

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF ETN. FRANZ COLRUYT, LIMITED LIABILITY COMPANY, ESTABLISHED AT 1500 HALLE EDINGENSESTEENWEG 196, BE - 0400 378 485 TO THE GENERAL MEETING OF SHAREHOLDERS, TO BE HELD ON 15 SEPTEMBER 2010 AT 4 P.M. AT THE REGISTERED OFFICE OF THE COMPANY.

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Ladies and gentlemen

In accordance with our statutory duties and those under the articles of association, we hereby present the report on the exercise of our office over the 2009/2010 reporting period.

1) We have the honour of submitting the financial statements for the 2009/2010 reporting period for your approval.

2) APPROPRIATION OF PROFIT  
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	EURO
The profit of the reporting period before tax amounts to:	473,599,717.97
Income tax	-107.781.858,65
Transfer to deferred taxation	140.643,94
Profit after tax	365,958,503.26
Transfer to tax-free reserves	243,450.51
Profit brought forwards from previous period	24,105.47
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Profit available for appropriation	366,226,059.24

We propose to you that this net profit be appropriated as follows:

\* DIVIDENDS:

Coupon 12

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31,601,847 shares X 4.48 EUR = 141,576,274.56 EUR

Basis of calculation:

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33.414.490 profit sharing shares  
at 19 December 2008

+ 101,379 capital increase at 23 December 2009

- 1,968,004 number of treasury shares at 25 June 2010

+ 53,982 number of treasury shares intended for profit sharing  
(September 2010)

= 31,601,847 shares

\* ADDITION TO THE AVAILABLE RESERVE: 185,000,000.00 EUR

\* ADDITION TO THE AVAILABLE RESERVE  
DIVIDEND TREASURY SHARES: 8,574,818.56 EUR

\* APPROPRIATION TO THE STATUTORY RESERVE: 1,373,685.45 EUR

\* DIRECTORS' FEES: 3,626,700.00 EUR

\* PROFIT SHARE REPORTING PERIOD 2009/2010: 25,798,043.89 EUR

\* PROFIT CARRIED FORWARD: 276,536.78 EUR

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\* TOTAL: 366,226,059.24 EUR

Dividend for the 2009/2010 reporting period

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The Board of Directors proposes to the Annual General Meeting that a gross dividend of EUR 4.48 per share be granted to shares participating in the profits of the 2009/2010 reporting period.

Of the gross dividend of EUR 4.48 shareholders will receive a net of EUR 3.36 after deduction of the 25 % withholding tax on movables, in exchange for coupon no 12 of their Colruyt shares.

VVPR strip holders will benefit from a reduced withholding tax on the dividends. For those shares the net dividend per share will be EUR 3.808 after deduction of the 15 % withholding tax on movables.

Ever since 1995, capital increases reserved to members of the personnel of the Colruyt Group have always involved the issue of such VVPR strips.

For foreign shareholders, the amount of the net dividend may differ depending on the double taxation treaties in force between Belgium and the various countries. We must receive the necessary certificates no later than 14 October 2010.

The Board of Directors proposes to make the dividend for the 2009/2010 reporting period payable as of 01/10/2010 upon presentation of coupon no 12 at the counters of the financial institutions.

The coupons for dividend collection can be presented at the counters of all the financial institutions in Belgium.

BNP Paribas will act as Principal Paying Agent of the dividends.

### 3) PURCHASE OF TREASURY SHARES =====

For years, the Extraordinary General Meeting of Shareholders has, in accordance with article 620 of the Company Code, granted the Board of Directors of the Etn. Fr. Colruyt NV the authority to acquire Colruyt treasury shares up to a maximum of 10% of the total number of shares issued.

The last authorisation was provided by the Extraordinary General Meeting on 16 October 2009.

The Board of Directors used the power granted.

On 31 March 2009 (= position at the end of the previous reporting period, 2008/2009) Etn. Fr. Colruyt NV owned 1,561,333 treasury shares with a total value of EUR 240,491,070.80.

In the period between 01 April 2009 and 31 March 2010 458,280 treasury shares were purchased with a value of EUR 74,767,809.84.

On 30 September 2009, Etn. Colruyt NV gave 51,609 treasury shares to employees who wished to receive their participation in 2008/2009 profits in the form of shares.  
Their value was EUR 8,906,165.13.

On 31 March 2010 (= position at the end of the previous reporting period, 2009/2010) Etn. Fr. Colruyt NV owned 1,968,004 treasury shares with a total value of EUR 306,352,715.51.

On 25/06/2010 Etn. Fr. Colruyt NV owns 1,968,004 treasury shares.

Hence Etn. Fr. Colruyt NV and its subsidiaries together own a total of 1,968,004 treasury shares.  
This is 5.87 % of the total number of shares issued (33,515,869).

Of these shares, 53,982 will be given to employees who wish to receive their participation in 2009/2010 profits in the form of shares, on the resolutive condition of approval by the Annual General Meeting.

The ability to buy treasury shares makes it possible for the Board of Directors to take advantage of the opportunities that they believe they recognise in the fluctuations of Colruyt shares on the stock market: it offers them the chance to acquire treasury shares at a relatively low price.

Purchasing treasury shares means that no dividend need be paid on those shares and thus more liquidity remains within the company.

For the other shareholders this means added value for the shares in circulation.

In accordance with article 622, Par. 1 of the Company Code, the board of directors herewith decides that the dividends of the shares or share certificates held by the Etn. Fr. Colruyt NV, will not be paid out for the period that these are held.  
The voting rights connected to these shares have also been suspended.

#### 4) MOST IMPORTANT EVENTS OF THE 2009/2010 REPORTING PERIOD

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##### BALANCE SHEET

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##### ASSETS

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##### Non-current assets

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The carrying amount of Etn. Fr. Colruyt NV's non-current assets is EUR 2,295.06 million, compared with EUR 2,060.37 million in the previous reporting period.

Excluding capital gains and impairments, the net carrying amount of the non-current assets is EUR 2,288.99 million, compared with EUR 2,052.66 million in the previous reporting period.

##### I. Formation expenses

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Under this heading the cost of initial expenditure on equipment and installations used to be capitalised and immediately written off at its full amount.

From the 2005/2006 reporting period on this no longer happens.

##### II. Intangible non-current assets

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The net carrying amount under this heading is EUR 6.75 million compared with EUR 1.72 million in the previous year.

The depreciations amount to EUR 0.78 million (EUR 0.61 million of which is on software).

New investments amount to EUR 5.81 million and consist of the purchase of software/hardware and goodwill.

##### III. Plant, property and equipment

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The net carrying amount under this heading is EUR 366.82 million, compared with EUR 349.42 million in the previous reporting period.

Depreciation and impairment amount to EUR 60.41 million.

The depreciation on investments in this reporting period is EUR 10.87 million.

Investments (in EUR million)	2009/2010	2008/2009
	-----	-----
- Land and buildings	30.83	17.07
- Plant, material and equipment	25.60	17.04
- Furniture and vehicles	22.17	20.22
- Leased assets	3.07	19.20
- Other non-current tangible assets	3.86	0.84
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	85.53	74.37

#### IV. Financial non-current assets

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Financial non-current assets amount to EUR 1,921.49 million compared with EUR 1,709.23 million in the previous reporting period.

This increase may be explained by a further increase in holdings in associates of EUR 365.71 million

The main transaction concerns the contribution of shares in COLIM CVBA; an interest in COLIM CVBA was acquired in the amount of EUR 340.78 million as a result of the contribution by Etn. Fr. Colruyt NV of its participations in its real estate company in COLIM CVBA.

Etn. Fr. Colruyt NV also participated in the NV BELWIND for an amount of EUR 24.2 million.

Guarantees remain unchanged as compared to the previous reporting period and amount to EUR 0.36 million.

#### Current assets

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Current assets amount to EUR 979.32 million, compared with EUR 752.89 million in the previous reporting period.

The main changes compared with the previous reporting period:  
(in EUR millions)

	2009/2010	2008/2009
	-----	-----
V - Receivables due in over 1 year	5.25	3.68
VI - Inventories	312.57	294.96
VII A - Trade receivables	298.33	136.25
VII B - Other receivables	9.27	8.41
VIII - Investments	308.51	265.44
IX - Cash and cash equivalents	44.25	43.39
X - Prepayments and accrued income	1.14	0.76
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	979.32	752.89

The treasury shares purchased are recognised in the investments of EUR 308.51 million at a value of EUR 306.35 million (1,968,004 shares at 31/03/2008).

The remaining investments decrease by EUR 22.80 million to EUR 2.15 million this reporting year because the investments funds reached the maturity date.

## LIABILITIES

### Equity

The equity of Etn. Fr. Colruyt NV is EUR 742.66 million compared with EUR 533.02 million in the previous reporting period.

### I. Capital

At 31 March 2010 the capital of Etn. Fr. Colruyt NV amounted to EUR 209,002,890.58 represented by 33,515,569 shares.

In the course of the 2009/2010 reporting period the capital was increased by EUR 13,736,854.50 by means of a capital increase reserved to members of the personnel.

This increase in capital became effective on 23 December 2009 and represented 101,379 shares.

### Capital authorised, but not subscribed

The capital authorised, but not subscribed is EUR 148,815,234.

### II. Issue premiums - warrants

In the 1998/99 reporting period issue premiums rose by EUR 24,789.35 as a result of the creation of warrants.

Total issue premiums: EUR 49,578.70.

On 25/10/2003 these warrants expired and were not renewed.

The sum of EUR 49,578.70 remains under this heading.

### III. Revaluation gains

The carrying amount is EUR 6.19 million, compared with EUR 7.78 million in the previous reporting period.

This heading is reduced by the depreciation of the reporting period and a liquidation of assets.

### IV. Reserves

The proposal to the Annual General Meeting on appropriation of the profit for the 2009/2010 reporting period has already been dealt with in section 2.

The figures presented are thus subject to adoption by the General Meeting.

The reserves amount to EUR 526.69 million, compared with EUR 329.48 million in the previous reporting period.

CHANGES IN THE RESERVES (in EUR million)

Closing balance for previous reporting year:	329.48
Appropriation to the statutory reserve	1.37
Tax-free reserve	
- allocation for deferred taxation	-0.24
Free reserve	
- allocation of amortisation/depreciation and revaluation losses on non-current assets	1.59
- transfer to restricted reserve for treasury shares	-74.04
- allocation from distributable profits of 2009/2010	193.57
- transfer to restricted reserve for purchase of treasury shares	8.18
- profit sharing not distributed 2008/2009	0.02
- dividend on treasury shares	0.90
Restricted reserve	
- cancellation of treasury shares 2009/2010	0.00
- transfer to free reserve for purchase of treasury shares	74.04
- transfer to restricted reserve for treasury shares profit sharing reporting period 2008/2009	-8.18
Balance at the end of the reporting period:	526.69



## VI. Capital grants

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New capital grants of EUR 0.01 million were received.

## VII.A. Provisions for risks and expenses

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The provisions for risks and expenses amount to EUR 16.02 million, compared with EUR 16.31 million in the previous reporting period.

Summary of provisions (in EUR millions) for:	2009/2010 -----	2008/2009 -----
- Pensions	5.06	5.33
- Major repair works	5.71	5.83
- Other risks	5.25	5.15
	-----	-----
	16.02	16.31

The other risks are made up of soil decontamination, commercial right, personnel, prospection.

## VII. B. Deferred taxation

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Deferred taxation amounts to EUR 2.38 million, compared with EUR 2.52 million in the previous reporting period.

This heading comprises deferred taxation on capital gains from non-current assets.

The calculation is based on the applicable rate.

Progressive de-recognition is done via the income statement (see IX bis "Withdrawals from deferred taxation".)

## LIABILITIES

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## VIII. Liabilities over more than one year

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The outstanding balance of long-term borrowings amounts to EUR 1,039.03 million, compared with EUR 279.28 million in the previous reporting period. This increase mainly results from the conversion of the L/R Finco (heading liabilities over no more than one year) into a loan with Finco (heading liabilities over more than one year).

EUR 10.20 million was also transferred to heading IX.A "Current liabilities over more than one year falling due within the year."

IX. Liabilities over no more than one year  
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Current liabilities over no more than one year amount to EUR 1,451.56 million compared with EUR 1,965.22 million in the previous reporting period.

Summary (in EUR million) for:	2009/2010 -----	2008/2009 -----
- Long-term liabilities falling due within one year	10.20	9.40
- Trade payables	643.84	519.72
- Prepayments received	10.82	9.15
- Taxation, employee benefits	235.45	211.84
- Other payables	551.25	1,215.11
	-----	-----
	1,451.56	1,965.22

The trade payables consist for the most part of external suppliers requiring payment totalling EUR 461.54 million compared with EUR 437.86 million in the previous year.

The other payables include a sum of EUR 171.00 million for payable dividends, directors' fees and employee participation in the profit for the 2009/2010 reporting period, as well as the short-term liability to Finco: EUR 375.33 million.

## INCOME STATEMENT

### I. + II. Gross profit

Sales in the 2009/2010 reporting period amounted to EUR 4,805.27 million excluding VAT compared with EUR 4,506.13 million in the 2008/2009 reporting period.

This is an increase of 6.64%.

The gross margin on sales is EUR 1,080.36 million (22.48 % of sales) compared with EUR 1,011.67 million (22.45 % of sales) in the previous reporting period.

Reimbursements of publicity costs that relate to the purchase of goods are recognised in the gross margin on sales.

The non-current assets produced amount to EUR 27.41 million compared with EUR 18.81 million in the previous reporting period. This heading consists chiefly of investments made by the internal technical departments (fitting out central buildings and stores).

Initial expenditure on equipment and installations are no longer capitalised. They continue to be recognised in the appropriate expense account.

The other operating income (EUR 191.40 million compared with EUR 188.99 million in the previous reporting period) mainly comprises reimbursements of publicity costs and other miscellaneous operating income that does not directly relate to the sale of merchandise and also includes invoices passed on to subsidiaries.

Purchases of commodities, other consumables and merchandise have increased by 6.59% and amount to EUR 3,724.92 million compared with EUR 3,494.46 million in the previous reporting period. This amount includes the reclassification of reimbursements of publicity costs.

Without the reclassification of such reimbursements the increase would be 12.17%.

The cost of services and miscellaneous goods rose by 2.06% and amounts to EUR 381.93 million, compared with EUR 374.22 million in the previous year. Causes of this increase include the headings: passing on the service cost of WALDICO, administration and management costs, fees and marketing costs. The slight increase is the result of a/o the reclassification of the Forst Plus cost to the heading purchases of commodities, other consumables and merchandise, and there is a decrease in sections temporary staff, heating consumption, maintenance and repair, demolition of buildings.

The heading "Remuneration, pensions and other employee costs" comprises the cost of wages, including the provisions for holiday pay and end-of-year bonuses, and amounts to EUR 501.86 million, compared with EUR 462.02 million in the previous reporting period. This is an increase of 8.62% compared with the previous reporting period.

The depreciation, amortisation and impairment on non-current assets amounts to EUR 61.19 million compared with EUR 56.41 million in the previous reporting period.

Initial expenditure on equipment and installations are no longer capitalised and immediately written off.

The amount of impairment of trade receivables is EUR 0.26 million compared with EUR 0.35 million in the previous year.

Summary of depreciation, amortisation and impairment  
(in EUR millions)

	2009/2010	2008/2009
	-----	-----
Depreciation, amortisation and impairment of		
- Intangible non-current assets	0.78	1.22
- Plant, property and equipment	60.41	55.19
- Trade receivables	0.26	0.35
	-----	-----
	610.45	56.76

In comparison with the previous reporting period, an additional EUR 4.69 million of depreciation, amortisation and impairment was applied.

The degressive depreciation method is applied to the increases in "Property, plant and equipment" (headings III.A-B-C-D and E). Compared with the linear system this means additional depreciation/amortisation of EUR 5.02 million.

The provisions recognised in the operating profit/loss amount to EUR -0.29 million, compared with EUR -2.03 million in the previous reporting period. Appropriations to provisions were made amounting to EUR 2.05 million and there were reversals of EUR -2.34 million.

The other operating costs amount to EUR 5.39 million as compared with EUR 3.45 million in the previous reporting year.

Operating profit

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The operating profit for the 2009/2010 reporting period amounts to EUR 350.05 million as compared with EUR 326.76 million in the previous reporting period. This is an increase of 7.13% compared with the previous reporting period.

Operating cash flow

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The operating cash flow amounts to EUR 411.19 million, compared with EUR 383.16 million in the previous reporting period and rose by 7.31% compared with that year.

#### IV. + V. Financial income

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The NET FINANCING INCOME (difference between income and expense) amounts to EUR -30.01 million EUR (previous reporting period EUR -60.93 million).

Summary of FINANCIAL INCOME and EXPENSE (in EUR million)	2009/2010 -----	2008/2009 -----
- Income from investments	4.02	0.35
- Income from current assets	0.23	1.67
- Other financing income	0.09	0.10
- Cost of borrowings	-34.06	-61.04
- Impairment reversal	0.70	-0.59
- Capital losses investment funds	0.00	-0.63
- Cost of financial transactions	-0.99	-0.79
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	-30.01	-60.93

The income from current assets includes interest received on advances to subsidiaries and interest received on fixed-yield securities.

The other financing expense of EUR 0.99 million relates to the cost of day-to-day financial transactions.

#### Profit from ordinary activities

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For the 2009/2010 reporting period the profit from ordinary activities amounts to EUR 320.04 million as compared with EUR 265.83 million in the previous year. This is an increase of 20.40 %. This increase is the result of the decrease of the interests due to Finco by EUR 27.90 million and the receipt of group dividends of EUR 3.54 million. If we would not take this decrease of the interests and the dividends into account, the profit from ordinary activities increases with 8.55%.

#### VII. + VIII. Exceptional income

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The exceptional income amounts to EUR 174.45 million. A sum of EUR 0.73 million as a result of the capital gain on treasury shares distributed as participation in the profits of the 2008/2009 reporting period. A capital gain on shares connected parties of EUR 173.71 million was booked. This concerns the contribution at 29/03/2010 of the shares of the estate companies in COLIM CVBA, in exchange for which Etn. Fr. Colruyt NV received 11,911,070 shares of COLIM CVBA. Thanks to this transaction, a positive exceptional result of EUR 155.50 million was realised. (EUR 173.71 million exceptional capital gain - EUR 18.21 million exceptional impairments).

The exceptional expenses amount to EUR 20.89 million. An amount of EUR 2.67 million was booked as a result of a capital loss on participations. On the other hand, a capital loss of EUR 18.21 million was booked on the sale of shares of the real estate companies.

#### IX. Profit before tax

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Etn. Fr. Colruyt NV ended the 2009/2010 reporting period with a profit before tax of EUR 473.60 million.  
The previous reporting period ended with a profit before tax of EUR 261.87 million. This is an increase of 80.85 %.

This increase of 80.85 % is attributable to the exceptional result of EUR 155.50 million. If we do not take this into account, the profit before tax increases by 20.64 %. This increase is chiefly attributable to the decrease of the financial costs.

#### X. Income tax expense

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The income tax expense amounts to EUR 107.78 million.

The average tax rate is 22.76 %; that is the estimated tax for the reporting year compared with the profit before tax.  
In the previous reporting period, the tax amounted to EUR 89.64 million or 34.23 % of the profit before tax. This decrease is the result of the exceptional result of EUR 155.50 million and the exempted dividends of EUR 3.57 million.

#### XI. Profit of the reporting period

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The profit of Etn. Fr. Colruyt NV after tax for the 2009/2010 reporting period amounts to EUR 365.96 million, compared with EUR 171.91 million in the previous reporting period. This is an increase of 112.88 %.

This increase of 112.88 % is attributable to the exceptional result. If we do not take this into account, the profit before tax increases by 21.14 %. This increase is chiefly attributable to the decrease of the financial costs.

#### XIII. Profit of the reporting period available for appropriation

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The profit of Etn. Fr. Colruyt NV after tax for the 2009/2010 reporting period amounts to EUR 366.20 million, compared with EUR 170.52 million in the previous reporting period.

#### Cash flow

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The cash flow of Etn. Fr. Colruyt NV for the 2009/2010 reporting period amounts to EUR 427.10 million, compared with EUR 228.32 million in the previous reporting period.

5) Events after the balance sheet date  
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There are no other events after the balance sheet date.

6) There are no circumstances known that might appreciably affect the company's development.

7) Activities were carried on in the field of research and development in the framework of the development of new own software.

8) The Board of Directors gives notice that in September 2010 the parent company of the Colruyt Group, Etn. Fr. Colruyt NV will distribute a share of its profit to the Belgian members of the group's staff. The profit share under the terms of the Act of 22 May 2001 and the Collective Labour Agreement of 19 April 2007 was decided upon at group level and will consist of a grant of shares or money at the staff member's option; the shares will be distributed from among those held by Etn. Fr. Colruyt NV. All this is subject to the resolutive condition of approval by the General Meeting of Shareholders.

9) Since April 2007, the group is subjected to the investigation the Belgian authorities on competition conduct into alleged infringements on Belgian legislation concerning competition with regard to perfumery, chemist's and care products. The Group extends its full cooperation to this investigation. Until today, insufficient elements are known to make a relevant risk estimate.

Since April 2009 the Group is the subject of an inquiry the Belgian authorities on competition make into infringements on the Belgian competition legislation with regard to products supplied by a specific supplier in the sector of confectionery. The Group extends its full cooperation to this investigation. Until today, insufficient elements are known to make a relevant risk estimate.

Otherwise the company has no knowledge of risks or uncertainties other than those mentioned in the group's annual report.

10) No use is made of financial instruments.

11) Corporate Governance  
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A. Board of directors  
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Composition  
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- Representatives of Principal Shareholders, Executive Directors:

Jef COLRUYT                      Director-Chairman (2010)  
Frans COLRUYT                    Director (2013)

- Representatives of the Principal Shareholders, Non-Executive Directors:

Francois GILLET                  Director (2012)(\*) Director of Sofina SA  
ANIMA NV                          Director (2012) for which the following person acts  
as the permanent representative: Jef Colruyt  
HERBECO NV                        Director (2013) for which the following person acts  
as the permanent representative: Piet Colruyt (\*)  
FARIK NV                          Director (2013) for which the following person acts  
as the permanent representative: Frans Colruyt

- Independent director:

BVBA DELVAUX TRANSFER Director for which the following acts as permanent  
representative: Mr Willy Delvaux (\*)  
(2011)

- Secretary

Jean de LEU de CECIL    Secretary

( ) Year of end of mandate and possible reappointment at the Annual General Meeting.

(\*) Member of the Audit committee.

The articles of association contain no rules on the appointment of directors and the renewal of their mandates. Neither is there any set age limit.

Messrs Jef Colruyt, Frans Colruyt, Piet Colruyt, Willy Delvaux and François Gillet also have other directorships in addition to those in the companies connected to the Colruyt Group.

- Auditor

C.V.B.A. Klynveld Peat Marwick Goerderler - Company Auditors, represented by Erik HELSEN (2010).

( ) Year of end of mandate and possible reappointment at the Annual General Meeting.



## MANDATES

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- The Board of Directors proposes the appointment of Mr Wim Colruyt as a director. They propose that he be granted a mandate for four years, which will expire after the general meeting of 2014.
  
- The mandate granted to Mr Jef Colruyt expires after the general meeting of 15 September 2010. He is eligible for re-appointment and he is available again as a candidate. The Board of Directors proposes that he be granted a new 4-year mandate, which will expire after the general meeting of 2014.
  
- The mandate of the auditor CVBA Klynveld Peat Marwick Goerdeler Company auditors, represented by Erik Helsen (00659), expires after the General Meeting of 2010. The Board of Directors proposes that the auditor CVBA Klynveld Peat Marwick Goerdeler Company auditors, represented by Ludo Ruysen (00949), be reappointed for a period of three years, therefore until after the General Meeting of 2013.

Honorary Directors: Leo Deschuyteneer, honorary director.

## B. Corporate sustainable governance of the Colruyt Group

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### I Charter

The act of April 6, 2010 to strengthen good governance within stock-listed companies was published in the Belgian Official Gazette on April 23, 2010. Most of the new obligations stipulated in the act will apply as from the reporting period 2011/2012. This mainly concerns the appointment of a remuneration committee within the board of directors and the provisions regarding the remuneration of the senior management.

The board of directors has decided to adopt the Belgian corporate governance Code as reference for good / sustainable governance within the Colruyt Group as from the publication of the act. Insofar as necessary, our charter will be brought into line with this Code as from the next reporting period.

#### 1. General Meetings:

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The Annual General Meeting of Shareholders takes place on the third Wednesday of September at 16.00 at the company's headquarters. If that day is a holiday, the meeting will be held on the first business day thereafter.

All General Meetings are called in accordance with the law.

The Board of Directors and the auditor may call the General Meeting and determine the agenda.

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

Each share entitles the holder to one vote. In order to attend the meeting, each owner of bearer shares must make a deposition to that effect by no later than three full days prior to the appointed date of the meeting at the company headquarters or in the establishments indicated in the summons letter.

Said owner must present the proof of deposition of his/her shares prior to the opening of the meeting. The owners of dematerialised shares must at the same time submit a certificate of an acknowledged account holder proving the unavailability of the dematerialised shares up to the date of the general meeting. Shareholders shall vote in person or through a proxy. Every proxy must meet the conditions to gain access to the meeting. The General Meeting may not deliberate on matters that are not announced on the agenda.

## 2. Board of Directors:

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### \* Composition:

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

The articles of association contain no rules on the appointment of directors and the renewal of their mandates. The Board of Directors has decided to propose candidates for potentially renewable terms of no more than four years.

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

At this time, the Board of Directors is composed of two executive directors and five non-executive directors, one of whom is an independent director.

The Board of Directors is of the opinion that increasing the number of members must be associated with a significant enhancement of the general management of the Colruyt Group.

In line with the Colruyt Group's longstanding tradition, Mr Jef Colruyt is currently the Chairman of the Board of Directors and Chairman of the Colruyt Group Management Team and the Future Board. This deviation from the recommendations of the Belgian Corporate Governance Code for companies quoted on the stock exchange is justified in light of the Colruyt Group's history and the wish of the reference shareholders not to entrust the leadership of the Group Management to one of them.

### \* Functioning of the Board of Directors:

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

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

The decisions of the Board of Directors are only valid if at least half of the members of the Board are present or represented. All decisions of the Board of Directors are made by an absolute majority of votes. In the event of a tie, the Chairman has a casting vote.

At the quarterly meetings of the Board of Directors, ideas are exchanged and decisions made on general, strategic, cultural, economic, commercial, financial and accounting issues affecting the companies belonging to the Colruyt Group. This is done on the basis of a dossier that, in addition to consolidated information about the Colruyt Group, also contains detailed information on each of the sectors in the Colruyt Group and its various companies.

Fixed items on the agenda include financial results, financial prospects, investment prospects and activity reports for each sector in the Colruyt Group.

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

\* Committees of the Board of Directors:

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

The emoluments of the Directors, the remuneration of the Chairman of the Management Team and the decisions on the basic principles underlying the remuneration of the members of the Management Team continue to be made by the Board of Directors as a whole.

The Chairman of the Management Team is responsible for the implementation of these basic principles and for the individual remuneration of the members of the Management Team and the Future Board.

The Board of Directors appointed an Audit Committee composed of the independent director and a number of non-executive directors. This committee works with the Group Management Team and the auditor.

The Audit Committee has drafted an internal code of practice. This code is published on our website at [www.colruyt.be/financial](http://www.colruyt.be/financial) information.

The members of the audit committee do not receive a special remuneration as members of this committee.

\* Remuneration:

\*\*\*\*\*

There is no protocol for the exercise of the position of director. It is not common policy to grant loans or advances to directors. The directors do not receive bonuses or share-related incentive programmes, benefits in kind or benefits related to a pension scheme.

In their capacity as directors, the executive directors receive the same remuneration components and benefits as the Executive Management of the Colruyt Group.

The remuneration of the directors (individual) and of the members of the Group Management Team (collective) is published in the annual report.

As provided by the articles of association, no more than 10% of distributable profits (without the profit sharing of the employees) is reserved for the directors and at least 90% is reserved for shareholders.

### 3. Day-to-day management:

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Under the chairmanship of Mr Jef Colruyt, the Colruyt Management Team consists of the managers of the various sectors in the Group and the Group's chief financial officer and two personnel managers. The Colruyt Group Management Team determines the overall strategy and policy options at group level and ensures coordination between the various sectors in the Group.

The Future Board is composed of all the Colruyt Group's managers. The Future Board defines the common objectives for each of the sectors in the Colruyt Group.

The Future Board also devotes special attention to the development and long-term vision of the Colruyt Group, making proposals in that area to the Board of Directors, which makes the final decisions.

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

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

Day-to-day management of the company is shared by the general manager for commercial, organisational and personnel matters and the chief financial officer for financial and accounting matters.

Each manager appointed as a member of the Future Board has a separate duty within his department to ensure compliance with all legal, regulatory, organic and conventional provisions and is responsible in the event of a breach thereof.

### 4. Appropriation of profit/loss - dividend policy:

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On the motion of the Board of Directors, the General Meeting may decide to use the distributable profits, fully or in part, for a free reserve or to carry them forward to the following reporting period.

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

Pursuant to the articles of association, at least 90% of distributable profit (excluding the profit sharing of the employees) is reserved for shareholders and no more than 10% for the directors.

## 5. Shareholders/Shares

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### - Transparency notification:

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

The legal thresholds per bracket of 5% apply.

Those concerned must therefore send a notification to the Banking Commission and the company.

The most recent transparency notification is published in the company's annual report and on the website at [www.colruyt.be/financial](http://www.colruyt.be/financial) information.

The most recent transparency notification shows that the share ownership structure includes a group of reference shareholders. The Colruyt family and the Sofina Group are shareholders acting by mutual agreement.

These shareholders also announced that they held more than 30% of the voting shares issues, based on the law of 1 April 2007 on public offerings.

### \* Insider knowledge:

\*\*\*\*\*

Those persons at the company with access to insider knowledge and the directors are regularly reminded in writing of the legal and administrative obligations and penalties associated with misuse or unlawful diffusion of such information. For a period of one month prior to publication of the annual or semi-annual results, no transactions in Colruyt shares are carried out for these persons through the company. The same holds true for the period during which people gain knowledge of sensitive information that has not yet been made public.

Pursuant to the Royal Decree of 05/03/06 on market abuse, lists of insiders have been drawn up and are maintained by a manager. Directors must report share transactions to this manager, who then makes them public.

## 6. Information for shareholders:

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All useful information for the shareholders is published on our website at [www.colruyt.be/financial](http://www.colruyt.be/financial) information. Any interested person may register with the company to receive automatic notifications each time the website is modified or if new financial information is published on the website.

## II Events during the reporting period

### 1. Audit committee

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The Audit Committee has drafted an internal code of practice and published it on our website [www.colruyt.be](http://www.colruyt.be).

Francois Gillet, Piet Colruyt (NV Herbeco), non-executive directors and independent director Willy Delvaux (BVBA Delvaux Transfer) form the Audit committee.

The committee has held a meeting on 12 June 2009, 11 September 2009, 20 November 2009 and 17 March 2010 under the chairmanship of François Gillet. Each time the figures of the working document for the meeting of the Board of Directors were examined in detail and explained by the financial management.

The auditors also presented their audit of the semi-annual and annual results each time.

The "risk management" cell (internal audit) of the Colruyt Group has also drawn up a quarterly report for the committee.

The recommendations and findings of the audit committee are fixed items on the agenda of the meeting of the Board of Directors.

All the members of the Audit committee attended each meeting.

Except the meeting of November where one director was absent and excused.

### Meetings of the Board of Directors

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The Board of Directors has held 4 ordinary meetings this reporting period: in June 2009, September 2009, November 2008 and March 2010.

The first three meetings each were all-day meetings where the main items were the discussion and the evolution of the services provided by the various business activities (enseignes) and the trade activities of the Group.

The meeting in March 2010 was held in France over two days in Rochefort-sur-Nenon (Dole, France). The directors were given an overview of the activities in France and met the local management. A number of Colruyt banner stores were also visited.

In addition, two special meetings took place in January and February 2010, each lasting half a day.

All directors were present at every meeting.

### \* Remuneration of the Board of Directors

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In 2009/2010 the members of the Board of Directors have received the following remunerations:

in euros	Jef Colruyt	Frans Colruyt (**)	François Gillet (***)	Anima N.V. (****)	Herbeco N.V.	Farik N.V.	BVBA Delvaux transfer
emoluments (*)	85,248	85,248	85,248	340,992	85,248	85,248	85,248

\* Gross amounts on an annual basis, expressed in euros

\*\* Frans Colruyt also receives a salary as manager of the Colruyt Group

\*\*\* The remuneration of François Gillet is paid to S.A. Rebelco, branch of the Sofina group, his employer.

\*\*\*\* The emoluments of Jef Colruyt as chairman of the Board of Directors were paid to Anima NV

Moreover, it is proposed to the General Meeting of Shareholders of 15 September 2010 to give 3,626,700 EUR as director's fees to the Board of Directors.

This amount will be distributed among the directors, with the exception of BVBA Delvaux Transfer.

\* Remuneration Management group

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For the composition of the Management group

<b>in euros</b>	<b>Remuneration (*)</b>	<b>Profit bonus (*) (**)</b>	<b>Group insurance (*)</b>
Total management group	1,903,086	1,709,245	283,554

\* Gross amounts on an annual basis. On the gross salaries 34.92 % is paid as a contribution to social security.

\*\* 6 managers have chosen to receive their profit sharing in the form of shares according to the law of 22 May 2001. In total, this was about 211 shares. The value of these shares is included in the calculation above.

Out of respect for the private life of the members of the Management group we only give the total amount of the remuneration paid.

The fee of Jef Colruyt as CEO is included in this amount and was determined by the Board of Directors according to the market study recommended by the company Towers Perrin.

There are no other arrangements concerning parting bonuses and such.

The members of the Management group do not receive stock options on Colruyt shares.

## 2. Shareholders structure Etn. Fr. Colruyt NV

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Pursuant to the law of 2 May 2007 (disclosure of significant interests in companies quoted on the stock exchange) we received a revised notification of interest on 11/06/2010.

The company has no knowledge of any other agreements between shareholders.

Structure of the shareholdings in Etn. Fr. Colruyt NV according to the latest transparency notification of 11/06/2010.

### I. Colruyt family and relatives

	Number	%
1. Colruyt family Shares	1,985,032	5.92
2. N.V. H.I.M. Shares	8,238,079	24.58
3. N.V. D.I.M. Shares	4,908,500	14.65
4. N.V. D.I.M TWEE Shares	0	0.00
5. N.V. H.I.M DRIE Shares	82,630	0.25
6. N.V. D.H.A.M	350,000	1.04
7. N.V. Anima	23,395	0.07
8. N.V. Herbeco	13,100	0.04
9. N.V. Farik	7,000	0.02
10. Stiftung pro Creatura	30,341	0.09
TOTAL COLRUYT FAMILY AND RELATIVES ACTING IN CONDERT Shares	15,638,077	46.66

### II. Colruyt Group

1. Etn. Fr. Colruyt NV (treasury shares purchased) Shares	1,968,004	5.87
TOTAL ASSOCIATES  (Etn. Fr. Colruyt NV + subsidiaries) Shares	1,968,004	5.87



### III. Sofina Group

#### 1. SA SOFINA

Shares	1,750,000	5.22
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#### TOTAL SOFINA Group

Shares	1,750,000	5.22
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#### Total persons acting in concert:

(Colruyt family + Colruyt Group + Sofina Group)

Shares	19,356,081	57.75
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#### Denominator:

Shares 33,515,869 (situation 11/06/2010)

#### Chain of controlled companies:

- DIM is jointly controlled by Anima NV, Herbeco NV and Farik NV, each acting in concert with a number of natural persons in relation to their shareholding in DIM.
- HIM is jointly controlled by Anima NV, Herbeco NV and Farik NV (directly and indirectly through DIM). Anima NV, Herbeco NV and Farik NV each act in concert with a number of natural persons in relation to their shareholding in HIM.
- HIM Twee is jointly controlled by Anima NV, Herbeco NV and Farik NV (directly and indirectly through DIM)
- HIM Drie is controlled by DIM, which is jointly controlled by Anima NV, Herbeco NV and Farik NV.
- DHAM is controlled by DIM, which is jointly controlled by Anima NV, Herbeco NV and Farik NV.
- Etn. Fr. Colruyt NV is controlled by DIM and HIM (and HIM Twee, HIM Drie and DHAM), which, directly and/or indirectly, are jointly controlled by Anima NV, Herbeco NV and Farik NV.
- Stiftung Pro Creatura, foundation under Swiss law, is controlled by natural persons (directly or indirectly holding less than 3 % of the voting securities of the Company).

3. Notification of an agreement to act in concert pursuant to article 74 of the Law of 1 April 2007.

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The same parties have also communicated an agreement to act in concert in the sense of article 74 of the law of 1 April 2007 on public takeover bids to the company and to the Bank, Finance and Insurance Commission (CBFA). On 28 August 2009, the NV HIM has sent an update of the shareholdings to the company and to the CBFA on behalf of all parties acting in concert. At that time, this concerned 57.95 % of outstanding Colruyt shares issued at that date.

The complete letter can be found on our website [www.colruyt.be/financieel](http://www.colruyt.be/financieel).

(\*)

According to the law, an update of the interests must be notified once a year at the end of August.

(\*) We do not publish this letter in extenso since the transparency notification of 11 June 2010 above is more current and more accurate.

12) We ask you to grant the directors discharge for the exercise of their mandate during the past reporting period.

13) We ask you to grant the auditor discharge for the exercise of his mandate during the past reporting period.

14) The Board of Directors has not issued any securities falling within the authorised capital in the course of the reporting period.

Halle, 25 June 2010

NV Herbeco with as fixed  
representative Piet Colruyt  
Director

Jef Colruyt  
Director