61				
2014/15							
Profit participation	7,02		4,71	15.404	2,31	47.942	7.476
Results-related bonus	18,82 (2)		18,82				
	25,84	22.880	23,53				
2015/16							
Profit participation	6,78		4,42	15.989	2,36	39.894	7.867
Results-related bonus	19,57 (2)		19,57				
	26,35	23.856	23,99				
2016/17							
Profit participation	5,78		4,08	17.213	1,70	32.104	7.742
Results-related bonus	19,66 (2)		19,66				
	25,45	24.955	23,74				
2017/18							
Profit participation	5,97		4,64	19.261	1,33	25.592	6.125
Results-related bonus	20,70 (2)		20,70				
	26,67	25.386	25,34				
TOTAL	**354,60**		**261,68**		**92,91**	**2.949.906**	

(1) The specified payments concern gross amounts to which the following deductions still have to be applied upon payment to the employees:
- Profit participation: 13,07% employee social security contribution and withholding tax when cash is chosen and 15% solidarity contribution when shares are chosen.
- Results-related bonus (CLA 90): 13,07% employee social security contribution.

(2) Employer social security contributions are also due on the results-related bonus (CLA 90) (EUR 6,83 million in 2017/ 18 and EUR 6,49 million in 2016/17).

2.8.2. Capital increase reserved for personnel

In order to enable employees to participate in the growth of the company, since 1987 we have encouraged them to participate in the capital. Through an annual capital increase reserved for employees they can subscribe to shares of the parent company Etn. Fr. Colruyt NV at a favourable price (within the legal framework) that will remain frozen for five years. These capital increases are proposed by the Board of Directors and approved by an Extraordinary General Meeting.

During the capital increase for the last financial year 2017/18, which took place in November 2017, 2.182 employees subscribed to 260.458 shares, amounting to a capital contribution of EUR 10,2 million. Since 1987 employees of the group have subscribed to 21.838.277 shares of their own company, or the parent company, for a total amount of EUR 224,3 million.

Capital increases reserved for employees since 1987

Year	Amount in million EUR	Number of shares
From 1987 to 2008	103,7	18.214.375
2009	13,7	506.895
2010	23,9	715.585
2011	6,2	225.194
2012	10,1	332.725
2013	11,4	316.900
2014	14,0	466.754
2015	17,1	472.883
2016	14,0	326.508
2017	10,2	260.458
TOTAL	**224,3**	**21.838.277**

3. Key figures over five years

(in million EUR)	2017/18	2016/17	2015/16	2014/15	2013/14
Revenue	9.031	9.493	9.177	8.917	8.652
Retail	7.551	7.319	7.148	6.871	6.535
Wholesale and foodservice	933	1.688	1.589	1.541	1.490
Other activities	690	638	593	649	764
Intersegment	- 143	- 152	- 153	- 144	- 136
Gross profit	2.350	2.415	2.321	2.219	2.151
EBITDA	734	744	720	700	687
EBITDA margin	8,1%	7,8%	7,8%	7,8%	7,9%
EBIT	488	493	507	495	488
EBIT margin	5,4%	5,2%	5,5%	5,6%	5,6%
Profit before taxes	519	510	518	511	497
Taxes	145	126	152	148	147
Net profit	374	383	366	363	350
Net profit margin	4,1%	4,0%	4,0%	4,1%	4,0%
Cash flow from operating activities	497	537	641	570	606
Free cash flow	70	352	262	203	284
Total equity	2.042	2.140	2.048	1.801	1.967
Balance sheet total	4.054	4.095	4.019	3.661	3.722
Investments	392	387	388	369	322
ROCE	18,9%	20,2%	21,4%	21,7%	24,0%
Market capitalisation at the end of the financial year	6.747	6.900	7.660	6.350	6.607
Weighted average number of outstanding shares	143.361.535	146.729.840	147.004.025	149.419.713	156.447.069
Number of outstanding shares	150.196.352	149.935.894	149.609.386	156.636.503	165.169.749
Earnings per share	2,60	2,60	2,49	2,21	2,24
Gross dividend per share	1,22	1,18	1,12	1,00	1,00
Dividend yield	2,72%	2,56%	2,19%	2,47%	2,50%
Number of employees	29.388	29.255	29.683	28.117	27.049
Number of employees in FTE	27.795	27.633	28.047	26.491	25.497
Number of own stores in Belgium, Luxembourg and France	553	536	516	498	468
Store area own stores in ‘000 m^2	687	665	641	622	590
Number of independent storekeepers in Belgium and affiliated stores in France (excluding independent retailers)	581	667	679	543	559

In the interests of comparability, the figures from financial year 2014/15 exclude the amount of the settlement with the Investigation Service of EUR 31,6 million.
In financial year 2017/18, the figures exclude the French foodservice business Pro à Pro.

Corporate Governance

MANAGEMENT, SUPERVISION AND DIRECTORATE

1. Board of Directors

1.1. Composition of Board of Directors up to the General Meeting of 26 September 2018

Capacity	Name	Audit Committee member	Rem. Committee member	Appointment expires at GM in
Representatives of the principal shareholders, executive directors	• Jef Colruyt • Frans Colruyt			2018 2021
Representatives of the principal shareholders, non-executive directors	• François Gillet - Member of the Executive Committee at Sofina NV	X		2020
	• Korys NV whose permanent representative is: Jef Colruyt (Chairman)			2020
	• Korys Business Services I NV whose permanent representative is: Hilde Cerstelotte		X	2021
	• Korys Business Services II NV whose permanent representative is: Frans Colruyt			2021
	• Wim Colruyt	X		2018
Independent directors	• ADL GCV whose permanent representative is: Astrid De Lathauwer		X	2021
	• 7 Capital SPRL whose permanent representative is: Chantal De Vrieze	X	X	2019
Secretary	• Kris Castelein			

In addition to the appointments as directors of the companies of Colruyt Group, Messrs Jef Colruyt, Frans Colruyt, Wim Colruyt and François Gillet, as well as Ms Astrid De Lathauwer and Ms Chantal De Vrieze, also hold other external appointments as directors. However, in accordance with the provisions of the Belgian Corporate Governance Code 2009 the above-mentioned directors do not exceed the maximum number of five directorships in stock-exchange listed companies.

1.2. Auditor

ERNST&YOUNG BEDRIJFSREVISOREN BCVBA (B00160) represented by Danny Wuyts BVBA [A01979]. The appointment of the auditor expires after the General Meeting of 2019.

1.3. Reappointment and appointment of directors at the General Meeting of 26 September 2018

The appointments of Mr Jef Colruyt, executive director, and Mr Wim Colruyt, non-executive director of the company expire after the General Meeting of 26 September 2018. Both are re-electable. They are both standing again as candidates, Jef Colruyt in a personal capacity and Wim Colruyt as permanent representative of Korys Business Services III NV. The Board of Directors therefore proposes to grant them both a new appointment of four years that will expire after the General Meeting in 2022.

Subject to approval by the General Meeting of 26 September 2018, the composition of the Board of Directors will then be as follows:

Capacity	Name	Audit Committee member	Rem. Committee member	Appointment expires at GM in
Representatives of the principal shareholders, executive directors	• Jef Colruyt • Frans Colruyt			2022 2021
Representatives of the principal shareholders, non-executive directors	• François Gillet - Member of the Executive Committee at Sofina NV	X		2020
	• Korys NV whose permanent representative is: Jef Colruyt (Chairman)			2020
	• Korys Business Services I NV whose permanent representative is: Hilde Cerstelotte		X	2021
	• Korys Business Services II NV whose permanent representative is: Frans Colruyt			2021
	• Korys Business Services III NV whose permanent representative is vertegenwoordiger: Wim Colruyt	X		2022
Independent directors	• ADL GCV whose permanent representative is: Astrid De Lathauwer		X	2021
	• 7 Capital SPRL whose permanent representative is: Chantal De Vrieze	X	X	2019
Secretary	• Kris Castelein			

In addition to the appointments as directors of the companies of Colruyt Group, Messrs Jef Colruyt, Frans Colruyt, Wim Colruyt and François Gillet, as well as Ms Astrid De Lathauwer and Ms Chantal De Vrieze, also hold other external appointments as directors. However, in accordance with the provisions of the Belgian Corporate Governance Code 2009 the above-mentioned directors do not exceed the maximum number of five directorships in stock-exchange listed companies.

1.4. Honorary director

Independent director Delvaux Transfer BVBA with Willy Delvaux as permanent representative (for a period of five years from the end of the appointment in 2017).

This year, the Board of Directors bade farewell to honorary director Leo Deschuyteneer († 7 May 2018).

2. Colruyt Group Management

2.1. Directorate - financial year 2017/18

- **Jef COLRUYT** Managing Director, CEO and COO Services
- **Frans COLRUYT** Managing Director and COO Retail
- **Chris VAN WETTERE** General Manager Colruyt Lowest Prices
- **Dirk DEPOORTER** General Manager Retail Partners Colruyt Group
- **Bart DE SCHUTTER** General Manager Colruyt France (integrated and affiliated stores)
- **Fabrice GOBBATO** General Manager OKay, OKay Compact and Bio-Planet
- **Stefan GOETHAERT** Manager Colruyt Group Fine Food
- **Marc HOFMAN** Manager Finance
- **Liesbeth SABBE** Manager People & Organization
- **Peter VANBELLINGEN** Manager Business Processes & Systems and Customer Communication & Experiences
- **Koen BAETENS** Manager Technics, Real Estate & Energy and Eoly

2.2. Future board - financial year 2017/18

- **Jef COLRUYT** CEO

2.2.1. Colruyt Group Services

- **Jef COLRUYT** COO Services
- **Marc HOFMAN** Manager Finance
- **Liesbeth SABBE** Manager People & Organization
- **Wim MERTENS** Deputy Manager Social Relations
- **Peter VANBELLINGEN** Manager Business Processes & Systems and Customer Communication & Experiences
- **Philip D'HOOGE** Manager Customer Communication & Experiences
- **Koen BAETENS** Manager Technics, Real Estate & Energy and Eoly
- **Filip VAN LANDEGHEM** Deputy Manager Real Estate and DATS 24

2.2.2. Retail

- **Frans COLRUYT** COO Retail
- **Stefan GOETHAERT** Manager Colruyt Group Fine Food

COLRUYT LOWEST PRICES

- **Chris VAN WETTERE** General Manager
- **Guy ELEWAUT** Strategic Marketing Manager
- **Christophe DEHANDSCHUTTER** Purchasing Manager
- **Martine PAUWELS** Logistics and Transport Manager
- **Claude ROMAIN** Sales Manager Colruyt
- **Rudi DEWULF** Deputy Sales Manager Colruyt West
- **Fernando PARLANTE** Deputy Sales Manager Colruyt Central West
- **André GIGLIO** Deputy Sales Manager Colruyt South East
- **Geert GILLIS** Deputy Sales Manager Colruyt Central North
- **Antonio LOPEZ** Deputy Sales Manager Colruyt (integrated stores)
- **Gilles POINSOT** Deputy Marketing Manager
- **Anthony MEILLER** Deputy Manager affiliated stores

OKAY AND BIO-PLANET

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

DREAMLAND, DREAMBABY AND COLLISHOP

- **Frans COLRUYT** General Manager
- **Stéphanie DE BREE** Manager Dreamland
- **André CERON** Deputy Manager Logistics and Administrative Services

RETAIL PARTNERS COLRUYT GROUP

- **Dirk DEPOORTER** General Manager
- **Guido SORET** Sales Manager
- **Erik PAPPAERT** Deputy Logistics Manager

RETAIL FRANCE (INTEGRATED AND AFFILIATED STORES)

- **Bart DE SCHUTTER** General Manager Colruyt France (integrated and affiliated stores)

FOODSERVICE BELGIUM

- **Frans COLRUYT** General Manager Foodservice Belgium

2.3. Changes to the Directorate during the reporting period

During the last financial year the following appointments or changes of manager or deputy manager were made:

- **Geert GILLIS**, Deputy Sales Manager Colruyt Lowest Prices as of 01/06/2017 (formerly Divisional Sales Manager Dreamland).

Directorate members who have ended their position as manager in the group and whom we would like to thank for their many years of dedication and valued contribution to the sustainable growth of Colruyt Group:

- **Gilles POINSOT**, Deputy Marketing Manager Colruyt France until 31/08/2017;
- **Claude ROMAIN**, Sales Manager Colruyt Lowest Prices until 31/12/2017.

2.4. Changes to the Directorate after the reporting period

- **Christophe DEHANDSCHUTTER**, Sales Manager Colruyt Lowest Prices as of 01/04/2018;
- **Geert ROELS**, Purchasing Manager Colruyt Lowest Prices as of 01/04/2018;
- **Dieter STRUYE**, General Manager Dreamland, Dreambaby and Collishop as of 01/05/2018.

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 2011/12. 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 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 entrepreneurship. In addition, the reference shareholder places stability and long term vision over short term profit.

The **departures** from the recommendations of the Belgian Corporate Governance Code 2009 for stock-listed companies 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 should be accompanied by an enrichment in experience and skills, without jeopardising its efficient operation.
- 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 Sofina NV is bound by a shareholder agreement with the Colruyt family, its representative cannot be considered as an 'independent director', 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 NV holding company, which is active in many diverse sectors and in a number of companies.
- The Board of Directors has not established 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 Korys 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. Where 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 substantial 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 one fifth 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 motions. The formalities for having agenda items and motions 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 for being admitted to the meeting.

Shareholders who satisfy the statutory formalities for being 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 notice of the meeting 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 (and instantly dismiss) the directors.

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 should be accompanied by an enrichment in the experience and skills that support the development of Colruyt Group.

Since the Board of Directors includes three women, it complies with the Act of 28 July 2011 (Quota Act), which stipulated that, from 2017, at least one third of the members of the Board of Directors of companies listed on the stock exchange must be of a different gender than that of the other members.

In line with the long-standing tradition of Colruyt Group, Jef Colruyt is the Chairman of the Board of Directors (as permanent representative of Korys 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 months of September, December, 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 activities belonging to the group and its various companies.

Fixed items on the agenda include the discussion and approval of the annual and half-yearly results and their publication, the financial outlooks, the investment prospects, the investment dossiers and the discussion of the activity reports per sector belonging to Colruyt Group. The board discusses the findings as discussed in the Audit and Remuneration Committees and decides on their recommendations. The directors receive their dossier at least five days prior to the meeting.

COMMITTEES WITHIN THE BOARD OF DIRECTORS

Since September 2006, the Board of Directors has had an **Audit Committee** with one independent director and two non-executive directors This committee works together with the group directorate and the auditor.

7 Capital SPRL (for which Ms C. De Vrieze acts as permanent representative) sits on the Audit Committee as an independent director in the sense of article 526 of the Belgian Companies Code. Ms C.De Vrieze has many years of experience in general and financial management and holds independent directorships of various other companies.

The members of the Audit Committee have the necessary experience and financial knowledge to be able to properly fulfil their role.

In general the role of the Audit Committee is to supervise the correctness of the quantitative (accounting and financial) information of Colruyt Group for the Board of Directors, the shareholders and third parties from the financial world and to report its findings in this respect to the Board of Directors. The operation of the Audit Committee is considered in point 2 of this Corporate Governance chapter.

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

Since September 2011 the Board of Directors also has 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 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 is added to the responsible corporate governance statement. The notes to the remuneration report for the General Meeting of Shareholders, as well as its communication 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 a member of this committee.

Both the Audit Committee and the Remuneration Committee have fulfilled their role on the basis of the internal regulations that can be consulted on our website colruytgroup.com/investors/shareholdersinformation. At the quarterly meetings of the Board of Directors both committees report on their findings and present their recommendations to the Board for approval. On the basis of an informal evaluation, each year both committees consider their internal operation and report on this to the Board of Directors.

In view of the limited number of members within 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 point 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 commercial activities of the group and the directors of the corporate services (Finance, People & Organization, Business Processes & Systems, Customer Communication & Experiences and Technics, Real Estate & Energy).

The Colruyt Group Directorate determines the general strategy and policy options at group level and coordinates the different activities and corporate services of the group.

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.

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

Every month plateau meetings are held where the general policy lines for retail activities and for corporate services are developed.

For each sub-activity there are Future Boards and from financial year 2017/18 umbrella domain boards have been established to help define the strategy to be followed around specific themes such as ‘sustainable entrepreneurship’, ‘innovation’, ‘pricing policy’, ‘logistics’, ‘marketing’, ‘purchasing’, ‘information management’, ‘human resources policy’, etc.

Furthermore, there are two-weekly/monthly management meetings, chaired by the general managers, with the managers of the different activities and corporate services. 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 banner stores and to the managers of the group services (Finance, People & Organization, Business Processes & Systems, Customer Communication & Experiences and Technics, Real Estate & Energy).

Each manager listed as a member of the Future Board, separately within their departments, is required to ensure compliance with all statutory, regulatory, organisational and contractual provisions and bears responsibility 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. Diversity policy

Colruyt Group is engaged in applying the new article 96 §2 point 6 of the Companies Code, as amended by the Act of 3 September 2017, which transposed EU Directive 2014/95 of 22 October 2014 as regards disclosure of non-financial and diversity information by certain large undertakings and groups into Belgian law.

Generally speaking, an equality principle is applied within Colruyt Group, whereby each employee is selected and coached in their career based on factors such as competencies, talents and skills. As a result, our diversity policy forms part of our DNA and emanates from our core value 'respect'.

The group is convinced that diversity of employees (including in terms of age, gender, cultural and professional background) is an absolute asset for a fresh, agile and growing company. A company which also operates in a society characterised by diversity. We endeavour to display this throughout the organisation, including in the management teams.

Aiming for teams that are as diverse as possible at all levels of management raises the quality of leadership and therefore inherently contributes to the realisation of the group's strategy. At the General Meeting of Shareholders on 27 September 2017, two new female directors were appointed, namely Hilde Cerstelotte, permanent representative of Korys Business Services I NV and Chantal De Vrieze, permanent representative of 7 Capital SPRL, acting as independent director. Together with independent director Astrid De Lathauwer, permanent representative of ADL GCV, this means that a third of the members of the Board of Directors are now female. As of October 2015, the Directorate has one female member.

More detailed information about diversity in Colruyt Group and the non-financial information which must be included, can be found in the separate Sustainability Report 2017/18 available electronically on colruytgroup.com.

1.2.5. 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 one third of the economic group profit is paid out annually in the form of dividends and bonuses.

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

1.2.6. 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 (FSMA) and to the company for this purpose.

The most recent transparency notification is always published in the company's annual report and on the website colruytgroup.com/investors/shareholdersinformation.

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

Etn. Fr. Colruyt NV has drawn up trading regulations in which measures have been taken to prevent market abuse and the use of inside information. These regulations were adapted further to the market abuse regulation (MAR) that came into effect on 3 July 2016.

With regard to transactions for their own account in shares of the company or in derivatives or other related financial instruments by directors and other persons with executive responsibilities, the Board of Directors of Etn. Fr. Colruyt NV has drawn up a series of rules regarding the execution of such transactions and their publication (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 Etn. Fr. Colruyt NV and its subsidiaries, who, due to their position or employment at Colruyt Group, have regular or occasional access, as a result of their involvement in an operation with which price-sensitive information is associated, to inside information (hereinafter termed insiders).

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

Etn. Fr. Colruyt NV has appointed an internal 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, Etn. Fr. Colruyt NV has specified 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 may insert additional restricted periods during all other periods that are regarded as sensitive, when people have knowledge of sensitive information that has not yet been published. 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 entering into 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 Etn. Fr. Colruyt NV and 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, Etn. Fr. Colruyt NV maintains lists of employees or persons who work for it and/or its subsidiaries under a contract of employment or the like, and who regularly or sporadically 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.

1.2.7. Information for the shareholders

All useful information for shareholders is published on colruytgroup.com/investors/shareholdersinformation. All stakeholders may register with the company to be automatically informed by e-mail alerts whenever the website is updated or when new financial information is published on the website.

2. Events during the financial year

2.1. Audit Committee

François Gillet has been the chairman of the committee since its formation in 2006. Following the General Meeting at the end of September 2017, non-executive director Wim Colruyt and independent director Chantal De Vrieze, permanent representative of 7 Capital SPRL, took over the baton as new permanent members from non-executive director Piet Colruyt and independent director Willy Delvaux, permanent representative of Delvaux Transfer BVBA.

The internal rules of the Audit Committee are published on colruytgroup.com/investors/shareholdersinformation.

Under the chairmanship of François Gillet, the committee held meetings on 9 June 2017, 15 September 2017, 1 December 2017 and 16 March 2018. All members of the Audit Committee were present at each meeting.

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 finance department. The auditor also presented his audit of the half-yearly and annual results at each meeting. The Risk Management Cell (internal audit) of Colruyt Group also 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.

2.2. Remuneration Committee

The Remuneration Committee was formed in September 2011. Independent director Astrid De Lathauwer, permanent representative of ADL GCV, has fulfilled the role of Chairman since its formation. As of the General Meeting of 7 September 2017, independent director Chantal De Vrieze, permanent representative of 7 Capital SPRL, and non-executive director Hilde Cerstelotte, permanent representative of Korys Business Services I NV, are also members of the Remuneration Committee. As new members, they succeed non-executive director Wim Colruyt and independent director Willy Delvaux, permanent representative of Delvaux Transfer BVBA.

The Remuneration Committee has published its internal rules on colruytgroup.com/investors/shareholdersinformation.

Under the chairmanship of Astrid De Lathauwer, the Remuneration Committee held meetings on 9 June 2017, 15 September 2017, 1 December 2017 and 16 March 2018. The attendance rate at each meeting was 100%.

The main objective of the meetings was to describe, formalise and evaluate the general group remuneration policy on the proposal of the Chairman of the Colruyt Group Directorate. The fixed and variable remuneration components of the CEO (Jef Colruyt) and of the COO Retail (Frans Colruyt) were 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 8 June 2018.

The Compensation & Benefits Cell of the People & Organization Department supported the Committee at 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 15 and 16 June 2017, 21 and 22 September 2017, 7 and 8 December 2017 and 22 and 23 March 2018. The main points of the first three meetings were the discussion and development of the performance of the various store formulas and the trading activities of the group. In keeping with tradition, the meeting in March 2018 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 local 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 presented by the finance department.

The average attendance percentage of the directors during the aforementioned ordinary quarterly meetings can be summarised as follows: in June 2017 100%, in September 2017 96%, in December 2017 100% and in March 2018 100%.

The board also held the following additional meetings:
- on 27 September 2017 to deliberate and decide on the treasury shares buy-back programme amounting to maximum EUR 350 million spread over maximum two years (the average attendance percentage during this additional meeting was 78%);
- on 25 October 2017 to deliberate and decide on the acquisition of a minority stake in Newpharma, a Belgian online provider of parapharmacy and OTC products (the average attendance percentage during this additional meeting was 89%);
- on 24 January 2018 to provide input for Colruyt Group's new strategic plan (all directors were present at this meeting).

Save for 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 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.

Last financial year, the Board of Directors assessed the achievements of the various operating activities against the aims and objectives of Colruyt Group's current strategic plan. Furthermore, the members of the Board were able to share their thoughts and insights for a vision exercise as input for a new strategic plan for Colruyt Group, to be finalised by the end of 2018. Finally, in the light of the mission and values of the group, at all meetings the Board evaluated the internal cooperation but also the interactions with the Audit and Remuneration Committee on a permanent basis.

2.4. Remuneration report for financial year 2017/18

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 a fixed remuneration (emolument) for the position of director, irrespective of the number of meetings of the Board of Directors or one of its committees.

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 by a group insurance policy, disability 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. 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 20 December 2007.

Finally, the remuneration of the members of the Directorate is composed so as to enable the group to guarantee the recruitment and retention of competent Directorate members.

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

EMOLUMENTS

All directors of the group receive emoluments as payment for their appointments. On the advice of the Remuneration Committee, the Board of Directors decided to maintain the emoluments for directors for the financial year 2017/18 at the same level as those paid in the financial year 2016/17.

Thus, in financial year 2017/18, the members of the Board of Directors received the following emoluments:

EMOLUMENTS RECEIVED IN 2017/18 (1)

Korys NV (with permanent representative Jef Colruyt) (2)	EUR 273.000
Korys Business Services III NV (with permanent representative Piet Colruyt - appointment ended at the General Meeting in September 2017)	EUR 45.500
Korys Business Services I NV (with permanent representative Hilde Cerstelotte) (3)	EUR 45.500
Korys Business Services II NV (with permanent representative Frans Colruyt)	EUR 91.000
François Gillet	EUR 91.000
Jef Colruyt	EUR 91.000
Frans Colruyt	EUR 91.000
Wim Colruyt	EUR 91.000
Delvaux Transfer BVBA (with permanent representative Willy Delvaux, independent director – appointment ended at the General Meeting in September 2017)	EUR 45.500
ADL GCV (with permanent representative Astrid De Lathauwer, independent director)	EUR 91.000
7 Capital SPRL (with permanent representative Chantal De Vrieze, independent director) (3)	EUR 45.500
TOTAL	**EUR 1.001.000**

(1) Gross amounts on an annual basis.
(2) Korys NV, which, at the end of March 2018, together with the other family companies acting in concert, controlled 52,03% of the shares, takes on the role of Chairman of the Board of Directors, with Jef Colruyt as permanent representative.
(3) Appointed at the General Meeting of Shareholders on 27 September 2017.

Information on the composition of the variable remuneration of the Chairman of the Directorate and of 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 Retail;
- 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 include any remuneration based on shares, except for that which the members of the Directorate can earn under the Profit Share Plan. In this way, the Board of Directors aims to avoid 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 in cash or shares, without discount, according to the choice of the member of the Directorate. In financial year 2017/18, 190 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.

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

Seventy percent of the variable remuneration of the CEO and the other members of the Directorate is determined according to **collective criteria** based on the operating profit of Colruyt Group.

The remaining 30% of this variable remuneration is determined according to **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 help, prevention policy regarding occupational accidents, etc.

The individual performance criteria are set individually during an annual consultation with the Chairman of the Directorate. In the event of exceptional performance by one or more members of the Directorate, the Chairman of the Directorate may draw from an extra budget over and above the abovementioned variable pay.

The amount of the variable pay of each Directorate member is determined as follows, depending on their individual evaluation:
- If the Directorate member has realised less than half of the individual performance criteria:
  - A maximum of half of the collective variable pay can be allocated;
  - But no individual variable pay is to be allocated.
- If the Directorate member has realised half of the individual performance criteria:
  - A maximum of half of the collective variable pay can be allocated;
  - Half of the variable pay arising from the achievement of the individual performance criteria can be allocated.
- If the Directorate member has realised more than half of the individual performance criteria:
  - The collective variable pay can be allocated to 100%;
  - The variable pay arising from the realisation of the individual performance criteria can only be allocated pro rata to the criteria achieved.

If the EBIT of the group falls below a certain threshold then, on the recommendation of the Board of Directors, absolutely no variable remuneration is paid.

The CEO and the members of the Directorate are evaluated annually, during the first few 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 least 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 covered by 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 of other members of the Directorate

CEO (CHAIRMAN OF THE DIRECTORATE)

The remuneration paid directly or indirectly to the CEO comprised in financial year 2017/18:

Basic salary	EUR 633.000
Variable remuneration in cash	EUR 537.454
Contributions paid for group insurance	EUR 113.940
Other components	EUR 7.920
Total	**EUR 1.292.314**

The variable remuneration in cash for services in financial year 2016/17 and paid in financial year 2017/18 to the CEO fell in relation to the variable remuneration in cash paid in financial year 2016/17. The lower variable remuneration is mainly due to the reduction in operating profit for financial year 2016/17.

OTHER MEMBERS OF THE DIRECTORATE

The remuneration paid directly or indirectly to the other members of the Directorate comprised overall, in financial year 2017/18:

Basic salary	EUR 2.457.606
Variable remuneration in cash	EUR 1.508.381
Contributions paid for group insurance	EUR 321.809
Other components	EUR 32.400
Total	**EUR 4.320.196**

These figures show the remuneration in gross amounts for a complete financial year. Compared to the previous financial year, no new managers joined the Directorate. No managers left the Directorate either. The amounts are higher than the previous financial year since the remuneration for some managers was only charged pro rata then. The comparable remuneration for managers who were members of the Directorate continuously for both this financial year and the previous financial year increased by 2%. The basic salary rose by 4%, driven mainly by indexation and pay increases under the collective agreement (both averaging + 2,5%). The variable remuneration fell by 2%, mainly due to the decrease in operating profit for financial year 2016/17.

The variable remuneration comprises payment for services for the group during the financial year 2016/17. Except for Frans Colruyt, COO Retail, all members of the Directorate included in the above overview are wage earners. Social security contributions are paid on their gross salaries by Colruyt Group.

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

Managers who are members of the Directorate and bound to their employer by a contract of employment have no individual contractual claim with respect to Colruyt Group regarding their severance payment.

3. Risk management and internal control

3.1. General

In accordance with its mission, Colruyt Group aims to pursue a policy of sustainable entrepreneurship. In practice, this policy is converted into the strategic and operational objectives of the group and of each division within the group. However, 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 only being able to be partially achieved. Controlling these risks is a core task of each member of the Directorate, within his/her area of responsibility. In order to support the Directorate, the group has set up a series 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 main 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 inspiration 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 increase risk awareness in the context of 'professionalism' and 'entrepreneurship' when weighing up opportunities and making decisions.

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).

3.2.2. Risk management process

A. BACKGROUND AND OBJECTIVE

Colruyt Group has developed an overarching risk management system based on the principles of Enterprise Risk Management (ERM) under the name of 'Coris' (Colruyt Group Risk Management). The main objectives are to increase the risk awareness of all employees and to draw up an inventory of the risks to which the Group is exposed in order to then control them. We wish to encourage our employees to take controlled risks, as entrepreneurship is based on taking risks. To this end, all supervisors and employees concerned take the Coris training sessions. All activities of the group have gone through the Coris process as described below, and this is updated on a regular basis.

B. PROCESS AND METHODOLOGY

The whole group is divided into 31 operational and support domains.Each domain must go through the following process steps in a structured manner:
- risk identification
- risk analysis and risk evaluation
- risk response (set up additional management measures if necessary), monitoring and adjustment.

The entire process is coordinated and facilitated by the department Risk management, in consultation with the Directorate. Reporting takes place on a quarterly basis to the Directorate and, via the Audit Committee, to the Board of Directors.

The main risks relating to the operations of Colruyt Group are reflected in a risk universe that is divided into five categories:
- Strategic risks: such as market dynamics, governance, planning and the allocation of resources, important initiatives, acquisitions and communication;
- Operational risks: these include marketing and sales, purchasing, stocks and production, human resources and organisation, information technology, fixed assets and theft;
- Financial risks: these concern the risks associated with 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' and 'impact'. 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 KRIs (Key Risk Indicators). Furthermore, each risk is allocated to a risk owner who is responsible for setting up and implementing action plans and for the monitoring and follow-up of his/her risks. A risk coordinator is appointed for each domain and keeps risk management active within the domain through the administration and management of the risk registers.

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

3.2.3. Measures regarding risk management and internal control

A. GENERAL: PROCESS AND SYSTEM APPROACH

Identified 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 into them.The process managers are the risk owners and thus bear the final responsibility for their process being 'under control'.

B. MAIN RISKS AND MANAGEMENT MEASURES OF COLRUYT GROUP

<u>Strategic risks</u>

- *Risks relating to market dynamics*
  An important strategic risk of the group relates to trends in 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 which it can integrate successfully into its existing operations.In the event of cross-border acquisitions, the group is also exposed to the economic, social and political risks associated with operating in these countries.The group strives to mitigate the aforementioned

acquisition risks as far as possible through a formalised acquisition process, including robust due diligence activities.

Operational risks

- *Supply risk (supply chain)*
  The continuous supply of the distribution centres and stores of the group is of vital importance so as to be able to realise our results objectives. In order to reduce the supply chain risks, the group aims for a transparent, long-term relationship with all of its suppliers. Moreover, no single supplier has a dominant position that could jeopardise the supply process.Finally, scarcity or supply problems can be absorbed within the network of the purchasing group, AgeCore. The non-availability or inaccessibility of the distribution centres can also have a significant impact on the continuity of our activities. The group has implemented the necessary continuity programmes and contingency measures in order to mitigate this risk as far as possible.

- *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 corporate services can be temporarily disrupted. Colruyt Group endeavours to minimise this risk by pursuing a strategy of open and transparent communication with all employees and 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, their failure, even for just one day, could 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 backup systems, continuity plans and contingency scenarios.

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'.

Legal risks

- *Risks relating to product liability*
  The production, packaging and selling of goods for resale can entail risks of product liability, obligations to take back and/or replace goods. Products can be soiled, contaminated or defective and still 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 that such a claim could have on its reputation. The group insures itself against the risks of product liability and recalls. The group itself is also active in the area of food safety and quality audits on products intended for sale. Together with suppliers, programmes are developed to permanently monitor 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*
  The group can be held liable for remedying 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. 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.

  Changes in the regulations in a country or region where the group operates can have an impact on the results of Colruyt Group. As far as 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 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 control measures have been developed and implemented in order to monitor the compliance of the group with the competition regulations.

- *Health and safety risks*
  The risks relating to occupational accidents and obligations regarding

personnel are covered by insurance policies with external insurers. The group strives to prevent health and safety incidents as far as possible through extensive safety and prevention programmes.

- *Risks relating to bribery and corruption*
  Due to the size of the organisation and the current business model, in particular the large purchasing flows, the group is exposed to bribery and corruption risks. A number of measures have been implemented within the group to control this risk as far as possible. More details of this can be found in the Sustainability Report.

Risks of force majeure

- *Fire, natural disasters, terrorism, malicious acts*
  The group manages these risks partly by insuring them on the external insurance market, combined with self-insurance via its reinsurance company Locré. The group bases its decisions on the cost of external cover on the one hand and the level of its safety and prevention programmes on the other. External insurance is also used whenever this is compulsory by law. The objective of this reinsurance programme is to provide permanent flexibility in its risk programme and to optimise the cost of this according to the risks. The group seeks to prevent damage to buildings and business interruption due to fire, explosion or other perils as far 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 resources at its disposal 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, from department to 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 realisation versus expectation for the main financial and operational KPIs:

- 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 Board of Directors supervises the proper functioning of the risk management systems through the Audit Committee. To this end, the Audit Committee makes use of the information provided by the external auditors as well as the interaction with the Risk Management Cell (Internal Audit). The latter reports on a quarterly basis on the activities performed and results.

Both external audit and risk management assess the organisation and functioning of the internal controls contained in processes and systems, from their respective perspectives: for external audit this 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 (Key Risk Indicators). If necessary, corrective measures are initiated. Generally, the process manager is the one who does these monitoring activities. In this regard, 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

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 financial figures produced and reported, the group has introduced 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 four times per year 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 has no further involvement 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, Financial Controlling, Consolidation and Investor Relations, the purpose of the last two being to provide 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 links (for example with the various ledgers), reconciliations (for example of accounts), alignment of financial reporting with management and operational reporting, variance analyses and validation rules (for example of consolidation flows and consolidated figures). 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. Lastly, 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 twenty analysts publish reports with financial information about Colruyt Group at regular points in time.

SHARE OWNERSHIP - COLRUYT SHARES

Calendar for the shareholders

12/09/2018	Registration date for deposition of shares for participation in the annual General Meeting of Shareholders
26/09/2018 (16h00)	General Meeting of Shareholders for the financial year 2017/18
	Dividend for financial year 2017/18 (coupon 8)
28/09/2018	Ex-date (detachment of the coupons)
01/10/2018	Record date (centralisation of the coupons)
02/10/2018	Payability
12/10/2018	Certificates relating to the exemption from or reduction of withholding tax on dividends must be in our possession
10/10/2018	Extraordinary General Meeting Capital increase Etn. Fr. Colruyt NV reserved for employees of Colruyt Group (art. 609 Companies Code)
11/12/2018 (17h45)	Publication of consolidated information on the first semester of the financial year 2018/19
12/12/2018	Information meeting for financial analysts
18/06/2019 (17h45)	Publication of annual financial information for the financial year 2018/19
19/06/2019	Information meeting for financial analysts
31/07/2019	Publication of the annual report for the financial year 2018/19
25/09/2019 (16h00)	General Meeting of Shareholders for the financial year 2018/19

1. Dividend for the financial year 2017/18 (1)

The Board of Directors endeavours to increase the annual dividend per share in proportion to the increase of the group profit. The Board of Directors consequently proposes granting a gross dividend of EUR 1,22 to the shares of Etn. Fr. Colruyt NV participating in the profit of financial year 2017/18. Of the gross dividend of EUR 1,22, the shareholders will receive a net amount of EUR 0,854 after deduction of 30% withholding tax on income from securities.

A withholding tax is due on income from securities such as dividends and interest. Originally the rate for dividends was 15% and then 21%. With the Programme Law of 27/12/2012 the tax rate for the withholding tax was set at 25% as of 01/01/2013. Within the framework of the '2016 tax shift' the Belgian government decided to increase the withholding tax on dividends from 25% to 27% as of 1/1/2016. In the framework of the federal policy declaration, at the end of 2016 it was decided to again increase the standard rate of withholding tax on income from securities from 27% to 30% for dividends and interest allocated or payable as of 1/1/2017. The amount of the net dividend for foreign shareholders may vary, depending on the double taxation treaties applying between Belgium and the various countries. The necessary certificates must be in our possession by 12 October 2018 at the latest.

The dividend for financial year 2017/18 will be made payable as of 2 October 2018 against submission of coupon No. 8 at the counters of the financial institutions. BNP Paribas Fortis Bank will act as the payment institution (Principal Paying Agent) for the dividends.

Since the stock market flotation in 1976 the Colruyt share has been split a number of times. The most recent split dates from 15 October 2010 when the share was divided by five. Since 15 October 2010 only the shares with ISIN code BE0974256852 have been listed on Euronext Brussels. Referring to the Act of 14 December 2005 abolishing bearer securities, as amended by the Act of 21 December 2013, on 24 March 2015 Colruyt sold its remaining bearer shares (in total 28.395 shares) on the regulated market of Euronext Brussels. People who are still in possession of old paper Colruyt shares and who can demonstrate their capacity as shareholder of these documents, can 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.

2. Stability allowance for the reference shareholders (1)

The Board of Directors believes that the stability and continuity in the reference share ownership of the legal entities Korys NV and Sofina NV is of essential importance for conducting a sustainable common policy with respect to the company. Hence, the Board of Directors proposes granting the following stability allowance, in the form of a bonus, to the current reference shareholders through the directors who represent them in the Board of Directors, namely Korys NV and François Gillet for Sofina NV (2):

Stability allowance reference shareholders

	Financial year 2017/18
Korys NV	2.839.358 EUR
François Gillet (2)	890.780 EUR

This bonus bears no relationship to the performance of the permanent representatives or other representatives of the reference shareholders concerned in their capacity as director or in any other capacity.

(1) Subject to the approval of the General Meeting of Shareholders of 26 September 2018.
(2) The allowance to François Gillet, presented as director by the reference shareholder Sofina NV, is paid to Sofina NV.

Information Colruyt share

COLR
LISTED
EURONEXT

Market listing: Euronext Brussels (since 1976)	
Member of Bel20 index	
Share ticker	COLR
ISIN code	BE0974256852

Development of the Colruyt share price over the previous financial year

Source: euronext.com

Development of the Colruyt share price compared to Bel20 over the last five financial years

Colruyt Bel20

3. Overview of Etn. Fr. Colruyt NV shares

Number of shares	2017/18	2016/17
Ordinary shares	150.196.352	149.935.894
Shares participating in the profit	150.196.352	149.935.894
Treasury shares held by the company (1)	12.549.852	4.300.386
Shares held by subsidiaries (1)	0	0
Balance profit-participating shares in June (1)	137.646.500	145.635.508

Data per share (in EUR) on the closing date of the reporting period (31 March)		
Gross dividend	1,22	1,18
Net dividend	0,854	0,826
Profit	2,60	2,60
Calculation base (weighted average in financial year 2017/18) (2)	143.361.535 shares	146.729.840 shares

Market price in Brussels (in EUR)		
Market price on 31 March	44,92	46,02
Highest price of the financial year (closing price)	49,72	54,72
Lowest price of the financial year (closing price)	41,39	44,27
Market value on 31 March (in EUR million)	6.746,82	6.900,05

(1) Situation on 13/06/2018 and 01/06/2017 respectively.
(2) 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. Subject to approval by the General Meeting on 26 September 2018, 25.592 treasury shares are reserved for the profit participation in shares for 2017/18 and will carry the right to a dividend at the end of September 2018. These shares are not yet included in this total. Read the full overview on p. 105.

4. Purchase of treasury shares

For several years, the Extraordinary General Meeting of Shareholders has granted authorisation to the Board of Directors of Etn. Fr. Colruyt NV 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 the operation, and is simultaneously published by the company through a press release on our website colruytgroup.com.

In the period from 1 April 2017 to 12 July 2017, the Board of Directors made use of the authorisation granted to it and 823.256 treasury shares were purchased in this way for a total of EUR 36,6 million.

Under the mandate granted by the Extraordinary General Meeting of 14 October 2014, the Board of Directors of Colruyt Group subsequently also purchased treasury shares based on the share buy-back programme announced on 27 September 2017 for a maximum sum of EUR 350 million. The programme started on 2 October 2017 and has a maximum term of two years. The aim of the purchase programme is to reduce the company's available cash and to decrease the capital, by cancelling shares acquired under the purchase programme in part or in full. The programme is being executed by an independent intermediary pursuant to a discretionary mandate, making it possible to purchase shares during both open and closed periods. Under the current buy-back programme, Colruyt Group purchased a total of 6.596.931 treasury shares during the period from 2 October 2017 to 31 March 2018 for a total of EUR 291,1 million.

On 31 March 2018 Etn. Fr. Colruyt NV held 11.688.496 treasury shares, They represented 7,78% of the total number of issued shares (150.196.352) at the end of the reporting period. For the treasury share situation on 13 June 2018, please refer to the table hereafter.

Under the suspensive condition of approval by the General Meeting, 25.592 treasury shares will be given to the employees who wish to obtain their 2017/18 profit participation in the form of shares.

In accordance with article 622 § 1 of the Companies Code, the Board of Directors decided that the dividend rights attached to the shares or certificates that are held by Etn. Fr. Colruyt NV are continuously suspended and lapse for the period that they are held. Consequently, no dividends are paid and the voting rights attached to these shares are also suspended.

Overview of treasury shares purchase

During the reporting period	2017/18
Total treasury shares held at the start of the reporting period (01/04/2017)	4.300.386
Allocated to employees for 2016/17 profit participation, dated 30/09/2017	- 32.077
Purchase of treasury shares in 2017/18	+ 7.420.187
Total treasury shares held at the end of the reporting period (31/03/2018)	11.688.496

After the reporting period	
Total treasury shares held at the end of the reporting period (31/03/2018)	11.688.496
Purchase of treasury shares in the period from 01/04/2018 to 13/06/2018	+ 861.356
Total treasury shares held on 13/06/2018	12.549.852

5. Structure of the share ownership of Etn. Fr. Colruyt NV according to the latest transparency notification of 30/03/2018

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 30 March 2018 we received an updated notification of holdings from the Colruyt family and relatives, Sofina NV and Colruyt Group.

A transparency notification dated 30 March 2018 reveals that the shareholders acting in concert (Colruyt family and relatives, Colruyt Group and Sofina NV) together exceeded the notification threshold of 65% following the purchase of treasury shares by Colruyt Group. On 30/03/2018, the shareholders acting in concert (Colruyt family and relatives, Colruyt Group and Sofina NV) held a total of 97.622.441 Colruyt shares, which together therefore represent 65% of the total number of shares in the company (150.196.352).

The denominator of 150.196.352 shares takes account of the capital increase reserved for employees, for which a total of 260.458 new shares were issued on 18/12/2017.

The company has no knowledge of other agreements between shareholders. The statutory thresholds per 5% bracket apply. No notifications or changes were received after the end of the financial year.

Transparency notification of 30/03/2018

Holders of voting rights	Previous notification # voting rights	After the transaction # voting rights attached to securities	% voting rights attached to securities
Stichting Administratiekantoor Cozin	0	0	0,00 %
Korys NV	68.731.046	68.739.046	45,77 %
Korys Business Services I NV	1.000	1.000	0,001 %
Korys Business Services II NV	1.000	1.000	0,001 %
Korys Business Services III NV	1.000	1.000	0,001 %
Stiftung Pro Creatura	149.605	149.005	0,10 %
Impact Capital NV	70.000	130.000	0,09 %
Colruyt family shareholders	9.100.208	9.132.894	6,08 %
Etn. Fr. Colruyt NV	7.550.537	11.688.496	7,78 %
Sofina NV	7.780.000	7.780.000	5,18 %
TOTAL	**93.384.396**	**97.622.441**	**65,00 %**

Complete chain of controlled companies through which the holding is actually held:

- Etn. Fr. Colruyt NV is controlled by Korys NV.
- Korys NV is controlled by Stichting Administratiekantoor Cozin.
- Korys Business Services I NV, Korys Business Services II NV and Korys Business Services III NV are controlled by Korys NV (which in turn is controlled by Stichting Administratiekantoor Cozin).
- Stiftung Pro Creatura, 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).

6. Notice of an agreement to act in concert (art. 74 Act of 1 April 2007)

The same parties also have an agreement to act in concert 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). Korys NV sent an update of the holdings to the company and to the FSMA on 30 August 2017 on behalf of all parties acting in concert.

On 30 August 2017, the number of shares involved in acting in concert amounted to 90.952.947 or 60,66% of the total number of outstanding Colruyt shares on that date (149.935.894)

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/investors.

7. Ethibel

As of 19 March 2018 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 two hundred shares of European companies that are included in the Russell Global Index and are all top performers in corporate social responsibility (CSR). The composition of the index is reviewed twice per year. The fact 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 Vigeo Eiris (vigeo-eiris.com), which 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).

8. SDG Charter

As a 'voice' or spokesperson for the seventeen United Nations Sustainable Development Goals (SDGs), Colruyt Group, together with seven other Belgian organisations, has increased public awareness of these goals since 2016. The group wants to inspire as many people as possible to make an active contribution to more sustainable development. Since the development goals fit in seamlessly with our efforts to increase sustainability, Colruyt Group has now also signed the official "Belgian SDG Charter for International Development" together with a hundred private and public companies and civil society organisations. This underlines the group's commitment to sustainable and inclusive economic growth. More information can be found in the Sustainability Report 2017/18.

Financial report

CONSOLIDATED INCOME STATEMENT

(in million EUR)	Note	2017/18	2016/17
Revenue	3.	9.030,6	9.493,5
Cost of goods sold	3.	(6.681,1)	(7.079,0)
Gross profit	*3.*	*2.349,5*	*2.414,5*
Other operating income	4.	111,5	111,2
Services and miscellaneous goods	5.	(464,4)	(469,0)
Employee benefit expenses	6.	(1.228,8)	(1.285,5)
Depreciation, amortisation and impairment of non-current assets		(245,8)	(250,4)
Other operating expenses	4.	(33,7)	(27,5)
Operating profit (EBIT)		*488,3*	*493,3*
Finance income	7.	7,1	7,2
Finance costs	7.	(5,7)	(3,6)
Net financial result	*7.*	*1,4*	*3,6*
Share in the result of investments accounted for using the equity method	12., 13.	29,4	12,7
Profit before tax		*519,1*	*509,6*
Income tax expense	8.	(144,7)	(126,4)
Profit for the financial year		*374,4*	*383,2*
Attributable to:			
Non-controlling interests		1,3	1,3
Owners of the parent company		373,1	381,9
Earnings per share (EPS) – basic and diluted (in EUR)	22.	2,60	2,60

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2017/18	2016/17
(in million EUR)			
Profit for the financial year		*374,4*	*383,2*
Items of other comprehensive income from fully consolidated subsidiaries			
Items that will not be reclassified to profit or loss			
Revaluation of liabilities related to long-term post-employment benefits, after taxes	8., 24.	21,0	(46,1)
Total of the items that will not be reclassified to profit or loss		*21,0*	*(46,1)*
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) from currency translation of foreign subsidiaries, after taxes		(2,2)	0,8
Net change in fair value of financial assets available for sale, after taxes	14.	(4,0)	9,0
Total of the items that may be reclassified subsequently to profit or loss		*(6,2)*	*9,8*
Items of other comprehensive income from investments accounted for using the equity method			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of derivative financial instruments, after taxes	12., 13.	2,8	(2,8)
Total of the items that may be reclassified subsequently to profit or loss		*2,8*	*(2,8)*
Other comprehensive income for the financial year		*17,6*	*(39,1)*
Total comprehensive income for the financial year		*392,0*	*344,1*
Attributable to:			
Non-controlling interests		1,3	1,3
Owners of the parent company		390,7	342,8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in million EUR)	Note	31.03.18	31.03.17
Goodwill	9.	58,1	57,4
Intangible assets	10.	123,6	79,8
Property, plant and equipment	11.	2.131,8	2.037,0
Investments accounted for using the equity method	12., 13.	261,5	210,8
Financial assets	14.	40,9	12,0
Deferred tax assets	17.	28,2	22,6
Other receivables	19.	37,5	34,8
Total non-current assets		*2.681,6*	*2.454,4*
Inventories	18.	592,5	600,3
Trade receivables	19.	496,1	441,2
Current tax assets		1,1	0,2
Other receivables	19.	39,6	36,1
Financial assets	14.	29,7	24,5
Cash and cash equivalents	20.	212,1	523,7
Assets held for sale	16.	1,4	14,4
Total current assets		*1.372,5*	*1.640,4*
TOTAL ASSETS		***4.054,1***	***4.094,8***
Share capital		315,9	305,8
Reserves and retained earnings		1.720,1	1.830,2
Total equity attributable to owners of the parent company		**2.036,0**	**2.136,0**
Non-controlling interests		5,5	4,2
Total equity	*21.*	*2.041,5*	*2.140,2*
Provisions	23.	32,7	26,9
Liabilities related to employee benefits	24.	127,6	153,6
Deferred tax liabilities	17.	59,0	57,3
Interest-bearing and other liabilities	25., 26.	13,7	16,2
Total non-current liabilities		*233,0*	*254,0*
Provisions	23.	0,9	0,4
Interest-bearing liabilities	25.	128,6	11,6
Trade payables	26.	1.092,3	1.081,8
Current tax liabilities		42,1	124,3
Liabilities related to employee benefits and other liabilities	26.	515,7	482,5
Total current liabilities		*1.779,6*	*1.700,6*
Total liabilities		*2.012,6*	*1.954,6*
TOTAL EQUITY AND LIABILITIES		***4.054,1***	***4.094,8***

CONSOLIDATED STATEMENT OF CASH FLOWS

(in million EUR)	Note	2017/18	2016/17
Operating activities			
Profit before tax		*519,1*	*509,6*
Adjustments for:			
Depreciation, amortisation and impairment of non-current assets		245,8	250,4
Finance income and finance costs	7.	(1,4)	(3,6)
Share in the result of investments accounted for using the equity method	12., 13.	(29,4)	(12,7)
Other [(1)]		1,2	(45,1)
Cash flow from operating activities before changes in working capital and provisions		*735,3*	*698,6*
Decrease/(increase) in trade and other receivables		(52,2)	(66,6)
Decrease/(increase) in inventories		0,5	(9,6)
(Decrease)/increase in trade payables and other liabilities		18,6	24,3
(Decrease)/increase in provisions and liabilities related to employee benefits		32,2	34,8
Interest paid		(0,8)	(0,9)
Interest received		3,3	4,0
Dividends received		1,2	1,4
Income tax paid		(241,1)	(149,0)
Cash flow from operating activities		*497,0*	*537,0*
Investing activities			
Purchase of property, plant and equipment and intangible assets		(391,6)	(376,3)
Business combinations (net of cash and cash equivalents acquired) and business disposals (net of cash and cash equivalents disposed of)		(3,1)	182,3
(Increase in investment in)/proceeds from capital reimbursements of associates and joint ventures	12., 13.	(18,7)	(6,4)
(Purchases)/sales of financial assets	14.	(26,4)	4,0
(Payment of)/proceeds from repayment of loans granted		(2,5)	(0,7)
Proceeds from sale of property, plant and equipment and intangible assets		14,8	11,6
Cash flow from investing activities		*(427,5)*	*(185,5)*
Financing activities			
Proceeds from the issue of share capital	21.	10,1	14,1
Acquisition of non-controlling interests		-	(0,7)
Purchase of treasury shares		(328,7)	(100,0)
New/(repayment of) borrowings [(2)]		115,6	(1,6)
Payment of finance lease liabilities		(2,8)	(3,5)
Dividends paid	21.	(170,9)	(165,1)
Stability allowance paid to reference shareholders	21., 31.	(3,8)	(3,7)
Cash flow from financing activities		*(380,5)*	*(260,5)*
Net increase/(decrease) of cash and cash equivalents		***(311,0)***	***91,0***
Cash and cash equivalents at 1 April		523,7	432,5
Effect of changes in foreign currency rates		(0,6)	0,2
Cash and cash equivalents at 31 March	***20.***	***212,1***	***523,7***

(1) The category 'Other' includes amongst others losses/(gains) on the sale of property, plant and equipment, intangible assets and financial non-current assets, impairments and reversal of impairments on inventories, trade receivables and other receivables, employee benefits in the context of profit-sharing and capital increases reserved for employees.
(2) Includes amongst others the drawdown of EUR 125 million in straight loans.

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
(in million EUR, except number of shares)					
At 1 April 2017		***149.935.894***	***305,8***	***4.300.386***	***(180,0)***
Total comprehensive income for the financial year		-	-	-	-
Profit for the financial year		-	-	-	-
Other comprehensive income for the financial year		-	-	-	-
Transactions with the owners		*260.458*	*10,1*	*7.388.110*	*(326,4)*
Capital increase	21.	260.458	10,1	-	-
Treasury shares purchased		-	-	7.420.187	(327,6)
Treasury shares distributed as profit-sharing to employees	21.	-	-	(32.077)	1,2
Dividends	21.	-	-	-	-
Stability allowance reference shareholders	21.	-	-	-	-
Other		-	-	-	-
At 31 March 2018		***150.196.352***	***315,9***	***11.688.496***	***(506,4)***
At 1 April 2016		***149.609.386***	***291,7***	***2.243.808***	***(81,5)***
Total comprehensive income for the financial year		-	-	-	-
Profit for the financial year		-	-	-	-
Other comprehensive income for the financial year		-	-	-	-
Transactions with the owners		*326.508*	*14,1*	*2.056.578*	*(98,5)*
Capital increase	21.	326.508	14,1	-	-
Treasury shares purchased		-	-	2.096.447	(100,0)
Treasury shares distributed as profit-sharing to employees	21.	-	-	(39.869)	1,5
Dividends	21.	-	-	-	-
Stability allowance reference shareholders	21.	-	-	-	-
Changes in consolidation method		-	-	-	-
Other		-	-	-	-
At 31 March 2017		***149.935.894***	***305,8***	***4.300.386***	***(180,0)***

Other reserves				Retained earnings	Total	Non-controlling interests	Total equity
Revaluation reserves of liabilities related to long-term post-employment benefits	Cumulative translation adjustments	Cash flow hedge reserves	Fair value reserves for financial assets available for sale				
(57,8)	*0,4*	*(8,4)*	*5,3*	*2.070,7*	*2.136,0*	*4,2*	*2.140,2*
21,0	*(2,2)*	*2,8*	*(4,0)*	*373,1*	*390,7*	*1,3*	*392,0*
-	-	-	-	373,1	373,1	1,3	374,4
21,0	(2,2)	2,8	(4,0)	-	17,6	-	17,6
-	*-*	*-*	*-*	*(174,4)*	*(490,7)*	*-*	*(490,7)*
-	-	-	-	1,7	11,8	-	11,8
-	-	-	-	(0,8)	(328,4)	-	(328,4)
-	-	-	-	(0,1)	1,1	-	1,1
-	-	-	-	(170,9)	(170,9)	-	(170,9)
-	-	-	-	(3,8)	(3,8)	-	(3,8)
-	-	-	-	(0,5)	(0,5)	-	(0,5)
(36,8)	*(1,8)*	*(5,6)*	*1,3*	*2.269,4*	*2.036,0*	*5,5*	*2.041,5*
(12,3)	*(0,4)*	*(5,6)*	*11,9*	*1.840,5*	*2.044,3*	*3,4*	*2.047,7*
(46,1)	*0,8*	*(2,8)*	*9,0*	*381,9*	*342,8*	*1,3*	*344,1*
-	-	-	-	381,9	381,9	1,3	383,2
(46,1)	0,8	(2,8)	9,0	-	(39,1)	-	(39,1)
0,6	*-*	*-*	*(15,6)*	*(151,7)*	*(251,1)*	*(0,5)*	*(251,6)*
-	-	-	-	2,4	16,5	-	16,5
-	-	-	-	-	(100,0)	-	(100,0)
-	-	-	-	-	1,5	-	1,5
-	-	-	-	(165,1)	(165,1)	-	(165,1)
-	-	-	-	(3,7)	(3,7)	-	(3,7)
-	-	-	(15,6)	15,6	-	-	-
0,6	-	-	-	(0,9)	(0,3)	(0,5)	(0,8)
(57,8)	*0,4*	*(8,4)*	*5,3*	*2.070,7*	*2.136,0*	*4,2*	*2.140,2*

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 2017/18 and 2016/17, prepared in accordance with 'International Financial Reporting Standards' (IFRS) as accepted by the European Union up until 31 March 2018, 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 annual 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

Building a better working world

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Independent auditor's report to the general meeting of Etn. Fr. Colruyt NV for the year ended 31 March 2018

As required by law and the Company's articles of association, we report to you as statutory auditor of Etn. Fr. Colruyt NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of the financial position as at 31 March 2018, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 March 2018 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 28 September 2016, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and on recommendation of the workers council. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 March 2019. We performed the audit of the Consolidated Financial Statements of the Group during two consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Etn. Fr. Colruyt NV, which consists of the consolidated statement of the financial position as at 31 March 2018, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 March 2018 and the disclosures, which show a consolidated balance sheet total of € 4.054,1 million and of which the consolidated income statement shows a profit for the year of € 374,4 million.

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 March 2018, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Compensations received from suppliers

Description of the matter

The Group receives significant amounts of discounts and compensations from its suppliers, mainly for promotions in the stores, joint publicity, introduction of new products, and volume based incentives. The determination of such discounts from suppliers is largely based on the actual supplier purchases of the related period, which are also confirmed by the Group with the suppliers concerned.

However, for new cooperation models or for periods that have not yet been completely settled, estimates are required regarding specific purchase or sales volumes as well as the discount percentages to be applied. In order to be able to determine these accurately and completely, management needs to have a detailed insight into the contractual arrangements and to the extent to which any conditions of certain promotional programs are fulfilled. A change in these estimates could have a material impact on the Consolidated Financial Statements. For these reasons and also because of the size of the related amounts, the recognition of the compensations from suppliers is a key audit matter.

We refer to note 1 of the Consolidated Financial Statements for the valuation rules in this respect.

Procedures performed

Our audit work included, among others, the following:

- Substantive procedures on settled compensations from suppliers; this work consisted of a reconciliation, for a sample, to supplier contracts and/or equivalent supporting documentation such as invoices, credit notes, receipts or supplier confirmations of the compensations from suppliers.
- Substantive procedures with regard to the correctness and completeness of the outstanding compensations from suppliers; these tests include evaluating the appropriateness of management's estimates regarding specific purchase or sales volumes and discount percentages applied, as well as reconciling, for a sample, these data with the Group's underlying supplier agreements and accounting records.
- An assessment of management's historical estimation accuracy by testing the extent to which outstanding receivables in previous period with regard to compensations from suppliers to be collected were paid after the end of the financial year.
- Evaluation of the presentation of the compensations from suppliers in accordance with the valuation rules included in note 1 of the Consolidated Financial Statements.

Impairment of goodwill and property, plant and equipment

Description of the matter

The Group operates stores in Belgium, France and Luxembourg. The carrying amount of the property, plant and equipment mainly relates to the stores and related assets as detailed in note 11 of the Consolidated Financial Statements. The total net book value amounts to € 2.131,8 million as at 31 March 2018. In addition, as a result of various acquisitions in the past, the Group has booked goodwill. The book value of this goodwill amounts to € 58,1 million as at 31 March 2018. The valuation of goodwill is described in note 9 of the Consolidated Financial Statements; the valuation of property, plant and equipment in note 11.

In accordance with IAS36 'Impairment of assets', these assets are reviewed by management at least once a year by cash-generating unit and examined for any indications of impairment. This review is strongly influenced by, the future expectations of the management with regard to the expected growth, in particular the turnover and the operating result, and by other assumptions, such as the discount rate and long-term growth rate. A change in these assumptions or the use of inappropriate future expectations could have a material impact on the Consolidated Financial Statements. For these reasons, the impairment of goodwill and property, plant and equipment are a key audit matter.

Procedures performed

Our audit work included, among others, the following:

- Evaluation of the mathematical accuracy and conformity with IAS36 of the valuation model used by the Group with the support of a valuation expert from our firm.
- Evaluation of the most important assumptions used (long-term growth rate and discount rate) with the support of a valuation expert from our firm.
- Evaluation of the reasonableness of the projected cash flows as well as the estimated future revenue growth and growth of the operating result by comparing with, and an evaluation of, the budget approved by the Board of Directors, and an assessment of the Group's historical forecasting accuracy.
- Verification of the existence of any additional indications for impairment, by reading of minutes of the Board of Directors, by an independent evaluation of publicly available market data, and by having regular discussions with the management.
- Evaluation of the adequacy and completeness of notes 9 and 11 of the Consolidated Financial Statements.

Valuation of transformation programs with a long-term character

Description of the matter

The Group invests significant amounts in transformation programs with a long-term character, which are developed internally. The book value of the capitalized transformation programs with a long-term character amounts to € 78,1 million as at 31 March 2018. The valuation is described in note 10 of the Consolidated Financial Statements.

Development costs are only capitalized in accordance with IAS38 if a number of conditions are met, including the capacity of the transformation program to generate future economic benefits which exceed the costs incurred. Management's estimates with respect to these expected future economic benefits are inherently complex. Changes in these estimates or the use of inappropriate future expectations could have a material impact on the Consolidated Financial Statements. For these reasons, the valuation of change programs with a long-term character is a key audit matter.

Procedures performed

Our audit work included, among others, the following:

- Substantive testing, on a sample basis, for each of these programs regarding the determination and allocation of the relevant development expenditure to the asset.
- Evaluation of the model used by the Group to determine the future economic benefits of these programs, in accordance with the conditions of IAS38, and of the main underlying assumptions.
- Periodical discussion with management of the estimated future economic benefits as set out in the individual business cases of the relevant change programs, and comparison of earlier estimates with historical achievements afterwards.
- Verification of the existence of any indications for impairment, among others by reading minutes of the Board of Directors and by having regular discussions with management.
- Evaluation of the adequacy and completeness of note 10 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium as well as internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company s ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective 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;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Director's report and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 119 of the Belgian Companies Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report and other information included in the annual report, being:

- Management report (page 10-13)
- Key figures (page 14-15)

contain any material inconsistencies or contain information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not express any form of assurance regarding the Board of Director's report and the other information included in the annual report.

The non-financial information required by article 119 §2 of the Belgian Companies Code has been prepared as a separate report and is not included in the Board of Director's report on the Consolidated Financial Statements. The report on the non-financial information has been prepared in accordance with article 119 of the Belgian Companies Code and is consistent with the Consolidated Financial Statements for the same financial year. The Group has prepared this non-financial information on Sustainable Development Goals (hereafter "SDGs"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the SDG's. We do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters

Our auditor's office and our network has not performed any services that are not compatible with the statutory audit of the Consolidated Financial Statements and has remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the statutory audit of the Consolidated Financial Statements as referred to in article 134 of the Belgian Companies Code were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 13 July 2018

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Daniel Wuyts
Partner*
*Acting on behalf of a BVBA/SPRL

Ref: 19/DW/0009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2017/18 financial year, which closed on 31 March 2018, 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 2017/18 financial year were authorised for issue on 14 June 2018 by the Board of Directors, subject to the approval of the statutory non-consolidated financial statements by the shareholders during the Annual General Meeting of Shareholders, which will be held on 26 September 2018. 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.

The consolidated financial statements describe the financial position as of 31 March and are prepared using the historical cost method, with the exception of certain line items, including derivatives and financial assets available for sale or held for trading, which are measured at their fair value. Net liabilities related to Belgian defined contribution plans with a legally guaranteed minimum return, which are accounted for as defined benefit plans, are not measured at historical cost either but are measured using the 'projected unit credit' method.

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, as adopted by the European Union, 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*), deferred taxes (note *17. Deferred tax assets and liabilities*), inventories (note *18. Inventories*), doubtful debtors (note *19. Trade and other receivables*), provisions (note *23. Provisions*) and 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).

The significant accounting policies listed below have been 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 2018.

a. New standards and interpretations effective as of 2017/18

The following (amended) standards and improvements are effective for Colruyt Group as of 1 April 2017, however none of these have a significant impact on Colruyt Group's consolidated financial statements:

- **IAS 7 (Amendment), *'Statement of Cash Flows - Disclosure Initiative'.*** The amendment requires entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cashflow and non-cash changes.
- **IAS 12 (Amendment), *'Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses'.*** 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, a number of principles have been added for assessing the availability of future taxable profits.

- **Improvements to IFRS cycle 2014-2016,** consists of a series of minor improvements to the existing standard IFRS 12 *'Disclosure of Interests in Other Entities'*.

b. Standards and interpretations published but not yet effective for 2017/18

Colruyt Group did not early adopt the following published (amended) standards, interpretations and improvements relevant to the group and effective only after 31 March 2018. Colruyt Group intends to apply these standards when they become effective.

- **IFRS 2 (Amendment),** ***'Share-based Payment'*** (effective date for Colruyt Group 1 April 2018). This amendment clarifies the classification and measurement of share-based payment transactions. This amendment will not have an impact on the consolidated financial statements of Colruyt Group.
- **IFRS 4 (Amendment),** ***'Insurance Contracts'*** (effective date for Colruyt Group 1 April 2018). This amendment clarifies that entities that issue insurance contracts can either opt for a temporary exemption from applying IFRS 9 (the deferral approach), or choose to apply the 'overlay' approach. This amendment will not have an impact on the consolidated financial statements of Colruyt Group.
- **Improvements to IFRS cycle 2014-2016** (effective date for Colruyt Group 1 April 2018), consists of a series of minor improvements to the existing standard IAS 28 *'Investments in Associates and Joint Ventures'*. These improvements will not have an impact on the consolidated financial statements of Colruyt Group.
- **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 to further align them with risk management. Colruyt Group performed an impact assessment for the different aspects of IFRS 9. Colruyt Group will implement the new standard on the required effective date and will make no adjustments to the comparative figures.

  Classification and measurement

  The application of the classification and measurement requirements will have no significant impact on Colruyt Group. All financial assets measured at fair value will continue to be measured in this way.

  Impairment

  IFRS 9 requires expected credit losses on all debt securities, loans and trade receivables to be recorded either on a 12-month or on a lifetime basis. Colruyt Group will apply the simplified approach for the segments 'Retail', 'Foodservice' and 'Other activities'. For the 'Wholesale' segment, Colruyt Group will apply the general model for recognising expected credit losses. The application of IFRS 9 will have no material impact on the calculation of the impairments.

  Hedge accounting

  Colruyt Group has determined that all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying IFRS 9 will have no significant impact.
- **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. Colruyt Group performed an analysis of the impact of IFRS 15, which took into account the clarifications issued by the IASB.

  Colruyt Group supplies goods, either food or non-food, through different sales channels. These activities consist of three operational segments: 'Retail & Foodservice', 'Wholesale' and 'Other activities'.

  Retail & Foodservice

  IFRS 15 will not have a material impact on the recognition of revenue from sale transactions within retail. The sale transactions include the sale of products at the cash desk in various points of sale (Retail) or products delivered to the customer's home (Foodservice). The contracts are relatively straightforward and are limited to one single transaction at the cash desk or online when the customer has paid up-front. Colruyt Group will recognise the revenue at the moment the control over the asset is transferred to the customer, in general upon delivery of the goods at the cash desk or upon payment in case of online sales. The current practice is in line with IFRS 15.

  For the application of IFRS 15 Colruyt Group has also taken into account variable considerations as Colruyt Group applies several reduction mechanisms, including cash discounts charged to Colruyt Group, cash discounts charged to suppliers and other reductions.

  Cash discounts charged to Colruyt Group will immediately be deducted from the transaction price, while discount coupons issued by suppliers and used by customers, will be treated as a trade receivable towards the supplier and accounted for as such in the consolidated statement of financial position. The current practice is in line with IFRS 15.

Other discounts mainly relate to discount vouchers, such as for birth lists and gift cards. These discounts will be included in profit or loss at the time of the sale of the goods. This practice is a change from current practice. This change will have no material impact on Colruyt Group.

Wholesale

The wholesale activity includes the supplies to independent stores in Belgium and France. A cooperation agreement has been set up with the independent storekeepers, laying down agreements for a longer period. This agreement is not a contract under IFRS 15. The current accounting method is thus in line with IFRS 15.

Other activities

The other activities include fuel supply, printing and document management activities and the construction of wind turbines. Fuel supplies are settled at the pump. Discounts granted are settled immediately. As such, IFRS 15 will have no impact on the revenue recognition.

For printing and document management activities, a price per type of product based on a price list is applied. For the construction of wind turbines, an agreement is concluded with the customer. Colruyt Group currently applies IAS 11 *'Construction Contracts'* for the processing of printing and document management activities and the construction of wind turbines, whereby projects are measured at cost plus profit recognised up to that time. Based on IFRS 15, the revenue will be recognised at a later time, namely at the time of delivery of the full order. This change will have no material impact on Colruyt Group.

- **IAS 28 (Amendment), *'Investments in Associates and Joint Ventures'*** (effective date for Colruyt Group 1 April 2019). This amendment clarifies that the impairment indicators as defined under IFRS 9 also apply to investments in associates and joint ventures to which the equity method is not applied. This change will have no impact on Colruyt Group's consolidated financial statements.
- **IAS 40 (Amendment), *'Investment Property'*** (effective date for Colruyt Group 1 April 2019). This amendment clarifies when an entity should transfer property, including property under construction or development into, or out of, investment property. This change will have no impact on the consolidated financial statements of Colruyt Group.
- **IFRIC 22 (Amendment), *'Foreign Currency Transactions and Advance Consideration'*** (effective date for Colruyt Group 1 April 2019). This amendment clarifies the transaction date to determine the exchange rate to be used for the recognition of revenue when an entity has received advance consideration in a foreign currency. This amendment will have no impact on the consolidated financial statements of Colruyt Group.
- **IFRIC 23 (Amendment), *'Uncertainty over Income Tax Treatments'*** (effective date for Colruyt Group 1 April 2019). This amendment clarifies the criteria for the recognition and measurement of taxes under IAS 12 *'Income Taxes'*, when there is uncertainty about the tax treatment. Taking into account the current activities of Colruyt Group, this amendment will have no impact on the consolidated financial statements of Colruyt Group.
- **Improvements to IFRS cycle 2015-2017** (effective date for Colruyt Group 1 April 2019), consists of a series of minor improvements to existing standards: IFRS 3 *'Business Combinations'*, IFRS 11 *'Joint Arrangements'*, IAS 12 *'Income Taxes'* and IAS 23 *'Borrowing Costs'*. These improvements will have no impact on the consolidated financial statements of Colruyt Group.
- **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, right-of-use assets and lease 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 right-of-use assets and interest expenses on the lease liabilities. The assessment of the potential impact of this standard for Colruyt Group has been started and will be finalised during the financial year 2018/19.
- **IFRS 17, *'Insurance Contracts'*** (effective date for Colruyt Group 1 April 2021). This new standard will replace the existing standard IFRS 4 *'Insurance contracts'* and will apply to all types of insurance contracts, regardless of the type of entity issuing them, as well as to certain guarantees and financial instruments with discretionary participation features. The assessment of the potential impact of this standard for Colruyt Group will be started.

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 subsequently 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 is at cost including transaction costs. 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 incurred obligations in respect of that associate. When 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 is at cost including transaction costs. 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 incurred obligations on behalf of that joint venture. When 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 associates or joint ventures.

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 to former owners of the acquiree, and 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 IFRS. 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 directly 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 cumulative translation adjustments in equity in respect of that foreign operation attributable to Colruyt Group are reclassified to profit or loss as part of the consolidated financial results.

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 translation adjustments 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 financial results.

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 related to development activities whereby 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 internally developed intangible assets, this evaluation is made at least twice a year.

For intangible assets, Colruyt Group makes a distinction between software, licenses, permits, customer portfolios, internally developed intangible assets and other intangible assets. This distinction is expressed in a different useful life per type of intangible asset:

- externally purchased software, licenses and permits: contractually defined period;
- customer portfolios arising from the acquisition of points of sale: indefinite useful life;
- internally developed intangible assets: 3, 5 , 7 or 10 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 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 or 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 amortisation of the outstanding finance lease liability. The finance expenses are allocated to each period as to achieve a constant periodical 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 following categories: investments available for sale, loans and receivables, investments recognised at fair value through the income statement and financial assets held to maturity.

Investments available for sale

Colruyt Group's investments available for sale are investments held in entities which are neither subsidiaries nor associates nor 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 all 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 mainly consist of 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 the income statement

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.

Financial assets held to maturity

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity. Colruyt Group has the positive intention and ability to hold these assets to maturity. These assets are measured at amortised cost using the effective interest method after deduction of impairment. They are included in current assets, except for financial assets held to maturity with maturities greater than 12 months after balance sheet date.

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, the Company should be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and to complete the sale should be initiated. The asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

When classified as 'held for sale', assets or disposal groups are valued at the lower of their carrying amount and their fair value less costs to sell, including any impairment that might be required and which is included in profit or loss. 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 either has been disposed of or has been 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). For internally developed intangible assets, this review is completed at least twice a year. 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 defines 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 for the amount of the difference. Impairment losses relating to cash-generating units are first deducted from the carrying amount of any goodwill attributed to the cash-generating (or groups of) units and then deducted pro rata from the carrying amount of the other assets of the (groups of) cash-generating units.

A recognised impairment may be reversed if it ceases to exist. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Goodwill impairment is not reversed.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the normal course of business, less the estimated cost of 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 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 in certain cases it requires 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 directly included in equity (retained earnings).

Revaluation reserves of liabilities related to long-term post-employment benefits

The revaluation reserves contain the cumulative actuarial profits and losses related to:

Belgian entities:
- unemployment regime with company supplement;
- long-service benefits;
- defined contribution plans with a legally guaranteed minimum return.

Other entities:
- legal compensations

The revaluation reserves 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 that is different from the euro.

Cash flow hedge reserves

This reserve contains the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions.

Fair value reserves for financial assets available for sale

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 a case-by-case 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 only 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, when it is probable that a future outflow of resources will be required to settle the obligation, and when 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 approved a detailed, formalised restructuring plan and 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.

I. Employee benefits

Post-employment benefits

There are different types of post-employment benefits within Colruyt Group:

- **Defined contribution plans with a legally guaranteed minimum return**
  In Belgium, employers are obliged to guarantee a minimum return on defined contribution plans for the duration of an employee's career. For this reason, these plans fit the definition of a defined benefit plan.

- **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 benefits similar to those of 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).

- **Other**
  Other post-employment benefits include departure benefits as a result of retirement or as a result of 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.

The liabilities arising from these systems and the related costs are determined using the 'projected unit credit' method, based on actuarial calculations that are executed at the end of each financial year. A comprehensive actuarial measurement based on updated personnel information is performed at least every three years. In the years in which no comprehensive actuarial measurement is required, actuaries use forecasts based on the previous year but including updated assumptions (discount rate, pay rise and staff turnover). 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, decreased with the fair value of the plan assets. The liabilities related to the unemployment regime with company supplement are recognised for the population of employees for which can be reliably assumed that it will join the unemployment regime with company supplement. The liabilities for the defined contribution plans with a legally guaranteed minimum return are recognised for all employees of Colruyt Group.

The costs related to these systems 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 benefit obligation for services delivered by employees in prior reporting periods, resulting from an amendment or a curtailment of the existing benefit plan;
- gains or losses on settlement of the benefit liability, if any;
- the net interest on the net liability, which is a consequence of time passing by;
- the actuarial gains and losses, which comprise the effect of differences between the previous actuarial assumptions and what has actually occurred and the effect of changes in actuarial assumptions.

The first three items are recognised in profit or loss as 'Employee benefit expenses'. The net interest on the net liability is included in profit or loss in the 'Net financial result'. Actuarial gains and losses are recognised in other comprehensive income.

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, without any discount on the share price. The profit-sharing is recognised in the financial year in which the profit is realised.

Discounts on share capital increases

In accordance with article 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 interest rate 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 trade receivable towards the supplier 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 authorities award Colruyt Group with green certificates. The income resulting from these certificates is recognised in the consolidated income statement at the moment of production as 'Other operating income'.

For the supplier activities, Colruyt Group is required to hand in certificates from time to time, so as to satisfy the quotas imposed by the regional authorities. 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 authorities. 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 expenses are 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 taxes are 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 differences on 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 on an objective, at arm's length basis.

r. Events after the reporting date

Events after the reporting date, which provide additional information concerning the situation of Colruyt Group at the reporting date ('adjusting events') are recognised in the consolidated financial statements. Other events after the reporting date ('non-adjusting events') are only mentioned in the notes to the consolidated financial statements if they are considered to be important.

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 the reported segments.

Retail:
Stores under Colruyt Group's own management which directly sell to retail customers and bulk consumers. The filling stations in France are also included in this segment as they are inseparably connected to, and therefore an integral part of, the stores in France.

Wholesale and Foodservice:
Supply to wholesalers, commercial customers and affiliated independent merchants.

Other activities:
Filling stations in Belgium, printing and document management and alternative energy. The filling stations in Belgium are presented in a separate segment, as opposed to the filling stations in France, the reason being that the former, which have their own commercial objectives and energy strategy, can be identified separately from the stores in Belgium.

The results 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.

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 group support 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.

(in million EUR)	Retail 2017/18	Wholesale and Foodservice 2017/18	Other activities 2017/18	Operating segments 2017/18
Revenue - external	***7.460,1***	***926,6***	***643,9***	***9.030,6***
Revenue - internal	***91,0***	***5,9***	***45,9***	***142,8***
Operating profit (EBIT)	***448,3***	***29,6***	***12,1***	***490,0***
Share in the result of investments accounted for using the equity method	2,1	-	19,9[1]	22,0
Purchase of property, plant and equipment and intangible assets	***290,7***	***13,2***	***17,0***	***320,9***
Depreciation and amortisation	182,1	14,3	9,1	205,5
Impairment of non-current assets	4,9	1,1	1,6	7,6

(in million EUR)	Operating segments 2017/18	Un-allocated 2017/18	Eliminations between operating segments 2017/18	Consolidated 2017/18
Revenue - external	***9.030,6***	***-***	***-***	***9.030,6***
Revenue - internal	***142,8***	***-***	***(142,8)***	***-***
Operating profit (EBIT)	***490,0***	***(1,7)***	***-***	***488,3***
Share in the result of investments accounted for using the equity method	22,0	7,4	-	29,4
Net financial result				1,4
Income tax expense				(144,7)
Profit for the financial year				***374,4***
Purchase of property, plant and equipment and intangible assets	***320,9***	***70,7***	***-***	***391,6***
Depreciation and amortisation	205,5	32,5	-	238,0
Impairment of non-current assets	7,6	0,2	-	7,8

(1) In 2017/18 higher one-off results were realised on the investment in the Parkwind group (EUR 17 million versus EUR 7 million in 2016/17).

(in million EUR)	Retail 2016/17	Wholesale and Foodservice 2016/17 [(2)]	Other activities 2016/17	Operating segments 2016/17
Revenue – external	*7.233,1*	*1.669,4*	*591,0*	*9.493,5*
Revenue – internal	*85,9*	*18,6*	*47,2*	*151,7*
Operating profit (EBIT)	*455,7* [(1)]	*36,2*	*12,2*	*504,1*
Share in the result of investments accounted for using the equity method	2,0	-	6,5	8,5
Purchase of property, plant and equipment and intangible assets	*291,9*	*19,6*	*23,6*	*335,1*
Depreciation and amortisation	171,4	22,9	9,8	204,1
Impairment of non-current assets	7,6	8,4	0,2	16,2

(in million EUR)	Operating segments 2016/17	Un-allocated 2016/17	Eliminations between operating segments 2016/17	Consolidated 2016/17
Revenue - external	*9.493,5*	-	-	*9.493,5*
Revenue – internal	*151,7*	-	*(151,7)*	-
Operating profit (EBIT)	*504,1*	*(10,9)*	*0,1*	*493,3*
Share in the result of investments accounted for using the equity method	8,5	4,2	-	12,7
Net financial result				3,6
Income tax expense				(126,4)
Profit for the financial year				*383,2*
Purchase of property, plant and equipment and intangible assets	*335,1*	*51,4*	-	*386,5*
Depreciation and amortisation	204,1	29,7	-	233,8
Impairment of non-current assets	16,2	0,4	-	16,6

(1) 2016/17 EBIT includes the result from the disposal of the French foodservice business Pro à Pro (EUR 23,4 million).
(2) 2016/17 includes thirteen months of results of the French foodservice business Pro à Pro.

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 represents the contribution in Colruyt Group of the countries in which the entities are domiciled and contains all of Colruyt Group's entities which are active in the operating segments, as well as in the corporate activities.

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 subsidiaries. These entities are active in the operating segments 'Retail' and 'Wholesale and Foodservice' as well as in the corporate activities.

Other:
The other entities can be found in 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	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
(in million EUR)								
Revenue	8.410,6	8.167,2	572,0	1.284,7	48,0	41,6	9.030,6	9.493,5
Purchase of property, plant and equipment and intangible assets	352,8	354,0	31,9	28,6	6,9	3,9	391,6	386,5

3. REVENUE AND GROSS PROFIT

	2017/18	2016/17
(in million EUR)		
Revenue	9.030,6	9.493,5
Cost of goods sold	(6.681,1)	(7.079,0)
Gross profit	2.349,5	2.414,5
As a % of revenue	*26,0%*	*25,4%*

3.1. Revenue by cash-generating unit

(in million EUR)	2017/18	2016/17
Retail Food [1]	7.204,7	6.986,7
Colruyt Belgium and Luxembourg [2]	*5.828,2*	*5.712,3*
OKay, Bio-Planet and Cru [3]	*908,1*	*845,7*
Colruyt France and DATS 24 France	*468,4*	*428,7*
Retail Non-food [1]	255,4	246,4
Dreamland Belgium and France and Dreambaby	*255,4*	*246,4*
Transactions with other operating segments	91,0	85,9
Retail	*7.551,1*	*7.319,0*
Wholesale	782,0	771,5
Foodservice [4]	144,6	897,9
Transactions with other operating segments	5,9	18,6
Wholesale and Foodservice	*932,5*	*1.688,0*
DATS 24 Belgium	637,8	585,7
Printing and document management solutions	6,1	5,3
Transactions with other operating segments	45,9	47,2
Other activities	*689,8*	*638,2*
Total operating segments	*9.173,4*	*9.645,2*
Eliminations between operating segments	(142,8)	(151,7)
Consolidated	***9.030,6***	***9.493,5***

(1) The subtotals 'Food' and 'Non-food' within the operating segment 'Retail' are for information purposes only.
(2) Including the revenue of the webshops Collect&Go, Bio-Planet, Collishop, Dreamland and Dreambaby realised by the Colruyt stores.
(3) Including the revenue of the webshops Collishop, Dreamland and Dreambaby realised by the OKay and Bio-Planet stores.
(4) 2016/17 includes thirteen months of revenue from the French foodservice business Pro à Pro.

4. OTHER OPERATING INCOME AND EXPENSES

(in million EUR)	2017/18	2016/17
Rental and rental-related income	13,6	11,7
Gains on disposal of non-current assets	6,3	5,4
Gains on disposal of subsidiaries	-	23,4
Remuneration received	69,4	53,1
Other	22,2	17,6
Total other operating income	***111,5***	***111,2***

The 'Gains on disposal of subsidiaries' in prior reporting period, represented the gain on the sale of the French foodservice business Pro à Pro (see also note *16.2. Disposal of subsidiaries*).

Remuneration received includes, amongst others, services rendered to third parties, grants and commissions received, revenue from waste recycling, canteen sales and income from green certificates.

(in million EUR)	2017/18	2016/17
Operating taxes	11,0	13,9
Property withholding tax	12,0	11,1
Losses on disposal of non-current assets	0,6	1,0
Other	10,1	1,5
Total other operating expenses	***33,7***	***27,5***

5. SERVICES AND MISCELLANEOUS GOODS

(in million EUR)	2017/18	2016/17
Rental and rental-related charges (immovables)	29,6	30,0
Rental and rental-related charges (movables)	12,9	14,7
Maintenance and major repairs	71,5	78,2
Utilities	49,6	42,2
Logistic expenses (1)	130,5	143,5
Fees (1)	96,8	24,1
Telecommunication, postal services, office supplies, IT and small material (1)	49,4	86,7
Insurance	5,2	6,4
Training (1)	1,1	9,7
Impairment of current assets	3,4	3,6
Other	14,4	29,9
Total services and miscellaneous goods	*464,4*	*469,0*

(1) The increase in 'Fees' as compared to prior year is due to presentation changes that have resulted in reclassifications between 'Fees', 'Telecommunication, postal services, office supplies, IT and small material', 'Logistic expenses' and 'Training'.

6. EMPLOYEE BENEFIT EXPENSES

(in million EUR)	2017/18	2016/17
Wages and salaries (1)	962,8	956,7
Social security contributions	220,5	234,4
Consultants and interim personnel	47,2	48,5
Profit-sharing schemes for employees (2)	33,5	31,9
Contributions to defined contribution plans	14,0	14,3
Other post-employment benefits	4,8	6,9
Discount on capital increase reserved for personnel	1,7	2,4
Other personnel costs	35,1	65,3
Compensatory amounts	(90,8)	(74,9)
Total employee benefit expenses	*1.228,8*	*1.285,5*
Number of staff employed (FTE) at reporting date	27.795	27.633

(1) Of which EUR 896,3 million of the Belgian salary pool for financial year 2017/18 (EUR 840,4 million for financial year 2016/17).
(2) This line item consists of the full cost of the profit-sharing schemes, including the employer-paid social security contributions.

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 article 609 of the Companies Code. During the most recent capital increase, 2.182 employees subscribed to 260.458 shares, which corresponds to a capital contribution of EUR 10,1 million. The discount granted on this transaction was EUR 1,7 million and is accounted for as an employee benefit.

	2017/18	2016/17
Number of shares subscribed	260.458	326.508
Discount per share (in EUR)	6,4	7,5
Total discount granted (in million EUR)	*1,7*	*2,4*

Compensatory amounts

Employee benefit 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. As a result, the members of the Board of Directors, interim personnel, consultants and students working under specific student conditions are not included in these full-time equivalents.

7. NET FINANCIAL RESULT

(in million EUR)	2017/18	2016/17
Interest income on unimpaired customer loans and other loans	2,4	2,8
Dividends received	1,2	0,6
Interest income on current bank deposits	0,1	0,4
Interest income on fixed-income securities held for trading	0,3	0,5
Fair value adjustments to financial assets held for trading	1,2	1,2
Gains on disposal of financial assets held for trading	0,5	0,6
Exchange gains	0,3	-
Other	1,1	1,1
Finance income	*7,1*	*7,2*
Interest expense on current and non-current loans	0,2	0,3
Interest expense on lease liabilities	0,2	0,5
Fair value adjustments to financial assets held for trading	1,3	0,5
Impairment losses on equity securities available for sale	0,5	0,1
Losses on disposal of financial assets held for trading	0,3	0,3
Adjustment for the time value of liabilities	2,6	1,8
Exchange losses	0,6	0,1
Finance costs	*5,7*	*3,6*
Net financial result	***1,4***	***3,6***

8. INCOME TAX EXPENSE

8.1. Income taxes recognised in profit or loss

(in million EUR)	2017/18	2016/17
A) Effective tax rate		
Profit before tax (excluding share in the result of investments accounted for using the equity method)	489,7	496,9
Income tax expense	144,7	126,4
Effective tax rate	*29,56%*	*25,45%*
B) Reconciliation between the effective tax rate and the applicable tax rate (1)	**32,70%**	**33,01%**
Profit before tax (excluding share in the result of investments accounted for using the equity method)	489,7	496,9
Income tax expense (based on applicable tax rate)	*160,1*	*164,0*
Non-taxable income/non tax-deductible expenses	4,4	(0,1)
Permanent differences	2,6	2,7
Impact of specific tax regulations	-	(0,1)
Impact of tax deductions (2)	(16,3)	(39,3)
Other	(6,1)	(0,8)
Income tax expense	*144,7*	*126,4*
Effective tax rate	*29,56%*	*25,45%*
C) Income tax expense recognised in profit or loss		
Current year taxes	159,0	139,8
Deferred taxes	(13,6)	(13,6)
Adjustments relating to prior years	(0,7)	0,2
Total income tax expense	***144,7***	***126,4***

(1) 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: 26,01%, the Netherlands: 25,00%, India: 34,61% and Hong Kong: 16,50%).

(2) Includes the impact of - amongst others - the dividend received deduction, the deduction for risk capital, the deduction for innovation, 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.

(in million EUR)	2017/18	2016/17
Tax impact on revaluation of liabilities related to long-term post-employment benefits	(9,7)	21,9
Total tax impacts recognised in other comprehensive income	*(9,7)*	*21,9*

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 note *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 impairment test of goodwill consists of comparing the recoverable amount of each CGU with its carrying amount, including goodwill, and an impairment is recognised if the carrying amount is higher than the recoverable amount.

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 five to ten years. The growth rates take into account expected inflation and do not include non-organic growth. Given the importance of these operational parameters for the calculation of the value in use, they are monitored at a central level through alignment and validation processes on the one hand and determined using external information sources on the other.

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% to 2% (1% in the previous reporting period), a Market Risk Premium of 6% (same as in the previous reporting period) and an 'unlevered' Beta of 0,6 (same as in the previous reporting period). For Colruyt Group this resulted in a weighted average cost of capital (WACC) for its two main operating segments between 4,5% and 5,5% (between 4% and 5% in the previous reporting period). The discount rates are reviewed at least annually.

Colruyt Group uses assumptions adapted to the characteristics of the different underlying cash-generating units. For the main cash-generating units Colruyt Group uses the following expected average growth percentages for the revenues of the next five to ten years:
- operating segment 'Retail': 2% on average (same as in the previous reporting period);
- operating segment 'Wholesale and Foodservice': 2% on average (same as in the previous reporting period).

To determine the residual value using the discounted cash flow method, the 'Gordon growth model' was used. The share of discounted residual value is within a range of 60% and 80% of the calculated 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 does not have a substantial influence on the global outcome of the calculation. 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:

(in million EUR)	2017/18	2016/17
Colruyt Belgium	44,8	45,2
Retail	*44,8*	*45,2*
Wholesale	3,1	0,4
Foodservice	10,2	10,2
Wholesale and Foodservice	*13,3*	*10,6*
Printing and document management solutions	-	1,6
Other activities	*-*	*1,6*
Consolidated	*58,1*	*57,4*

The changes in 'Goodwill' can be explained as follows:

(in million EUR)	Gross book value 2017/18	Accumulated amortisation and impairment 2017/18	Net book value 2017/18	Gross book value 2016/17	Accumulated amortisation and impairment 2016/17	Net book value 2016/17
At 1 April	*79,6*	*(22,2)*	*57,4*	*110,9*	*(21,6)*	*89,3*
Acquisitions	2,7	-	2,7	0,4	-	0,4
Disposal by sale of subsidiaries	-	-	-	(31,5)	6,5	(25,0)
Sales and disposals	-	-	-	(0,2)	0,2	-
Impairment	-	(1,6)	(1,6)	-	(7,3)	(7,3)
Other	(0,4)	-	(0,4)	-	-	-
At 31 March	***81,9***	***(23,8)***	***58,1***	***79,6***	***(22,2)***	***57,4***

10. INTANGIBLE ASSETS

(in million EUR)	Developed intangible assets	Concessions, software, licences and similar rights	Acquired customer lists	Intangible assets under development and other intangible assets	Total
Acquisition value:					
At 1 April 2017	*8,3*	*105,5*	*4,5*	*40,2*	*158,5*
Acquisitions	2,2	12,3	-	46,1	60,6
Sales and disposals	-	(0,9)	(0,1)	-	(1,0)
Reclassification	-	1,2	-	(1,2)	-
Other	-	(1,5)	-	-	(1,5)
At 31 March 2018	*10,5*	*116,6*	*4,4*	*85,1*	*216,6*
Amortisation:					
At 1 April 2017	*(3,3)*	*(70,4)*	*-*	*-*	*(73,7)*
Amortisation	(1,5)	(13,1)	-	-	(14,6)
Sales and disposals	-	0,9	-	-	0,9
At 31 March 2018	*(4,8)*	*(82,6)*	*-*	*-*	*(87,4)*
Impairment:					
At 1 April 2017	*-*	*(0,5)*	*(4,5)*	*-*	*(5,0)*
Impairment	-	-	-	(0,6)	(0,6)
Sales and disposals	-	-	0,1	-	0,1
Other	-	(0,1)	-	-	(0,1)
At 31 March 2018	*-*	*(0,6)*	*(4,4)*	*(0,6)*	*(5,6)*
Net carrying amount at 31 March 2018	***5,7***	***33,4***	***-***	***84,5***	***123,6***

(in million EUR)	Developed intangible assets	Concessions, software, licences and similar rights	Acquired customer lists	Intangible assets under development and other intangible assets	Total
Acquisition value:					
At 1 April 2016	*6,0*	*98,4*	*5,9*	*18,0*	*128,3*
Acquisitions	2,3	8,4	-	24,4	35,1
Sales and disposals	-	(0,2)	(0,4)	(1,0)	(1,6)
Disposal by sale of subsidiaries	-	(2,3)	(1,0)	-	(3,3)
Reclassification	-	1,2	-	(1,2)	-
At 31 March 2017	*8,3*	*105,5*	*4,5*	*40,2*	*158,5*
Amortisation:					
At 1 April 2016	*(2,4)*	*(59,5)*	*-*	*-*	*(61,9)*
Amortisation	(0,9)	(12,8)	-	-	(13,7)
Disposal by sale of subsidiaries	-	1,9	-	-	1,9
At 31 March 2017	*(3,3)*	*(70,4)*	*-*	*-*	*(73,7)*
Impairment:					
At 1 April 2016	*-*	*(0,5)*	*(0,6)*	*-*	*(1,1)*
Impairment	-	-	(4,3)	(1,0)	(5,3)
Sales and disposals	-	-	0,4	1,0	1,4
At 31 March 2017	*-*	*(0,5)*	*(4,5)*	*-*	*(5,0)*
Net carrying amount at 31 March 2017	***5,0***	***34,6***	***-***	***40,2***	***79,8***

The concessions, software, licenses and similar rights which amount to EUR 33,4 million (EUR 34,6 million for the previous reporting period) mainly consist of permits, and software that was predominantly generated internally by the IT department of the group. The internally generated software which is still under development at the end of this financial year amounts to EUR 84,5 million (compared to EUR 40,2 million for the previous financial year). During the current financial year, the group acquired intangible assets for an amount of EUR 60,6 million (compared to EUR 35,1 million during the previous financial year), of which EUR 48,5 million were developed internally (compared to EUR 27,2 million during the previous financial year).

11. PROPERTY, PLANT AND EQUIPMENT

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases and similar rights	Other property, plant and equipment	Assets under construction	Total
Acquisition value:							
At 1 April 2017	*2.362,0*	*675,3*	*456,6*	*37,3*	*163,2*	*48,2*	*3.742,6*
Acquisitions through business combinations	1,5	0,3	-	-	-	-	1,8
Acquisitions	145,0	67,8	56,8	-	9,6	51,8	331,0
Sales and disposals	(29,1)	(22,0)	(35,7)	-	(1,1)	(2,5)	(90,4)
Reclassification	21,6	1,2	2,1	0,3	1,3	(26,5)	-
Currency translation differences	(0,9)	(0,3)	(0,3)	-	-	-	(1,5)
Other	-	-	-	0,3	-	(0,1)	0,2
At 31 March 2018	*2.500,1*	*722,3*	*479,5*	*37,9*	*173,0*	*70,9*	*3.983,7*
Depreciation:							
At 1 April 2017	*(910,9)*	*(386,5)*	*(319,7)*	*(13,0)*	*(66,9)*	*-*	*(1.697,0)*
Depreciation	(115,0)	(49,3)	(47,2)	(1,6)	(10,3)	-	(223,4)
Sales and disposals	21,0	20,7	33,5	-	0,6	-	75,8
Reclassification	0,4	(0,4)	(0,4)	0,4	-	-	-
Currency translation differences	0,1	0,3	0,2	-	-	-	0,6
Other	(0,4)	-	-	-	-	-	(0,4)
At 31 March 2018	*(1.004,8)*	*(415,2)*	*(333,6)*	*(14,2)*	*(76,6)*	*-*	*(1.844,4)*
Impairment:							
At 1 April 2017	*(8,0)*	*(0,7)*	*-*	*-*	*0,1*	*-*	*(8,6)*
Impairment	(4,4)	(0,9)	(0,1)	-	(0,5)	-	(5,9)
Sales and disposals	4,3	0,9	0,1	-	0,4	-	5,7
Reversal of impairment	1,3	-	-	-	-	-	1,3
At 31 March 2018	*(6,8)*	*(0,7)*	*-*	*-*	*-*	*-*	*(7,5)*
Net carrying amount at 31 March 2018	***1.488,5***	***306,4***	***145,9***	***23,7***	***96,4***	***70,9***	***2.131,8***

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases and similar rights	Other property, plant and equipment	Assets under construction	Total
Acquisition value:							
At 1 April 2016	*2.222,2*	*601,4*	*452,7*	*46,6*	*142,5*	*93,5*	*3.558,9*
Acquisitions	149,7	84,0	64,6	0,5	19,3	33,3	351,4
Sales and disposals	(17,8)	(10,9)	(25,5)	(2,6)	(2,8)	-	(59,6)
Disposal by sale of subsidiaries	(60,0)	(4,8)	(36,1)	(4,3)	-	(2,1)	(107,3)
Reclassification	67,4	6,8	0,9	(2,9)	4,2	(76,4)	-
Currency translation differences	0,5	0,3	-	-	-	-	0,8
Other	-	(1,5)	-	-	-	(0,1)	(1,6)
At 31 March 2017	*2.362,0*	*675,3*	*456,6*	*37,3*	*163,2*	*48,2*	*3.742,6*
Depreciation:							
At 1 April 2016	*(834,6)*	*(352,2)*	*(321,7)*	*(17,1)*	*(59,0)*	*-*	*(1.584,6)*
Depreciation	(113,9)	(46,8)	(47,3)	(2,4)	(9,7)	-	(220,1)
Sales and disposals	11,4	9,7	23,9	2,5	1,8	-	49,3
Disposal by sale of subsidiaries	27,8	2,7	25,7	2,5	-	-	58,7
Reclassification	(1,6)	0,4	(0,3)	1,5	-	-	-
Currency translation differences	-	(0,3)	-	-	-	-	(0,3)
At 31 March 2017	*(910,9)*	*(386,5)*	*(319,7)*	*(13,0)*	*(66,9)*	*-*	*(1.697,0)*
Impairment:							
At 1 April 2016	*(8,4)*	*(0,7)*	*-*	*-*	*(0,1)*	*-*	*(9,2)*
Impairment	(2,0)	(0,7)	(0,1)	-	(0,2)	-	(3,0)
Sales and disposals	2,1	0,7	0,1	-	0,4	-	3,3
Disposal by sale of subsidiaries	0,3	-	-	-	-	-	0,3
At 31 March 2017	*(8,0)*	*(0,7)*	*-*	***	*0,1*	*-*	*(8,6)*
Net carrying amount at 31 March 2017	***1.443,1***	***288,1***	***136,9***	***24,3***	***96,4***	***48,2***	***2.037,0***

The net carrying amount of property, plant and equipment pledged as collateral for liabilities amounts to EUR 3,1 million (compared to EUR 15,5 million in the previous reporting period) (note *25. Interest-bearing liabilities)*. For this financial year there is no other collateral anymore, whereas the previous reporting period still included collateral for a net carrying amount of EUR 84,3 million, that no longer corresponded to any outstanding liability.

The line item 'Finance leases and similar rights' consists mainly of land (net carrying amount of EUR 5,5 million), buildings (net carrying amount of EUR 13,4 million) and machinery and vehicles (net carrying amount of EUR 4,8 million). The total net carrying amount for this financial year amounts to EUR 23,7 million (compared to EUR 24,3 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 machinery of bakery Roecol.

On property, plant and equipment, an impairment loss of EUR 5,9 million has been recognised, which mainly relates to the expansion and renovation of existing stores. The impairment loss was recognised in the income statement of the current financial year under 'Depreciation, amortisation and impairment of non-current assets' within the operating segments 'Retail', 'Wholesale and Foodservice' and 'Other activities'.

The grants received are included within the net carrying amount of property, plant and equipment concerned. The net amount of grants received can be summarised as follows:

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases and similar rights	Other property, plant and equipment	Assets under construction	Total
At 31 March 2017	*(10,3)*	*(7,4)*	*(0,2)*	-	-	-	*(17,9)*
At 31 March 2018	***(9,5)***	***(6,5)***	***(0,2)***	**-**	**-**	**-**	***(16,2)***

Profit or loss in relation to grants amounted to EUR 1,3 million (EUR 1,4 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, is still being complied with.

12. INVESTMENTS IN ASSOCIATES

(in million EUR)	2017/18	2016/17
Carrying amount at 1 April	*28,4*	*3,8*
Acquisitions/capital increases	21,1	0,8
Sales/deconsolidation	-	(0,1)
Capital decreases	(2,3)	(3,0)
Changes in consolidation method	-	22,7
Share in the result of the financial year	7,2	4,2
Carrying amount at 31 March	***54,4***	***28,4***

The investments in associates for the financial year 2017/18 relate to the non-quoted entities Alliance Internationale de Distributeurs Alidis S.A. (16,67%), AgeCore S.A. (16,67%), First Retail International 2 NV (4,48%), Vendis Capital NV (13,45%) and Newpharma Group S.A. (26%). These investments are considered as associates, and are accounted for using the equity method given that Colruyt Group has a significant influence based on indicators as defined under paragraph 6 of IAS 28 *'Investments in Associates and Joint ventures'*.

For the previous financial year 2016/17 the investments in associates related to the entities Alliance Internationale de Distributeurs Alidis S.A. (16,67%), AgeCore S.A. (16,67%), First Retail International 2 NV (4,48%) and Vendis Capital NV (13,45%).

On 18 December 2017 Colruyt Group acquired a minority stake of 26% in the non-quoted entity New Pharma Group S.A. As Newpharma Group S.A. closes its financial year on 31 December, the contribution for the current reporting period was not material and therefore this participation was processed at historical cost.

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13. INVESTMENTS IN JOINT VENTURES

(in million EUR)	2017/18	2016/17
Carrying amount at 1 April	*182,4*	*167,5*
Acquisitions/capital increases	0,5	8,4
Goodwill recognised on acquisitions	0,3	0,3
Sales	(0,9)	-
Share in the result for the financial year	22,2	8,5
Share in other comprehensive income	2,8	(2,8)
Share of dividends paid	-	(0,8)
Other	(0,2)	1,3
Carrying amount at 31 March	***207,1***	***182,4***

The investments in joint ventures for the financial year 2017/18 consist of the non-quoted entities Parkwind NV (60,13%) and Fraluc NV (68,31%). 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. Furthermore, these non-quoted companies are both organised as limited liability companies ('naamloze vennootschap'/'société anonyme'). The legal form of these companies (NV/SA) gives the shareholders rights to the net assets. There are no other contractual conditions or circumstances that supersede the legal form and that provide direct rights to individual assets or liabilities within these companies. The main activities of both companies (Parkwind NV and Fraluc NV) are located in Belgium.

The investment holding Parkwind NV develops, builds and operates offshore wind farms and is presented under the operational segment 'Other activities'.

Fraluc NV includes the activities of the Belgian clothing retail chains ZEB, Pointcarré, For Stars and since the end of March 2018 also The Fashion Store. These activities are represented under the operational segment 'Retail'. Between Colruyt Group and the management of Fraluc NV, call and put options continue to exist which, over an initial period of at least ten years, will provide the opportunity for Colruyt Group to obtain control over Fraluc NV. On 31 March 2017 Colruyt Group had a share of 67,39% in Fraluc NV. During the financial year 2017/18 the share increased to 68,31%, in two steps:

- dilution of the share from 67,39% to 67,29% (impact of EUR -0,9 million in the line item 'Sales') as a result of a purchase of treasury shares by Fraluc NV at the beginning of the financial year;
- increase from 67,29% to 68,31% by means of a put option that was exercised at the end of March 2018.

Fraluc NV is still accounted for using the equity method as the control over Fraluc NV after this additional acquisition is still being shared with other parties.

The joint ventures' consolidated figures are as follows:

2017/18	Parkwind NV	Fraluc NV
(in million EUR)		
Non-current assets	624,7	81,4
Including goodwill	*6,6*	*37,3*
Current assets	163,1	46,8
Including cash and cash equivalents	*114,1*	*5,6*
Non-current liabilities	418,0	36,4
Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)	*387,8*	*31,8*
Current liabilities	47,8	40,0
Including current financial liabilities (trade payables and other liabilities and provisions excluded)	*33,7*	*3,4*
Net assets	322,0	51,8
including non-controlling interests	33,3	3,6
including equity attributable to owners of the parent company	288,7	48,2
Share of Colruyt Group in net assets	***173,6***	***32,9***
Goodwill (at Colruyt Group level)	-	0,6
Revenue	32,8	116,4
Depreciation, amortisation and impairment of non-current assets	(36,8)	(6,4)
Finance income	20,9	0,3
Finance costs	(23,5)	(1,0)
Income tax expense	(1,5)	(1,6)
Profit from continuing operations	30,7	3,2
Other comprehensive income (1)	4,8	-
Total comprehensive income	35,5	3,2
including non-controlling interests	(2,4)	-
including equity attributable to owners of the parent company	37,9	3,2
Share of Colruyt Group in total comprehensive income	***22,8***	***2,2***

(1) Due to a change in the consolidation method of one of the subsidiaries of Parkwind NV , an amount of EUR 2,1 million was recycled from other comprehensive income to profit or loss.

2016/17	Parkwind NV	Fraluc NV
(in million EUR)		
Non-current assets	124,2	68,7
Including goodwill	*-*	*26,4*
Current assets	156,2	25,7
Including cash and cash equivalents	*120,1*	*2,0*
Non-current liabilities	25,5	25,6
Including non-current financial liabilities (trade payables and other liabilities and provisions excluded)	*25,5*	*20,1*
Current liabilities	4,4	22,1
Including current financial liabilities (trade payables and other liabilities and provisions excluded)	*-*	*7,9*
Net assets	250,5	46,7
Share of Colruyt Group in net assets	***150,6***	***31,5***
Goodwill (at Colruyt Group level)	-	0,3
Revenue	8,7	90,6
Depreciation, amortisation and impairment of non-current assets	(0,6)	(5,4)
Finance income	17,2	-
Finance costs	(3,0)	(0,6)
Income tax expense	-	2,1
Profit from continuing operations	10,9	3,1
Other comprehensive income	(4,8)	-
Total comprehensive income	6,1	3,1
Share of Colruyt Group in total comprehensive income	***3,7***	***2,0***
Dividends received by Colruyt Group	-	0,8

According to contractual agreements, Colruyt Group has made the commitment to grant a loan to Parkwind NV if requested by Parkwind NV, and this for a maximum amount of EUR 17,1 million (EUR 9,3 million in the comparative reporting period). The guarantee towards Northwind NV, a company belonging to the joint venture Parkwind NV, for a maximum amount of EUR 6,3 million, was terminated on 30 June 2017.
In addition, a loan agreement has been signed on 28 February 2018 between amongst others Etn. Fr. Colruyt NV and Northwester 2 NV, a company belonging to the joint venture Parkwind NV. Colruyt Group commits itself to provide a loan for the total amount of EUR 3,0 million, of which 2,5 million has already been provided.

14. FINANCIAL ASSETS

14.1. Non-current assets

(in million EUR)	31.03.18	31.03.17
Equity securities available for sale	40,9	12,0
Total	***40,9***	***12,0***

The non-current financial assets changed as follows during the financial year:

(in million EUR)	2017/18	2016/17
At 1 April	*12,0*	*42,2*
Changes in consolidation method	-	(22,7)
Classification (to)/from held for sale	14,4	(14,4)
Acquisitions	7,5	-
Capital increases	12,2	2,2
Capital decreases	-	(4,2)
Fair value adjustments through other comprehensive income	(4,0)	9,0
Impairments	(0,5)	(0,1)
Currency translation differences	(0,7)	-
At 31 March	***40,9***	***12,0***

This line item consists mainly of the investments in the Lithuanian group IKI (13,12%), Sanchore Renewable Private Ltd. (100%), Ticom NV (50,00%) and the holding companies Sofindev II NV (22,31%), Sofindev III NV (10,88%) and Sofindev IV NV (9,42%). The investments in the different holding companies are recognised at fair value, calculated as the share of Colruyt Group in the equity of these companies, corrected for the fair value of their own investment portfolios.
These are investments over which Colruyt Group has neither control nor joint control nor significant influence. As a result these investments are treated as financial instruments (financial assets available for sale) on the basis of IAS 39 *'Financial instruments'*. The category 'equity securities available for sale' includes all financial assets that were branded as available for sale at first recognition or that were not classified under another category under IAS 39.

During the current reporting period, the equity securities available for sale increased by a net amount of EUR 28,9 million. This can mainly be explained by the reclassificiation of the investment in the Lithuanian group IKI (EUR 14,4 million) from the line item 'Assets held for sale' and the additional investment (EUR 7,2 million) acquired within this group. In addition, a capital increase of EUR 11,8 million was performed in the Indian company Sanchore Renewable Private Ltd. in which Colruyt Group acquired a stake at the end of the current reporting period.

The increase in equity securities available for sale was partly offset by net fair value adjustments of Sofindev III NV and Sofindev IV NV for a total amount of EUR -4,0 million as well as by the impairment in Ticom NV (EUR -0,5 million). Fair value adjustments are recognised through other comprehensive income.

During the previous reporting period, the investments had decreased by a net amount of EUR 30,2 million, mainly as a result of a change in the consolidation method of Vendis Captial NV (EUR -22,7 million) and the reclassification of the investment in the Lithuanian group IKI (EUR -14,4 million) to the line item 'Assets held for sale'. In addition there were net fair value adjustments (EUR 9,0 million), capital increases (EUR 2,2 million) and capital decreases (EUR -4,2 million).

14.2. Current assets

(in million EUR)	31.03.18	31.03.17
Equity securities for trading	11,4	9,0
Fixed-income securities held for trading	14,7	13,9
Financial assets held to maturity	3,6	1,6
Total	***29,7***	***24,5***

The current financial assets changed as follows during the financial year:

(in million EUR)	2017/18	2016/17
At 1 April	*24,5*	*25,5*
Acquisitions	14,4	6,0
Sales and disposals	(7,3)	(7,7)
Classification (to)/from held for sale	(1,4)	-
Fair value adjustments through profit or loss	(0,1)	0,7
Currency translation differences	(0,4)	-
At 31 March	***29,7***	***24,5***

The current financial assets mainly consist of investments held by the Luxembourg reinsurance company Locré S.A. (EUR 26,1 million for the current period). The investment held in Real Dolmen NV (EUR 1,4 million) has been reclassified to 'Assets held for sale' as Colruyt Group accepted the takeover bid from GFI Informatique.

Equity securities and fixed-income securities held for trading are valued at their closing price on 31 March 2018. Fair value adjustments are recognised in profit or loss. The return on the fixed-income securities is 2,3% on average, with a maximum of 6,5%. The maturities of these investments vary between 4 and 30 years, with an average maturity of 10 years. The investments held to maturity are valued on a historical cost basis.

More information regarding Colruyt Group's risk management approach to investments can be found in note *27. Risk management*.

Fair value adjustments to the current assets as at 31 March 2018 resulted in a net loss of EUR 0,1 million for the current financial year (compared to a net gain of EUR 0,7 million for the financial year 2016/17).

15. BUSINESS COMBINATIONS

No material business combinations occurred during the financial year 2018/17 or during the financial year 2017/16.

16. ASSETS HELD FOR SALE AND DISPOSAL OF SUBSIDIARIES

16.1. Assets held for sale

During the financial year 2017/18, the investment in the Lithuanian group IKI was reclassified back to the 'equity securities available for sale' as the sale has not taken place within one year. In addition, the investment in Real Dolmen NV (EUR 1,4 million) was classified as held for sale.

(in million EUR)	2017/18	2016/17
Non-current assets held for sale	-	14,4
Current assets held for sale	1,4	-
Total assets held for sale	*1,4*	*14,4*

The assets classified as held for sale changed as follows during the financial year:

(in million EUR)	2017/18	2016/17
At 1 April	*14,4*	-
Classification to/(from) held for sale	(13,0)	14,4
At 31 March	*1,4*	*14,4*

16.2. Disposal of subsidiaries

There have been no sales of subsidiaries during the financial year 2017/18.

During the previous financial year, Colruyt Group sold the French foodservice business Pro à Pro (segment 'Wholesale and Foodservice') to Metro Group. The results of the French foodservice business Pro à Pro were included for thirteen months (from 1 January 2016 until 31 January 2017) in the consolidated income statement, as well as the results realised on the sale.

The effect of the disposal of the French foodservice business Pro à Pro on the consolidated income statement of the financial year 2016/17 was as follows:

(in million EUR)	2016/17
Other operating income	23,4
Deferred tax realised as a result of the disposal of Pro à Pro	9,0
Taxes on statutory gain	(0,3)
Total effect on the consolidated income statement	*32,1*

17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities can be detailed as follows:

17.1. Net carrying amount

(in million EUR)	Assets 2017/18	Assets 2016/17	Liabilities 2017/18	Liabilities 2016/17	Balance 2017/18	Balance 2016/17
Intangible assets	8,4	2,4	-	(0,1)	8,4	2,3
Property, plant and equipment	0,3	1,3	(87,6)	(77,0)	(87,3)	(75,7)
Inventories	1,4	-	-	-	1,4	-
Receivables	0,3	1,4	(0,9)	(0,6)	(0,6)	0,8
Liabilities related to employee benefits	43,8	49,2	(3,0)	-	40,8	49,2
Other provisions	3,6	2,3	(11,7)	(16,8)	(8,1)	(14,5)
Other liabilities	3,6	0,1	(2,2)	(3,0)	1,4	(2,9)
Tax losses carry-forward, deductible items and reclaimable tax paid	81,8	83,5	-	-	81,8	83,5
Gross deferred tax assets/(liabilities)	*143,2*	*140,2*	*(105,4)*	*(97,5)*	*37,8*	*42,7*
Unrecognised tax assets/liabilities	(70,9)	(80,4)	2,3	3,0	(68,6)	(77,4)
Offsetting tax assets/liabilities	(44,1)	(37,2)	44,1	37,2	-	-
Net deferred tax assets/(liabilities)	***28,2***	***22,6***	***(59,0)***	***(57,3)***	***(30,8)***	***(34,7)***

17.2. Change in net carrying amount

(in million EUR)	Assets 2017/18	Assets 2016/17	Liabilities 2017/18	Liabilities 2016/17	Balance 2017/18	Balance 2016/17
Net carrying amount at 1 April	*22,6*	*4,7*	*(57,3)*	*(65,9)*	*(34,7)*	*(61,2)*
Changes recognised in profit or loss	5,6	5,0	8,0	8,6	13,6	13,6
Changes recognised in other comprehensive income	-	21,9	(9,7)	-	(9,7)	21,9
Disposal by sale of subsidiaries	-	(9,0)	-	-	-	(9,0)
Net carrying amount at 31 March	***28,2***	***22,6***	***(59,0)***	***(57,3)***	***(30,8)***	***(34,7)***

On 31 March 2018 Colruyt Group did not recognise deferred tax assets for an amount of EUR 68,6 million (compared to EUR 77,4 million on 31 March 2017). This amount relates to temporary differences as well as tax losses and unused tax credits carried forward for a total amount of EUR 234 million (EUR 270,3 million for the financial year 2016/17) of which EUR 233,9 million can be carried forward indefinitely to future reporting periods (EUR 270,2 million for the financial year 2016/17).

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.

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18. INVENTORIES

Inventories mainly represent trade goods. The accumulated impairment on inventories of trade goods amounted to EUR 5,7 million for the current financial year compared to EUR 5,0 million for the previous financial year.

The amount of inventories recognised as an expense in the income statement of 2017/18 amounts to EUR 6.681,1 million and was presented as 'Cost of goods sold'. Last year this expense was EUR 7.079,0 million.

19. TRADE AND OTHER RECEIVABLES

19.1. Other non-current receivables

(in million EUR)	31.03.18	31.03.17
Loans to customers	5,6	7,6
Loans to joint ventures	16,8	15,5
Guarantees granted	8,0	7,3
Other receivables	7,1	4,4
Total other non-current receivables	***37,5***	***34,8***

Loans granted to customers mainly comprise loans to independent storekeepers of Retail Partners Colruyt Group NV. Loans granted to customers are presented net of any impairment losses. These loans are usually granted for a maximum period of 12 years and at an interest rate between 3,15% 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 Fraluc group (ZEB) for an amount of EUR 6,1 million.

The 'Guarantees granted' have been provided in respect of purchase obligations.

The 'Other receivables' mainly consist of receivables held on the French authorities in respect of social security for an amount of EUR 5,7 million.

19.2. Current trade and other current receivables

(in million EUR)	31.03.18	31.03.17
Trade receivables	496,1	440,8
Guarantees granted	-	0,4
Total trade receivables	***496,1***	***441,2***
VAT	2,3	4,6
Prepaid expenses	15,3	16,8
Loans granted to customers that expire within 1 year	1,2	1,5
Guarantees granted	-	1,0
Interest	1,7	0,9
Other receivables	19,1	11,3
Total other current receivables	***39,6***	***36,1***

Trade receivables

Trade receivables are presented net of impairment allowance. The impairment allowance amounts to EUR 12,0 million on 31 March 2018 (compared to EUR 11,5 million on 31 March 2017).

Other receivables

Other receivables are presented net of impairment allowance. The impairment allowance amounts to EUR 1,0 million on 31 March 2018 (compared to EUR 0,6 million on 31 March 2017).

The ageing of trade receivables is as follows:

	31.03.18		31.03.17	
(in million EUR)	Gross	Impairment	Gross	Impairment
Not past due	451,7	(0,4)	391,8	-
Past due between 1 and 6 months	40,4	(4,6)	45,6	(3,4)
Past due for more than 6 months	16,0	(7,0)	14,9	(8,1)
Total	***508,1***	***(12,0)***	***452,3***	***(11,5)***

The movement in impairment allowance on trade and other receivables is as follows:

	Impairment trade receivables		Impairment other receivables	
(in million EUR)	2017/18	2016/17	2017/18	2016/17
At 1 April	*(11,5)*	*(15,4)*	*(0,6)*	*(0,6)*
Addition	(8,7)	(9,0)	(0,4)	(0,4)
Reversal	5,5	5,7	0,2	0,1
Use	2,7	3,4	0,1	0,2
Disposal by sale of subsidiaries	-	3,8	-	0,1
Other	-	-	(0,3)	-
At 31 March	***(12,0)***	***(11,5)***	***(1,0)***	***(0,6)***

Trade receivables are monitored differently depending on the business segment and based on the characteristics and 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

(in million EUR)	31.03.18	31.03.17
Term deposits with an original maturity of three months or less	30,0	250,0
Other cash and cash equivalents	182,1	273,7
Cash and cash equivalents	*212,1*	*523,7*

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 has always been higher than one third of the group's profit and amounts to 46,9% 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 9 October 2017 the capital was increased by 260.458 shares; the related capital increase amounted to EUR 10,1 million.
The Company's share capital on 31 March 2018 amounted to EUR 315,9 million divided into 150.196.352 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 2018 Colruyt Group held 11.688.496 treasury shares; this represents 7,78% of the shares issued at reporting date. For many years the Extraordinary General Meeting of Shareholders 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 and has approved on 27 September 2017 the launch of a share buyback programme. Within the scope of this programme Colruyt Group purchases treasury shares up to a maximum amount of EUR 350 million. The purchase programme started on 2 October 2017 and has an expected term of two years. The aim of the purchase programme is to reduce the company's excess cash and to decrease capital. Purchases are made in accordance with the applicable laws and regulations and are in line withe the mandate granted by the Extraordinary General Meeting of Shareholders. Between 1 April 2018 and 13 June 2018, 861.356 treasury shares have been 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 14 June 2018 a gross dividend of EUR 168,0 million or EUR 1,22 per share was proposed by the Board of Directors. Last year the gross dividend amounted to EUR 171,9 million or EUR 1,18 per share. The gross dividend takes into account the number of treasury shares purchased, if applicable, up until 13 June 2018 and the number of shares reserved for profit-sharing distribution in September 2018. The dividend was not incorporated in the consolidated financial statements for the financial year 2017/18.

21.5. Stability allowance reference shareholders (1)

The Board of Directors believes that the stability and continuity in the reference share ownership of the legal entities Korys NV and Sofina S.A. is of essential importance for conducting a sustainable common policy with respect to the company.

Therefore, the Board of Directors proposes to grant the current reference shareholders the following stability allowance, in the form of a bonus, through the directors who represent them in the Board of Directors, namely Korys NV and François Gillet for Sofina S.A.(2):

	2017/2018	2016/17
(in million EUR)		
Korys NV	2,8	2,9
François Gillet (2)	0,9	0,9

This bonus bears no relationship to the performance of the permanent representatives or other representatives of the reference shareholders concerned in their capacity as director or in any other capacity.

(1) Subject to the approval of the General Meeting of Shareholders of 26 September 2018.
(2) The allowance to François Gillet, presented as director by the reference shareholder Sofina S.A., is paid to Sofina S.A.

21.6. 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 profit-sharing plan 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 44,22 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 2018 an amount of EUR 33,5 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 6.125 employees accepted shares as part of their profit-sharing scheme. The value of this scheme amounts to EUR 1,1 million (excluding withholding taxes) and 25.592 shares.

On 31 March 2017 an amount of EUR 31,9 million (including withholding tax and social security charges) was reserved for profit-sharing. Of this amount a total of EUR 1,4 million (excluding withholding taxes) was reserved under the form of shares, which corresponds to 32.104 shares, of which 32.077 shares were distributed.

21.7. Shareholder structure

In accordance with the most recent transparency notification of 30 March 2018, the shareholder structure of Etn. Fr. Colruyt NV is as follows:

	Shares
Colruyt family and relatives	78.153.945
Etn. Fr. Colruyt NV (treasury shares)	11.688.496
Sofina Group	7.780.000
Total of parties that act in deliberation	***97.622.441***

The remainder of the total shares issued (150.196.352 shares per 31 March 2018), being 52.573.911 shares or 35% are publicly held. For more details we refer to the section Corporate Governance.

22. EARNINGS PER SHARE

	2017/18	2016/17
Total operating activity		
Profit for the financial year (group share) (in million EUR)	373,1	381,9
Weighted average number of outstanding shares	143.361.535	146.729.840
Earnings per share – basic and diluted (in EUR)	2,60	2,60

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

	2017/18	2016/17
Number of outstanding shares at 1 April	*145.635.508*	*147.365.578*
Effect of capital increase	73.796	95.232
Effect of shares granted to employees (profit-sharing scheme)	16.039	19.935
Effect of shares purchased	(2.363.808)	(750.905)
Weighted average number of outstanding shares at 31 March	***143.361.535***	***146.729.840***

23. PROVISIONS

(in million EUR)	Environmental risks	Other risks	Total
Non-current provisions	1,7	31,0	32,7
Current provisions	-	0,9	0,9
At 31 March 2018	***1,7***	***31,9***	***33,6***
At 1 April 2017	*2,5*	*24,8*	*27,3*
Addition	0,6	13,3	13,9
Use	(0,8)	(5,2)	(6,0)
Reversal	(0,6)	(1,0)	(1,6)
At 31 March 2018	***1,7***	***31,9***	***33,6***
Non-current provisions	2,4	24,5	26,9
Current provisions	0,1	0,3	0,4
At 31 March 2017	***2,5***	***24,8***	***27,3***
At 1 April 2016	*2,3*	*10,3*	*12,6*
Disposal by sale of subsidiaries	-	(3,4)	(3,4)
Addition	0,5	22,3	22,8
Use	(0,3)	(1,4)	(1,7)
Reversal	-	(1,5)	(1,5)
Other	-	(1,5)	(1,5)
At 31 March 2017	***2,5***	***24,8***	***27,3***

The provision for environmental risks has mainly 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, reinsurance and warranty obligations.

24. NON-CURRENT LIABILITIES RELATED TO EMPLOYEE BENEFITS

(in million EUR)	2017/18	2016/17
Definded contribution plans with a legally guaranteed minimum return	86,8	79,4
Benefits related to 'Unemployment regime with company supplement'	33,6	67,8
Other post-employment benefits	7,2	6,4
Total	*127,6*	*153,6*

Colruyt Group offers various types of post-employment benefits. These include retirement benefit plans and other arrangements in respect of post-employment benefits. In accordance with IAS 19 *'Employee Benefits'* the post-employment benefits are subdivided into either defined contribution plans or defined benefit plans.

Defined contribution plans with a legally guaranteed minimum return
In Belgium, the Law regarding supplementary pensions ('WAP') requires employers to guarantee a minimum return on defined contribution plans over the course of the career. For amounts until 31 December 2015 this minimum return was 3,25% on the employer contributions 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%. As of 2016 the minimum return is 1,75%.

Due to these law changes, and due to the fact that a clear position was taken by the regulatory instances during 2016, and given the fact that reliable estimates can be made for these retirement benefit plans, the Belgian defined contribution plans are considered as defined benefit plans since financial year 2016/17. They are measured in accordance with IAS 19 based on the 'projected unit credit' method.

The amount resulting from the group's liabilities related to its defined contribution plans with a legally guaranteed minimum return, as recorded in the consolidated statement of financial position, is as follows:

(in million EUR)	31.03.18	31.03.17
Present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return	226,0	203,2
Fair value of plan assets	139,2	123,8
Deficit/surplus (-) of funded status	*86,8*	*79,4*
Total liability for employee benefits, of which:		
Portion recognised as non-current liabilities	86,8	79,4
Portion recognised as non-current assets	-	-

The evolution in the present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return can be summarised as follows:

(in million EUR)	2017/18	2016/17
At 1 April	*203,2*	*-*
Current service cost	14,0	-
Interest expense	3,5	-
Experience adjustments	7,2	-
Change of financial assumptions	-	203,2
Change of demographic assumptions	2,6	-
Benefit payments from plan assets	(4,9)	-
Participant contributions	2,6	-
Expenses and taxes paid	(2,2)	-
At 31 March	*226,0*	*203,2*

The plan assets (EUR 139,2 million) fully consist of investments in insurance contracts.

The evolution of the fair value of the plan assets is as follows:

(in million EUR)	2017/18	2016/17
At 1 April	*123,8*	-
Employer contributions	15,0	-
Interest income	2,3	-
Return on plan assets	2,6	-
Change of financial assumptions	-	123,8
Benefit payments from plan assets	(4,9)	-
Participant contributions	2,6	-
Expenses and taxes paid	(2,2)	-
At 31 March	***139,2***	***123,8***

The amounts that are recognised in the consolidated income statement and in the consolidated statement of comprehensive income relative to these defined contribution plans with a legally guaranteed minimum return can be summarised as follows:

(in million EUR)	2017/18	2016/17
Total service cost (1)	14,0	-
Net Interest cost (2)	1,2	-
Components recorded in the income statement	*15,2*	-

(1) In the consolidated income statement included in 'Employee benefit expenses'
(2) In the consolidated income statement included in 'Net financial results'

	2017/18	2016/17
Experience adjustments	7,2	-
Change of financial assumptions	-	79,4
Change of demographic assumptions	2,6	-
Return on plan assets	(2,6)	-
Components recorded in other comprehensive income	*7,2*	*79,4*

The main actuarial assumptions that were used in the calculation of the obligations related to the defined contribution plans with a legally guaranteed minimum return are identical to the previous financial year and can be summarised as follows:
- discount rate: 1,7%;
- price inflation: 1,8%;
- salary inflation: 2,3%.

Description of the main risks
Colruyt Group is exposed by its defined benefit plans to a number of risks, of which the most important ones are explained below:

Volatility of plan assets - investment risk
The retirement benefit liabilities are calculated using a discount rate determined by prime company returns. In the event the plan assets do not reach this level of return, the defined benefit liabilities on account of Colruyt Group may increase. Colruyt Group reduces the investment risk by investing in insurance contracts instead of in equity instruments.

Interest risk
A decrease in returns will increase the retirement benefit liabilities, however this will be partly compensated by an increase in value of bonds held by the retirement benefit plans.

Life expectancy
The retirement benefit liabilities mainly concern benefits that are provided to the participant during his or her lifetime. An increase of the life expectancy will therefore lead to an increase in retirement benefit liabilities.

Salary expectancy
The fair value of retirement benefit liabilities is calculated based on the current salary of the participants in the retirement benefit plans. As a result an increase in salary of the participants in the retirement benefit plan will lead to an increase in the retirement benefit liabilities.

Benefits related to 'Unemployment regime with company supplement´

(in million EUR)	2017/18	2016/17
At 1 April	*67,8*	*74,1*
Addition (1)	4,0	6,1
Use	(1,8)	(1,7)
Net Interest expense (2)	1,3	1,4
Experience adjustments (3)	2,1	3,7
Change of financial assumptions (3)	(0,3)	(2,0)
Change of demographic assumptions (3)	(39,5)	(13,8)
At 31 March	***33,6***	***67,8***

(1) Included under 'Employee benefit expenses' in the consolidated income statement.
(2) Included under 'Net financial results' in the consolidated income statement.
(3) Included in the consolidated statement of comprehensive income.

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: 1,95% compared to 1,9% for the previous financial year;
- salary inflation: 2,3% (same as for the 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 -37,7 million. Main changes are related to a change in the demographic assumptions.

The weighted average duration of the liability for benefits under the 'Unemployment regime with company supplement' is 17,25 years, as compared to 16,25 years for the previous financial reporting period.

Other post-employment benefits

(in million EUR)	2017/18	2016/17
At 1 April	*6,4*	*9,7*
Addition (1)	0,8	0,8
Use	(0,2)	(0,2)
Net interest expense (2)	0,1	0,1
Change of financial assumptions (3)	(0,1)	0,7
Change of demographic assumptions (3)	(0,1)	-
Disposal by sale of subsidiaries	-	(4,7)
Reclassification	0,3	-
At 31 March	***7,2***	***6,4***

(1) Included under 'Employee benefit expenses' in the consolidated income statement.
(2) Included under 'Net financial results' in the consolidated income statement.
(3) Included in the consolidated statement of comprehensive income.

Other post-employment benefits payable at retirement consist of long-service benefits (Belgian entities) and legal compensations (French entities).

For the long-service benefits (Belgian entities), Colruyt Group uses the following parameters:
- discount rate: 1,8% compared to 1,7% for the previous financial year;
- salary inflation: 2,3% compared to (identical to the previous financial year).

For the legal compensations (French entities) the following parameters are used (both identical to the ones used for the previous financial year):
- discount rate: 1,5%;
- salary inflation: 1,5%.

Changes to the main assumptions impact the group's main liabilities related to employee benefits as follows:

	Defined contribution plans with a legally guaranteed minumum return		Benefits related to the 'Unemployment regime with company supplement'		Long-service benefits (Belgian entities)		Legal compensations (French entities)	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
(in million EUR))								
Base scenario	86,8	79,4	33,6	67,8	3,5	3,2	3,7	3,2
Discount rate + 0,5%	70,1	65,4	30,4	62,7	3,2	3,0	3,3	2,9
Discount rate - 0,5%	105,7	95,2	37,0	73,5	3,7	3,4	3,9	3,5
Salary inflation + 0,5%	93,8	85,8	37,4	81,6	3,5	3,2	3,9	3,5
Salary inflation - 0,5%	80,0	73,7	28,5	54,6	3,5	3,2	3,3	2,9

The above are purely hypothetical changes in individual assumptions, keeping all other assumptions unchanged: economic factors and their changes will often change more than one assumption at a time and the impact of the changes in assumptions is not linear. As a result the above information does not necessarily provide a reasonable reflection of future results.

25. INTEREST-BEARING LIABILITIES

25.1. Terms and repayment schedule

	< 1 year	1-5 year	> 5 year	Total
(in million EUR)				
Finance lease and similar liabilities	2,7	8,5	2,5	13,7
Bank borrowings	125,9	1,5	0,5	127,9
Total at 31 March 2018	*128,6*	*10,0*	*3,0*	*141,6*
Finance lease and similar liabilities	2,7	10,9	2,8	16,4
Bank borrowings	0,8	1,8	-	2,6
Other	8,1	-	-	8,1
Total at 31 March 2017	*11,6*	*12,7*	*2,8*	*27,1*

25.2. Repayment schedule finance lease liabilities

	Total 2017/18	Interest 2017/18	Principal 2017/18	Total 2016/17	Interest 2016/17	Principal 2016/17
(in million EUR)						
< 1 year	2,9	0,2	2,7	2,9	0,2	2,7
1-5 years	8,7	0,2	8,5	11,3	0,4	10,9
> 5 years	2,5	-	2,5	2,9	0,1	2,8
Total	*14,1*	*0,4*	*13,7*	*17,1*	*0,7*	*16,4*

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. There are however a number of restrictions imposed on dividends, debt increase and changes in shareholding. In addition, possibilities exist to further rent or buy the leased equipment.

25.3. Repayment schedule bank borrowings and others

(in million EUR)	Total 2017/18	Interest 2017/18	Principal 2017/18	Total 2016/17	Interest 2016/17	Principal 2016/17
< 1 year	126,0	0,1	125,9	9,0	0,1	8,9
1-5 years	1,7	0,2	1,5	1,9	0,1	1,8
> 5 years	0,6	0,1	0,5	-	-	-
Total	*128,3*	*0,4*	*127,9*	*10,9*	*0,2*	*10,7*

The interest-bearing liabilities mainly consist of finance lease liabilities and bank borrowings. The increase compared to previous reporting period is due to the inclusion of straight loans used for short term treasury needs.

Part of the balance of current and non-current interest-bearing liabilities is covered by collateral. The net carrying amount of the encumbered assets (excluding finance lease) exceeds the collateral.

26. TRADE PAYABLES, LIABILITIES RELATED TO EMPLOYEE BENEFITS AND OTHER LIABILITIES

(in million EUR)	31.03.18	31.03.17
Trade payables (non-current)	0,5	-
Total trade payables (non-current)	*0,5*	*-*
Other liabilities (non-current)	0,2	0,7
Total other liabilities (non-current)	*0,2*	*0,7*
Trade payables	1.074,6	1.059,5
Guarantees received and advances on work in progress	17,7	22,3
Total trade payables (current)	*1.092,3*	*1.081,8*
Current liabilities related to employee benefits	441,5	417,6
VAT, duties and other operating taxes	63,3	52,9
Dividends	0,5	0,5
Deferred income and accrued costs	8,7	8,5
Other	1,7	3,0
Total liabilities related to employee benefits and other liabilities (current)	*515,7*	*482,5*

Terms and repayment schedule

(in million EUR)	< 1 year	1-5 year
Trade Payables (non-current)	-	0,5
Other liabilities (non-current)	-	0,2
Trade payables (current)	1.092,3	-
Liabilities related to employee benefits and other liabilities	515,7	-
Total at 31 March 2018	*1.608,0*	*0,7*
Other liabilities (non-current)	-	0,7
Trade payables	1.081,8	-
Liabilities related to employee benefits and other liabilities	482,5	-
Total at 31 March 2017	*1.564,3*	*0,7*

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 currencies 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	
	31.03.18	31.03.17
(in million EUR)		
AUD/EUR	(0,2)	(0,2)
EUR/INR	(2,2)	(1,0)
HKD/EUR	(1,8)	(1,3)
USD/EUR	(1,4)	(1,0)
ZAR/EUR	(0,1)	(0,1)
NZD/EUR	-	(0,1)
CAD/EUR	(0,1)	-
Total	*(5,8)*	*(3,7)*

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 2018 the total amount of bank and other borrowings was EUR 127,9 million (non-current and current) or 3,15% of total assets (compared to EUR 10,7 million on 31 March 2017) and 60,3% of the net cash and cash equivalents. Most of these borrowings are at a fixed interest rate. Colruyt Group's finance lease liabilities amounted to EUR 13,7 million on 31 March 2018 (compared to EUR 16,4 million on 31 March 2017) and are also mainly contracted at a variable interest rate.

Colruyt Group generally invests its excess cash in term deposits.

A change in interest rates 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 relatively large number of customers.

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 36,1 million (compared to EUR 36,9 million last year). The collectability of this amount was secured by bank guarantees for an amount of EUR 28,1 million (compared to EUR 28,5 million last year).

d. Liquidity risk

Finco NV is Colruyt Group's financial coordinator, 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 made very limited use of 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.

e. Other market risks

Besides Etn. Fr. Colruyt NV, Locré S.A., Colruyt Group's reinsurance entity, also manages a portfolio of financial instruments (fixed interest-bearing instruments and equity instruments). Locré S.A. uses these investments to cover the reinsurance risk. On 31 March 2018 the total value of Colruyt Group's current investment portfolio amounts to EUR 29,7 million (EUR 24,5 million per 31 March 2017); EUR 26,1 million of this amount belongs to Locré S.A. (EUR 21,9 million per 31 March 2017). Fluctuations in market values of these instruments can therefore have an impact on Colruyt Group's financial result. In total, Colruyt Group recognised a net write-off of EUR -0,1 million during this financial year (a revaluation of EUR 0,7 million during the previous reporting period).
The ratio of the current investment portfolio to net cash and cash equivalents of Colruyt Group amounts to 14,0% (4,7% 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.

		Measurement at fair value			
(in million EUR)	Historical or amortised cost	Quoted prices Level 1	Observable market inputs Level 2	Unobservable market inputs Level 3	Total
Financial assets:					
Financial assets available for sale	12,0	-	-	28,9	40,9
Loans and receivables	540,8	-	-	-	540,8
Financial assets held for trading	3,6	26,1	-	-	29,7
Cash and cash equivalents	212,1	-	-	-	212,1
Total at 31 March 2018	***768,5***	***26,1***	***-***	***28,9***	***823,5***
Financial liabilities:					
Interest-bearing and other liabilities	142,3	-	-	-	142,3
Trade payables	1.092,3	-	-	-	1.092,3
Total at 31 March 2018	***1.234,6***	***-***	***-***	***-***	***1.234,6***
Financial assets:					
Financial assets available for sale	0,8	-	-	11,2	12,0
Loans and receivables	488,1	-	-	-	488,1
Financial assets held for trading	1,6	22,9	-	-	24,5
Cash and cash equivalents	523,7	-	-	-	523,7
Total at 31 March 2017	***1.014,2***	***22,9***	***-***	***11,2***	***1.048,3***
Financial liabilities:					
Interest-bearing and other liabilities	27,8	-	-	-	27,8
Trade payables	1.081,8	-	-	-	1.081,8
Total at 31 March 2017	***1.109,6***	***-***	***-***	***-***	***1.109,6***

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

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

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

For the amounts measured at fair value we refer to note *14. Financial assets* which describes how the fair value is being measured.

The financial assets available for sale, classified under level 3, consist of the investment in the Lithuanian group IKI (13,12%) and investments in the holding companies Sofindev II NV, Sofindev III NV and Sofindev IV NV in which Colruyt Group does not have a significant influence. During the current reporting period the financial assets available for sale were increased by a net amount of EUR 17,7 million, due to the reclassification of the investment in the Lithuanian group IKI from assets held for sale to investments.

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

(in million EUR)	2017/18	2016/17
At 1 April	*11,2*	*41,5*
Changes in consolidation method	-	(22,7)
Classification (to)/from held for sale	14,4	(14,4)
Acquisitions	7,3	2,1
Capital decreases	-	(4,2)
Fair value adjustments through other comprehensive income	(4,0)	9,0
Impairments	-	(0,1)
At 31 March	***28,9***	***11,2***

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. For a description of risks other than the ones mentioned above and of how Colruyt Group manages its exposure to these risks we refer to the Corporate Governance section. In this respect we also refer to the Audit Committee, which regularly discusses the risk reports of the Risk Management department (internal audit).

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 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:

(in million EUR)	31.03.18	< 1 year	1-5 year	> 5 year
Lease arrangements as lessee	59,7	24,2	21,7	13,8
Commitments relating to the acquisition of property, plant and equipment	74,5	64,5	10,0	-
Commitments relating to purchases of goods	109,0	99,6	9,4	-
Other commitments	17,5	11,7	5,8	-

(in million EUR)	31.03.17	< 1 year	1-5 year	> 5 year
Lease arrangements as lessee	56,7	20,9	24,7	11,1
Commitments relating to the acquisition of property, plant and equipment	68,4	53,5	14,9	-
Commitments relating to purchases of goods	105,7	101,4	4,2	0,1
Other commitments	14,5	10,1	4,4	-

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 29,6 million (EUR 30,0 million for the previous financial year). The income statement includes rental charges related to non-cancellable leases together with other rental-related charges (e.g. property withholding taxes) and rental charges from cancellable lease arrangements.

The income statement includes rental and rental-related charges in respect of movables for an amount of EUR 12,9 million (EUR 14,7 million for the previous reporting period). These rental charges mainly result from cancellable lease arrangements.

The commitments related to the acquisition of property, plant and equipment for an amount of EUR 74,5 (EUR 68,4 million for the previous reporting period) 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 109,0 million (EUR 105,7 million for the previous reporting period) are the result of forward contracts concluded with suppliers in order to ensure the supply of certain trade goods as well as purchase commitments in respect of green certificates and electricity.

'Other commitments' include commitments resulting from various non-cancellable forward contracts regarding ICT services (mainly for software maintenance) for an amount of EUR 17,5 million (EUR 14,5 million in the previous reporting period).

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:

(in million EUR)	31.03.18	< 1 year	1-5 year	> 5 year
Lease arrangements as lessor	17,2	8,9	8,1	0,2

(in million EUR)	31.03.17	< 1 year	1-5 year	> 5 year
Lease arrangements as lessor	16,9	8,8	8,1	-

The rights resulting from lease agreements whereby Colruyt Group acts as a lessor relate to subleased assets for an amount of EUR 14,4 million (EUR 9,3 million in the previous reporting period). Within the line item 'Other operating income' of the consolidated income statement, an amount of EUR 7,1 million (EUR 6,7 million in the previous reporting period) has been included in respect of subleased assets. The related cost (included in the consolidated income statement under the line item 'Services and miscellaneous goods') amounted to EUR 7,0 million (EUR 6,9 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.

(in million EUR)	31.03.18	31.03.17
Disputes	0,3	4,4
Other	31,8	1,1

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 0,3 million (compared to EUR 4,4 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 guarantees provided by Colruyt Group towards financial institutions. On the one hand these guarantees consist of buy-back commitments supplied as an additional guarantee for the financing of affiliated independent storekeepers (EUR 0,8 million) whilst on the other they consist of guarantees for financing provided for investment projects (EUR 31,0 million). The total contingent liability amounts to EUR 31,8 million (compared to EUR 1,1 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 3 October 2017 a gross dividend of EUR 1,18 per share was paid to the shareholders.

For the 2017/18 financial year, the Board of Directors has proposed a gross dividend of EUR 1,22 per share, which will be declared payable from 2 October 2018. 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 must still be approved at the General Meeting of Shareholders of 26 September 2018, is therefore not recorded as a liability in the statement of financial position.

Taking into account that the distribution proposed by the Board of Directors relates to 137.672.092 shares (after deduction of treasury shares and taking into account the shares reserved for the profit-sharing scheme), as determined on 13 June 2018, the total amount of proposed dividends amounts to EUR 168,0 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 (see section Corporate Governance) and relatives;
b) entities that control Colruyt Group (see 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*); and
e) entities that are controlled by members of the key management personnel of Colruyt Group: Stonefund NV, Stonefund III NV, Korys Management NV, Korys Real Estate NV, Korys Capital Fund S.C.A., Korys Capital S.A.R.L., Korys Renovables S.L., Real Dolmen NV, Orka Blauwe Toren NV, Eurowatt S.A., H.I.M. TWEE NV, Korys Investments NV , COFIN CVBA and Proparent BV.

31.1. Related party transactions excluding key management personnel compensation

(in million EUR)	2017/18	2016/17
Revenue	2,8	3,1
Costs	2,1	2,0
Receivables	20,5	15,9
Liabilities	9,5	1,6
Dividends paid	101,3	93,3
Stability allowance reference shareholders	3,8	3,7

The amounts disclosed above result from transactions made on terms equivalent to those that prevail in arm's length transactions between independent parties.

Transactions with various related parties generated revenue for an amount of EUR 2,8 million (EUR 3,1 million in the previous reporting period). This revenue mainly relates to received finance income from joint ventures (EUR 1,9 million).

The costs arising from transactions with various related parties (mainly transactions with Real Dolmen NV) amount to EUR 2,1 million and are mainly related to maintenance and IT costs (EUR 1,9 million).

The outstanding receivables from related parties amounting to EUR 20,5 million (compared to EUR 15,9 million for the previous reporting period) mainly relate to receivables in respect of joint ventures, consisting mainly of non-current interest-bearing receivables at arm's length conditions.

The outstanding liabilities towards related parties amount to EUR 9,5 million (compared to EUR 1,6 million for the previous reporting period). These liabilities include amongst others the transactions with Real Dolmen NV for an amount of EUR 5,6 million (mainly purchases of intangible assets and property, plant and equipment). The remainder mainly relates to transactions with entities that are controlled by members of the key management personnel of Colruyt Group.

In addition to the transactions with related parties mentioned above, Colruyt Group has other transactions with related parties for an amount of EUR 4,3 million (mainly transactions with Real Dolmen NV). These consist of investments in intangible assets and property, plant and equipment. These other transactions also result from transactions made on terms equivalent to those that prevail in arm's length transactions between independent parties.

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.

(in million EUR)	Remune-rations 2017/18	Number of persons/ shares 2017/18	Remune-rations 2016/17	Number of persons/ shares 2016/17
Board of Directors		*9*		*9*
Fixed remuneration (directors' fees)	1,0		1,0	
Senior management		*11*		*11*
Salaries	3,09		2,82	
Variable remuneration	2,05		1,91	
Payments into defined contribution plans and other components	0,48		0,44	
Share-based payments	0,01	190	0,01	216

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.

(in million EUR)	2017/18	2016/17
Audit assignments	0,6	0,6
Other assignments	0,1	0,7
Total	*0,7*	*1,3*

The consideration paid for audit services was EUR 0,6 million, of which EUR 0,2 million was recognised at the level of the Company and EUR 0,4 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 0,1 million.

In the financial year 2016/17 the Audit Committee of Colruyt Group agreed to a derogation from the 'one to one' rule as determined in article 133 §5 of the Companies Code, as the Audit Committee was of the opinion that the services rendered posed no threat to the independence of the auditor.

34. LIST OF CONSOLIDATED ENTITIES

34.1. Company

Etn. Fr. Colruyt NV	Edingensesteenweg 196	1500 Halle, Belgium	0400 378 485	-

34.2. Subsidiaries

Bio-Planet NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0472 405 143	100%
Birdy BVBA	Edingensesteenweg 196	1500 Halle, Belgium	0458 364 689	100%
Buurtwinkels Okay NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0464 994 145	100%
Center-Shop All-Seasons NV	Edingensesteenweg 196	1500 Halle, Belgium	0443 979 391	100%
Chrisa NV	Edingensesteenweg 196	1500 Halle, Belgium	0443 121 734	100%
Codifrance S.A.S. (1)	Zone Industrielle de Saint Barthélémy Rue de Saint Barthélémy 66	45110 Châteauneuf-sur-Loire, France	824 116 099	100%
Colim CVBA	Edingensesteenweg 196	1500 Halle, Belgium	0400 374 725	100%
Colimpo Limited	Unit 08-09, 13th floor New Mandarin Plaza, Tower A 14, Science Museum Road Tsimshatsui East	Kowloon, Hong Kong	59139630 000 11 15 71	100%
Colimpo NV	Edingensesteenweg 196	1500 Halle, Belgium	0685 762 581	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, Mindspace, Raheja IT Park, Survey nr 64 (Part) Hi-Tech City	Madhapur, Hyderabad Telanga State, India - 500081	U72300TG2007 PTC053130	100%
Colruyt Luxembourg S.A.	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B124296	100%
Colruyt Renewable Energy Private Limited	Building N°21, Mindspace Raheja IT Park, Survey nr 64 (Part) Hi-Tech City	Madhapur, Hyderabad Telanga State, India - 500081	U40300TG2017 PCT120485	100%
Colruyt Retail France S.A.S. (1)	Zone industrielle	39700 Rochefort-sur-Nenon, France	789 139 789	100%
Colruyt Retail S.A.	Rue du parc Industrielle (GHI) 34	7822 Ath, 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%
Comkro NV	Edingensesteenweg 196	1500 Halle, Belgium	0693 920 677	100%
Comlie NV	Edingensesteenweg 196	1500 Halle, Belgium	0560 926 056	100%
Commol NV	Edingensesteenweg 196	1500 Halle, Belgium	0684 490 495	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%
Ecam-Zepperen NV	Eynestraat 85 bus 1	3800 Sint-Truiden, Belgium	0455 878 224	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%
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%
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%
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	Spieveldstraat 4	9160 Lokeren, Belgium	0849 963 488	50%
SmartRetail CVBA	Edingensesteenweg 196	1500 Halle, Belgium	0640 760 224	100%
Solucious NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 692 207	100%
Vlevico NV	Edingensesteenweg 196	1500 Halle, Belgium	0422 846 259	100%
Walcodis S.A.	Rue du parc industriel (GHI) 34	7822 Ath, Belgium	0829 176 784	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	68,31%
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.	Rue de la Synagogue 33	1204 Genève, Switzerland	CHE-222 427 477	16,67%
Alliance Internationale de Distributeurs Alidis S.A.	Route de Meyrin 123 c/o BDO S.A.	1219 Châtelaine, Switzerland	CHE-110 054 794	16,67%
First Retail International 2 NV	Pontbeekstraat 2	1702 Dilbeek, Belgium	0644 497 494	4,48%
Newpharma Group S.A.	Rue du Charbonnage 10 bus 2	4020 Liège, Belgium	0684 465 652	26%
Vendis Capital NV	Jan Emiel Mommaertslaan 22	1831 Machelen, Belgium	0819 787 778	13,45%

These companies close their financial year on 31 December and are included in the consolidated financial statements on that date.

34.5. Changes in consolidation scope

a. New investments

On 21 August and 31 December 2017 Colruyt Group respectively acquired all the shares of the company Birdy BVBA and the company Ecam Zepperen NV.

On 18 December 2017 Colruyt Group acquired a minority stake of 26% in the company Newpharma Group S.A. Newpharma has the largest Belgian online offering of pharmacy-related, prescription free and over-the-counter products.

On 31 January 2018 the take over of Chrisa NV was finalised.

b. Mergers

On 1 January 2018 the company Waldico NV merged with Finco NV. On the same date the company Foodlines BVBA merged with Solucious NV.

c. Newly established companies

In Belgium the company Commol NV was established on 25 October 2017.

On 7 November 2017 Colruyt Group established the company Colruyt Renewable Enery Private Limited in India.

In addition, the companies Colimpo NV and Comkro NV were established in Belgium on respectively 6 December 2017 and 30 March 2018.

d. Other changes

On 28 September 2017 the company SmartWithFood CVBA changed its company name into SmartRetail BVBA.

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.

For the individual financial statements of Etn. Fr. Colruyt NV an unqualified audit opinion was delivered by the auditor. The statutory report of the auditor confirms that the individual financial statements of Etn. Fr. Colruyt NV for the financial year ending 31 March 2018, prepared according to Belgian accounting standards, give a true and fair view of the financial position of Etn. Fr. Colruyt NV in accordance with all legal and regulatory dispositions. In the report no attention was drawn to any matter in particular.

The annual report, the annual financial statements of Etn. Fr. Colruyt NV and the independent auditor's report are 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

(in million EUR)	31.03.18	31.03.17
Non-current assets	*4.950,6*	*4.901,4*
II. Intangible assets	83,9	43,4
III. Property, plant and equipment	226,3	201,6
IV. Financial non-current assets	4.640,4	4.656,4
Current assets	*1.413,6*	*957,1*
V. Receivables exceeding one year	7,0	5,7
VI. Inventories and work in progress	365,4	337,1
VII. Receivables for less than one year	452,7	390,7
VIII. Cash investments	507,8	195,3
IX. Cash and cash equivalents	77,7	24,9
X. Prepayments and accrued income	3,0	3,4
Total assets	***6.364,2***	***5.858,5***
Equity	*1.495,1*	*1.466,5*
I. Share capital	315,9	305,8
IV. Reserves	542,4	214,1
V. Profit carried forward	636,5	946,4
VI. Capital grants	0,3	0,2
Provisions and deferred taxes	*5,2*	*5,5*
Liabilities	*4.863,9*	*4.386,5*
VIII. Liabilities exceeding one year	3.250,1	2.950,1
IX. Liabilities for less than one year	1.600,3	1.420,9
X. Accruals and deferred income	13,5	15,5
Total liabilities	***6.364,2***	***5.858,5***

Condensed income statement of Etn. Fr. Colruyt NV

(in million EUR)	2017/18	2016/17
I. Operating income	6.974,5	6.845,9
II. Operating expenses	(6.657,6)	(6.535,9)
III. Operating profit	*316,9*	*310,0*
IV. Finance income	58,5	78,4
V. Finance expenses	(110,2)	(108,0)
VI. Profit for the financial year before tax	*265,2*	*280,4*
VII. Transfer to deferred tax	(0,2)	(0,2)
VIII. Income tax	(70,0)	(69,5)
IX. Profit for the financial year	*195,0*	*210,7*
X. Transfer to the tax exempt reserves	(0,7)	(1,3)
XI. Profit for the financial year available for appropriation	***194,3***	***209,4***

Profit appropriation Etn. Fr. Colruyt NV

For the 2017/18 financial year, the Board of Directors will propose the following profit distribution to the General Meeting of Shareholders on 26 September 2018:

(in million EUR)	2017/18	2016/17
Profit for the financial year available for appropriation	194,3	209,4
Profit carried forward from previous financial year	946,4	1.018,4
Profit available for appropriation	***1.140,7***	***1.227,8***
Transfer to the legal reserve	1,0	1,4
Addition to/(transfer from) other reserves	326,5	98,5
Result to be carried forward	636,5	946,4
Dividend to owners	167,0	171,9
Bonuses	3,7	3,8
Other debts	6,0	5,8

Dividend to owners

This line item is calculated considering the number of treasury shares on 13 June 2018 and taking into account the shares reserved for distribution as part of the profit-sharing plan in September 2018.

DEFINITIONS

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

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

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

EBIT margin
EBIT divided by revenue.

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

EBITDA margin
EBITDA divided by revenue.

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

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

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

Gross profit
Revenue minus cost of goods sold.

Gross profit margin
Gross profit divided by revenue.

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

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

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

Net profit margin
Net profit divided by revenue.

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

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

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

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

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

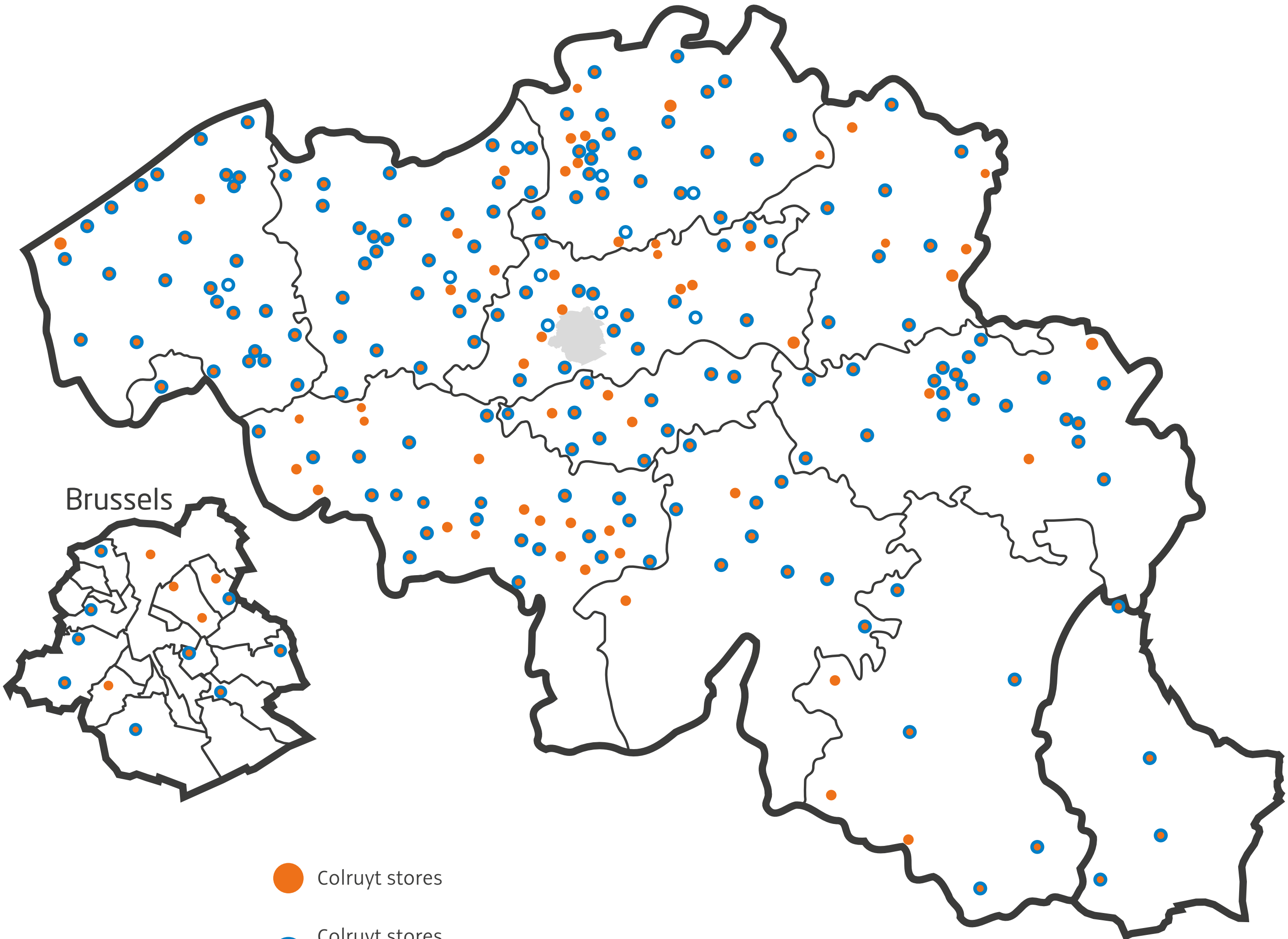
Weighted average number of outstanding shares
The number of outstanding shares at the beginning of the period, adjusted for the number of shares cancelled, treasury shares purchased or shares issued during the period multiplied by a time-correcting factor.

colruyt lowest prices

Edingensesteenweg 196
1500 Halle
BTW-BE-0400.378.485
+32 (0)2 363 55 45
colruyt.be
info@colruyt.be

Collect&Go

Edingensesteenweg 196
1500 Halle
BTW-BE-0400.378.485
+32 (0)2 360 10 40
collectandgo.be
info@collectandgo.be



Colruyt stores

Colruyt stores
with a Collect&Go collection point

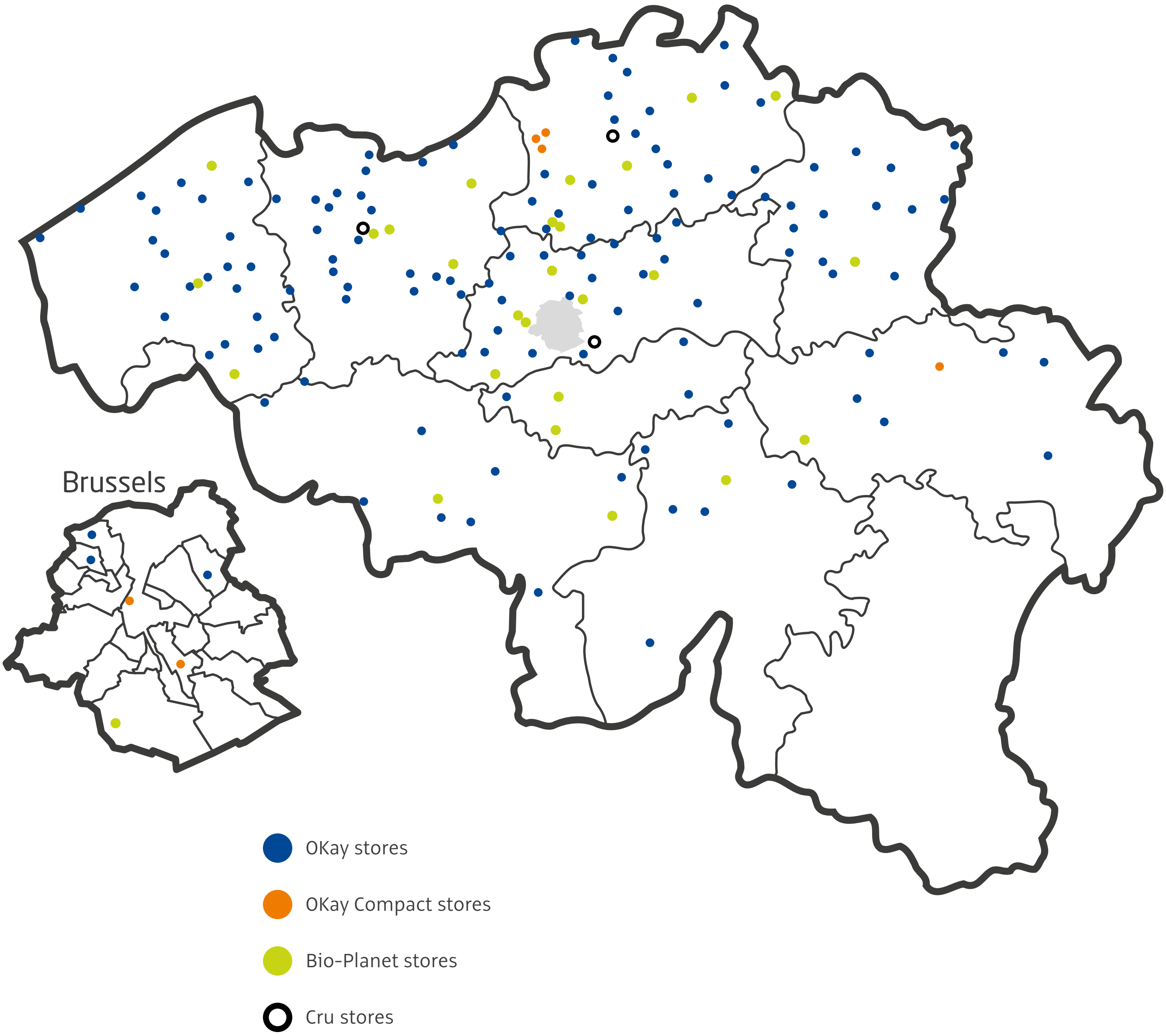
Collect&Go collection points

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**

Victor Demesmaekerstraat 167
1500 Halle
BTW-BE-0464.994.145
+32 (0)2 363 55 45
okay.be
okaycompact.be
contact.okay@colruytgroup.com
contact.okaycompact@colruytgroup.com

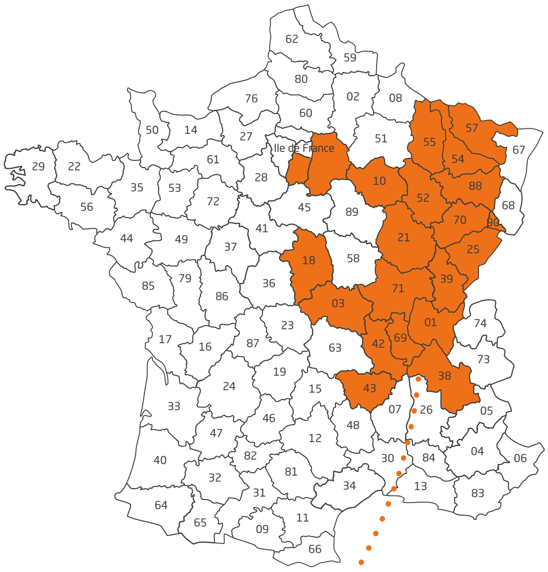
Victor Demesmaekerstraat 167
1500 Halle
BTW-BE-0472.405.143
+32 (0)2 363 50 10
bioplanet.be
info@bioplanet.be

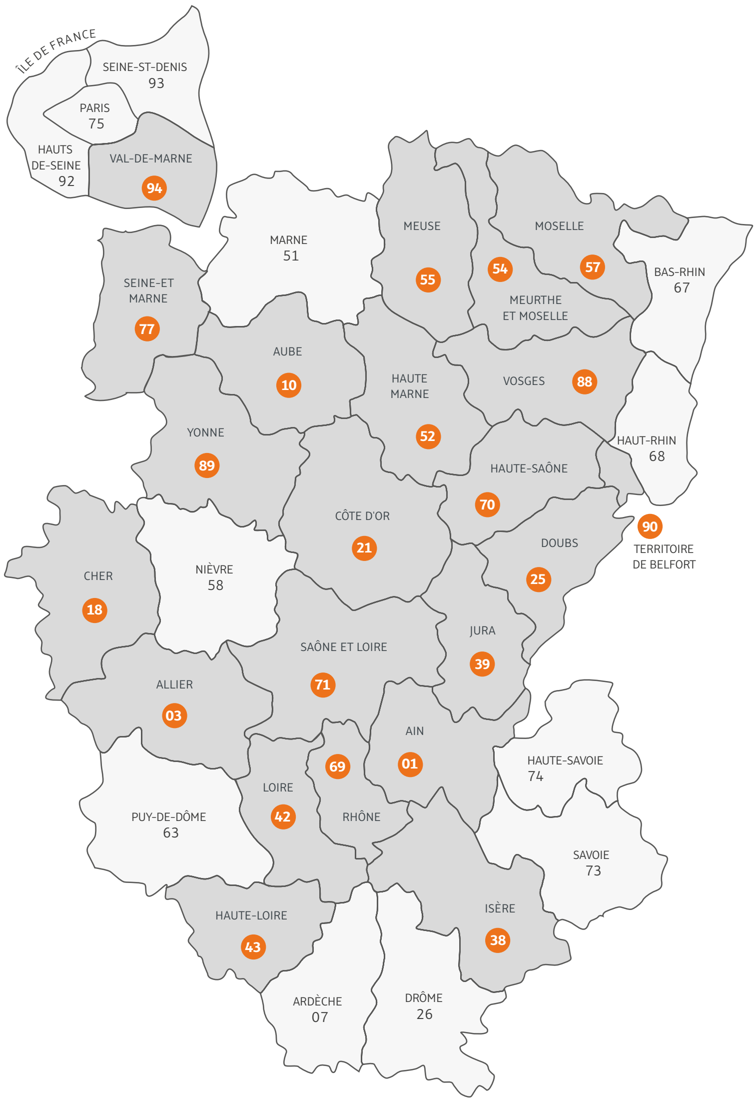
Edingensesteenweg 196
1500 Halle
BBTW-BE-0544.328.861
+32 (0)2 363 55 45
cru.be
info@cru.be



Find the address of your closest store on:
okay.be **okaycompact.be** **bioplanet.be** **cru.be**

Zone industrielle
Rue des Entrepôts 4
39700 Rochefort-sur-Nenon
TVA-FR-34.789.139.789
+33 (0)3 84 70 74 00
colruyt.fr
contact@colruyt.fr





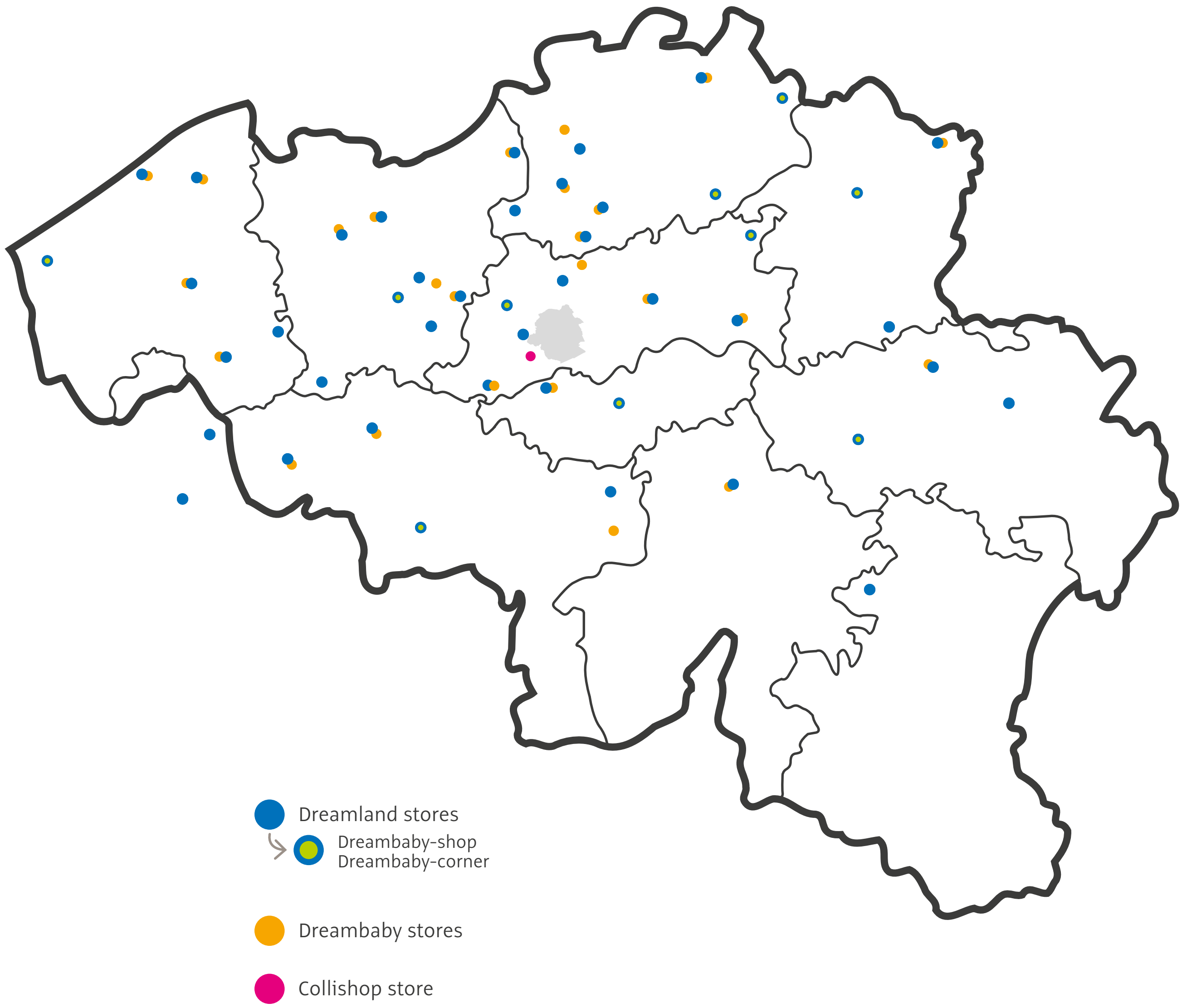
Colruyt Prix Qualité stores

Find the address of your closest Colruyt Prix Qualité store on **colruyt.fr**

Edingensesteenweg 196
1500 Halle
BTW-BE-0448.746.645
+32 (0)2 363 56 56
dreamland.be
info@dreamland.be

Edingensesteenweg 196
1500 Halle
BTW-BE-0472.630.817
+32 (0)2 363 56 65
dreambaby.be
advieslijn@dreambaby.be

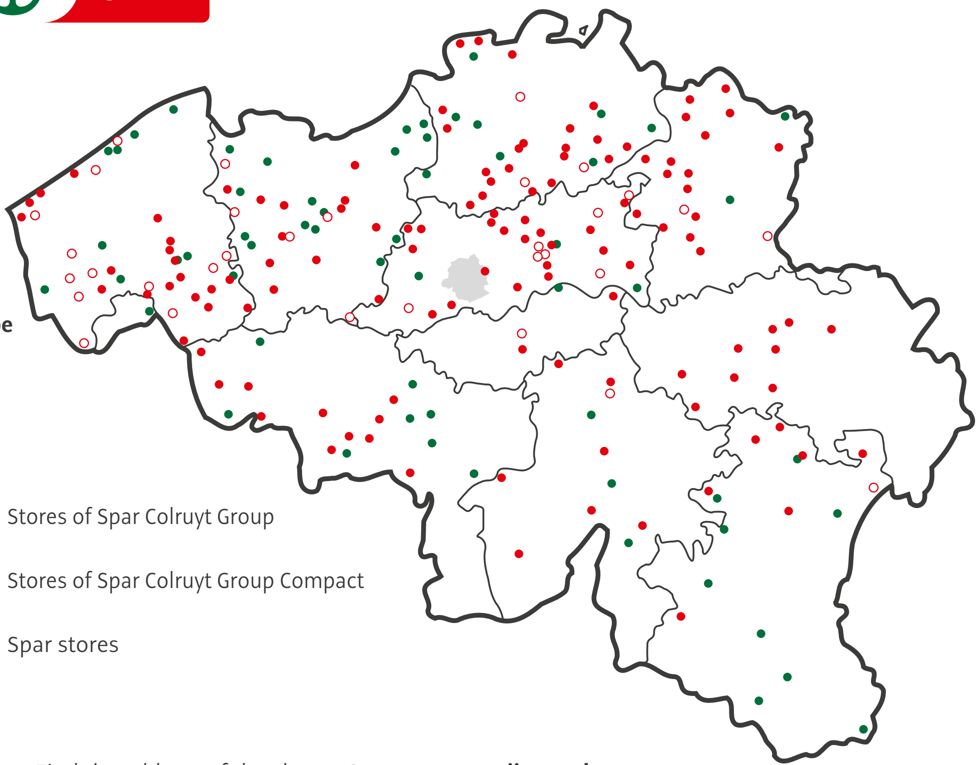
Edingensesteenweg 196
1500 Halle
BTW-BE-0400.378.485
+32 (0)2 363 50 60
collishop.be
info@collishop.be



Find the address of the closest store on:
dreamland.be **dreambaby.be** **collishop.be**

SPAR COLRUYT GROUP

De Regenboog 8
2800 Mechelen
BTW-BE-0413.970.957
Tel. +32 (0)2 583 11 11
retailpartnerscolruytgroup.be
mijnspar.be
info@retailpartnerscolruytgroup.be



Stores of Spar Colruyt Group

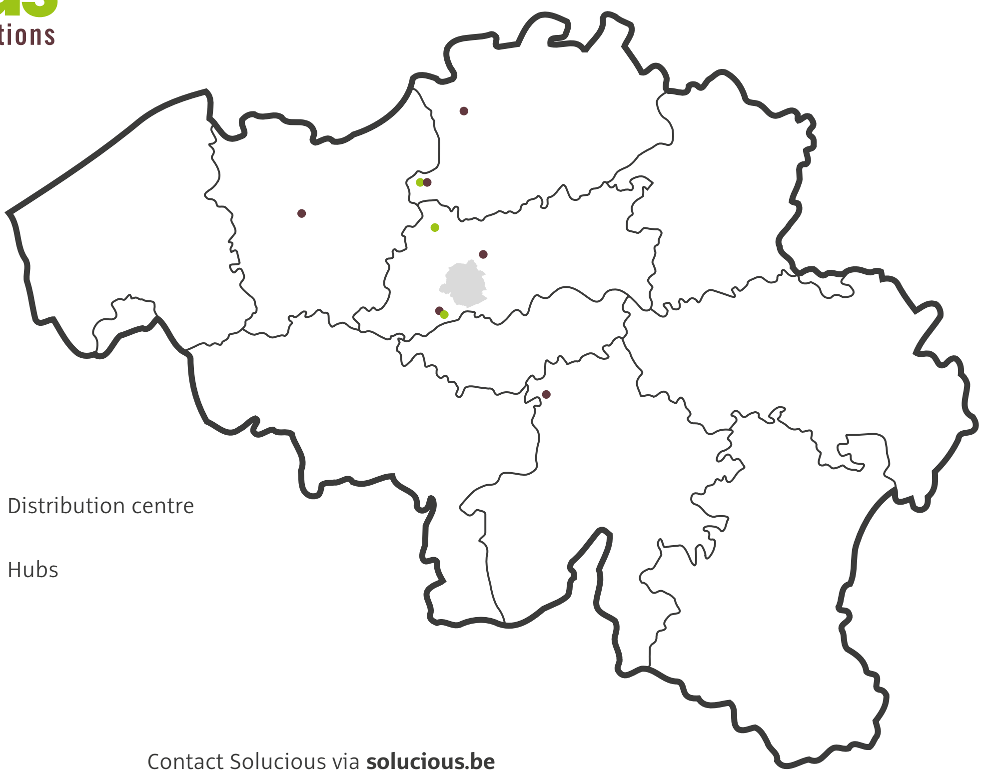
Stores of Spar Colruyt Group Compact

Spar stores

Find the address of the closest Spar store on **mijnspar.be**

Solucious a taste for solutions

Edingensesteenweg 196
1500 Halle
BTW-BE-0448.692.207
+32 (0)2 333 88 88
solucious.be
info@solucious.be

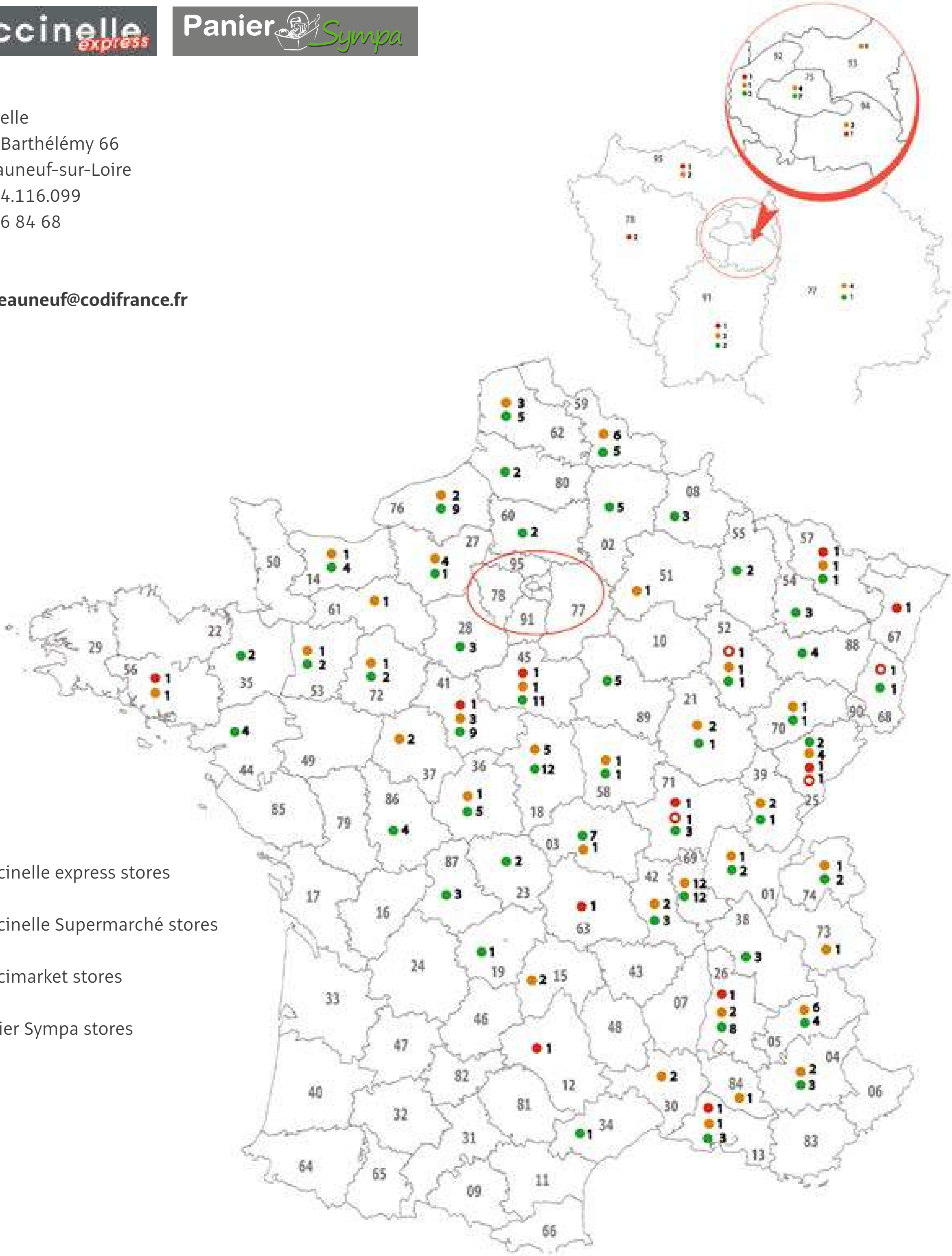


Distribution centre

Hubs

Contact Solucious via **solucious.be**

Zone industrielle
Rue de Saint-Barthélémy 66
45110 Châteauneuf-sur-Loire
TVA-FR-87.824.116.099
+33 (0)2 38 46 84 68
codifrance.fr
codiclic.com
contact.chateauneuf@codifrance.fr



Coccinelle express stores

Coccinelle Supermarché stores

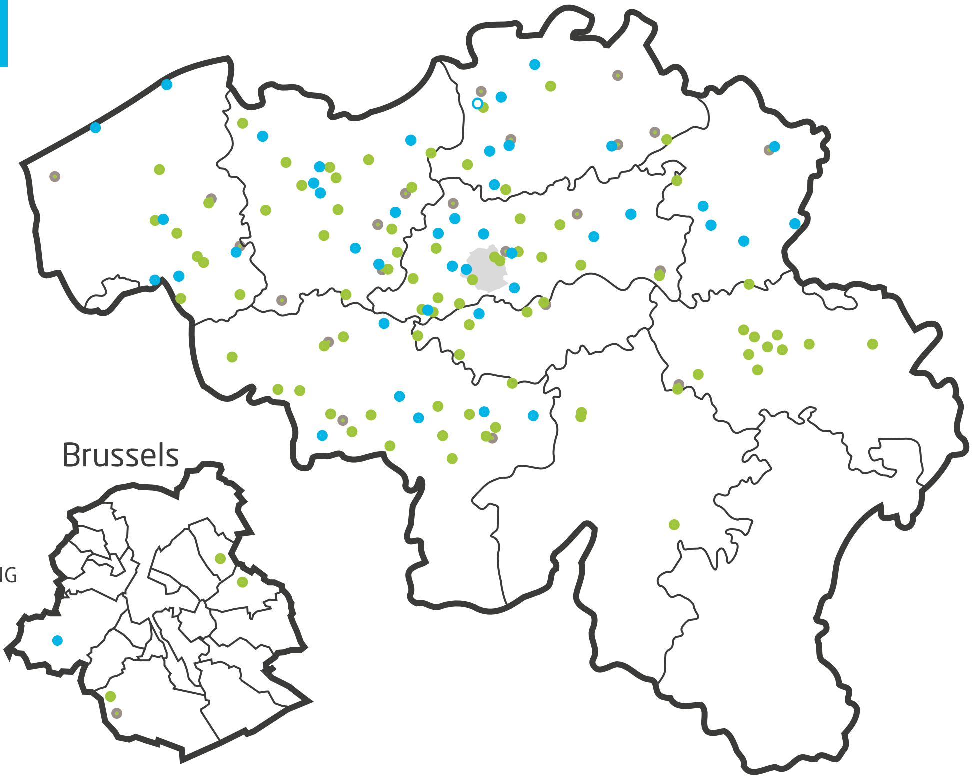
Coccimarket stores

Panier Sympa stores

Find the address of your closest store on **codifrance.fr**

DATS 24

Edingensesteenweg 196
1500 Halle
BTW-BE-0893.096.618
Tel. +32 (0)2 363 51 52
dats24.be
dats24@dats24.be



- Diesel - euro 95 - euro
- Diesel - euro 95 - euro 98 - CNG
- Only CNG
- Electric charging posts

Find the address of your closest DATS 24 filling station on **dats24.be**

EOLY
COLRUYTGROUP ENERGY

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1500 Halle
BTW-BE-0864.995.025
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eoly.be
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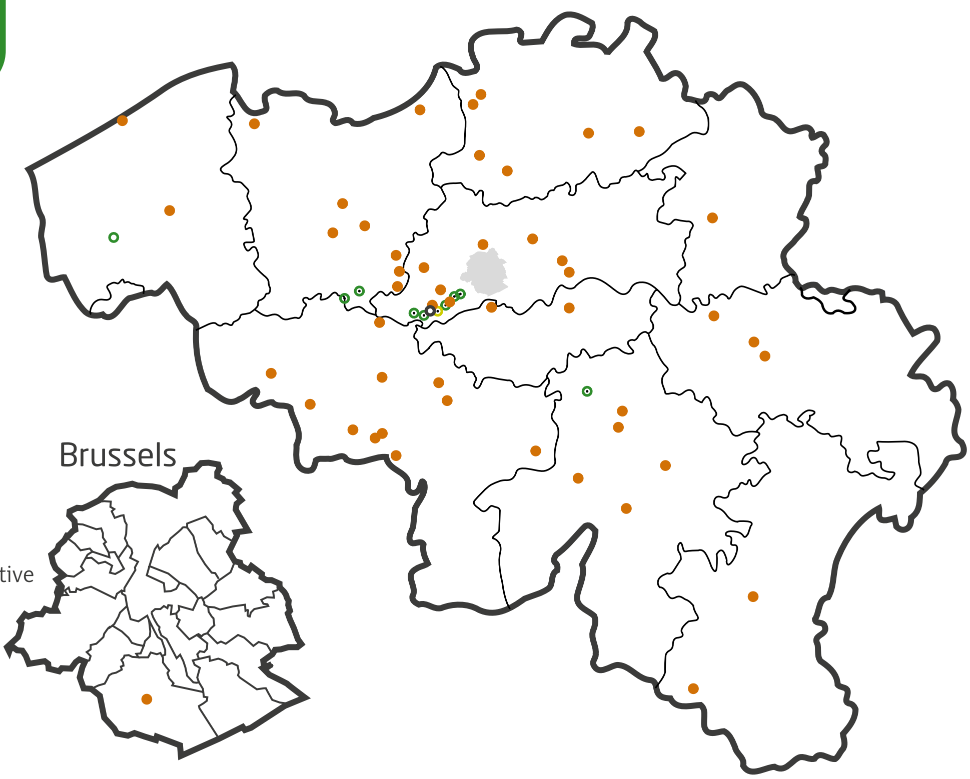

- Wind turbines
- Wind turbine for Eoly Cooperative
- Solar panels
- Combined heat and power unit

Contact Eoly via **eoly.be**

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