Almacenes Exito S.A.

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Annual Report 2008

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ANNUAL REPORT 2008

Almacenes Exito S.A.

CONTENT


EXITO

> EVERYDAY THE EXITO Group undertakes the arduous task of serving the country and growing at a world class pace, this thanks to the efforts of many that come together to demonstrate talent, respect and responsibility.

Almacenes Exito S.A.

A company at the service of Colombia

264 Stores

50 Cities

21 States

FORMATS	BRANDS	SUBTOTAL	TOTAL
Hypermarket		84	87
		3	
Supermarket		82	94
		1	
	POMONA	11	
Bodega		14	14
Others		13	69
		17	
		2	
		2	
	Ley	30	
		5	
		Total	264

Shopping Malls

San Pedro
Plaza Comercial
Neiva, Huila

Centro Comercial
Puerta del Norte
Bello, Antioquia

La Sabana
Centro Comercial
Villavicencio, Meta

San Francisco
Centro Comercial
Sincelejo, Sucre

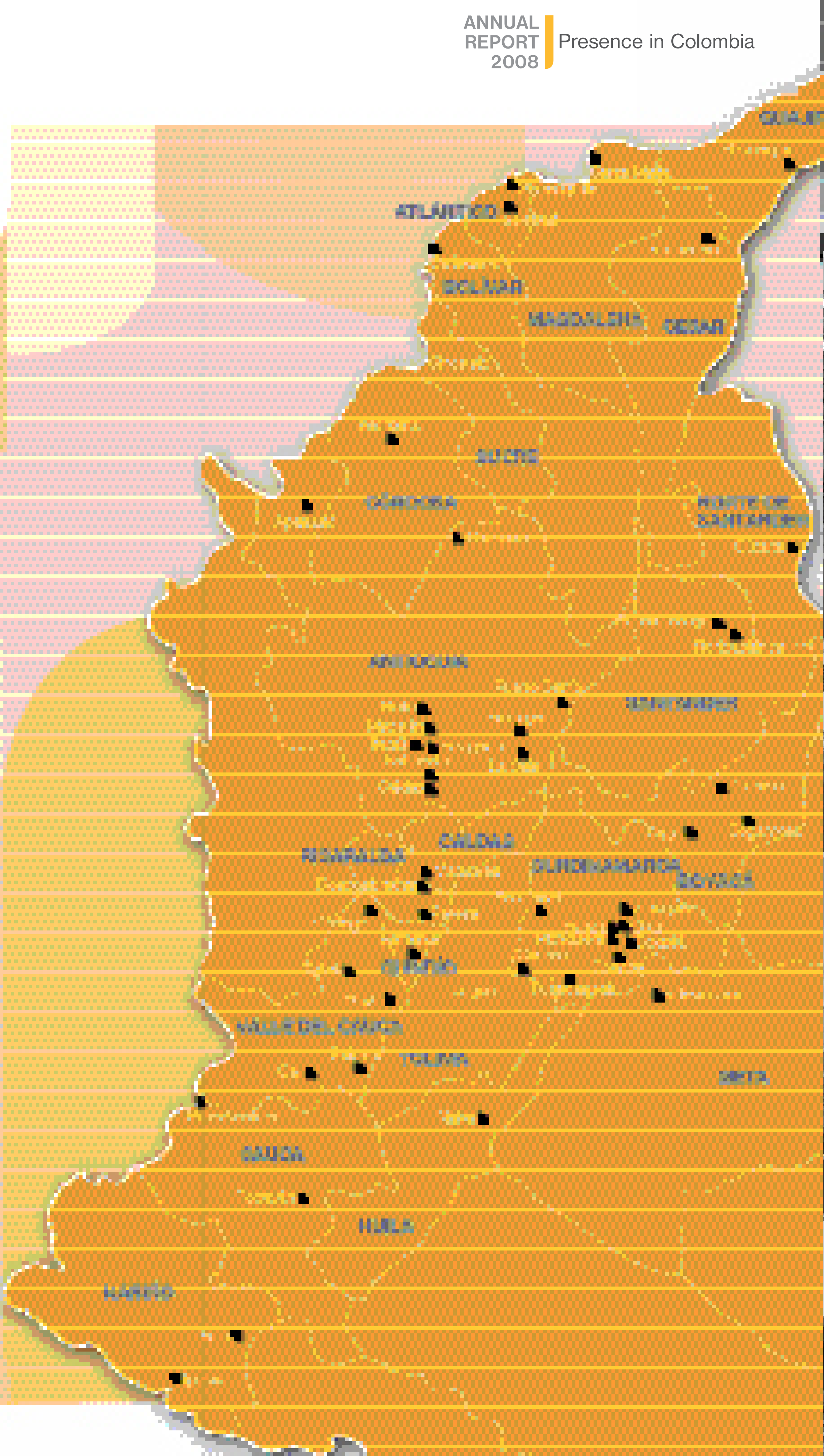
Portal de la
Sabana Fontibón
Bogotá, Cundinamarca

[illegible]
Plaza Comercial
Caucasia, Antioquia

Mall for services
[illegible]
Medellín, Antioquia

As of December 31, [illegible]

Presence in Colombia



About the Exito Group

THE EXITO GROUP is a multi-industry, multi-format, multi-brand, multi-business corporation, consisting of Almacenes Exito S.A. as Parent Company and its subsidiaries Carulla Vivero S.A. and Didetexco.

Its business spans a total of 8 industries: retail, real estate, finance, insurance, apparel, food, travel business and gas stations.

It is the No. 1 retail outfit in Colombia, posting net revenues of COP $7,124,974 million (US$3,2 billion) in 2008 and a network of 264* stores, including hypermarkets, supermarkets, discount and other stores. The Casino Group is the Exito´s Group majority shareholder, thus providing the Organization with a world class status.

* As of December 31, 2008

History

The Exito Group is the result of the coming together of various Colombian retail chains including EXITO, Ley, Carulla, Vivero, La Candelaria and POMONA: all these have built up a century-old tradition of service to Colombian consumers, a service that continues to be as relevant now as in the past.

2008
The integration process with Carulla Vivero S.A. is duly completed.
EXITO's own insurance business is set up, in conjunction with Suramericana de Seguros.
The new Bodega Surtimax format is launched in Bogotá.
Exito begins to operate its own gas stations.

2007
Almacenes Exito acquires Carulla Vivero.
The Casino Group acquires a majority stake in Almacenes Exito.
Almacenes Exito issued GDSs.
EXITO's own travel business is created in conjunction with Avianca.

2005
A Joint Venture is set up with Sufinanciamiento to create the new EXITO store card as a means of providing credit to Exito's customers.

2003
The first EXITO store is opened in Barranquilla.

2001
The merger between Almacenes Exito and Cadenalco (owner of the Ley and POMONA supermarket chains) is consolidated

2000
Carulla and Vivero are merged.

1999
Casino acquires a 25% stake in Almacenes Exito.

1998
Almacenes Exito acquires a majority stake in Cadenalco.
Exito´s www.exito.com on-line store begins to operate as www.virtualexito.com

1995
Exito acquires a 10.5% stake in Cativén in Venezuela.

1994
Exito 's share is listed on the Colombian Stock Exchange

1993
Cadenalco purchased the Bogota-based chain of supermarkets, POMONA, formerly known as La Huerta.

1989
The first EXITO store is opened in Bogotá.
In Barranquilla the hardware store "Ferretería Importadora del Caribe", is founded in 1994, shortly to become Home Mart.

1982
The Exito Foundation is set up as the keystone to the Organization´s social and civic responsibility.

1975
Almacenes Exito S.A.becomes a Corporation.

1974
Cadenalco purchased the La Candelaria chain of supermarkets.

1969
Alberto Azout founded the Vivero chain in Barranquilla opening its first ever shop selling remnants and factory seconds.

1959
Cadenalco (Gran Cadena de Almacenes Colombianos) began its history as a company owner of the Ley stores.

1949
Gustavo Toro Quintero opens the first EXITO store in downtown Medellin, measuring just 4 square meters and selling fabric, remnants and blankets.

1922
In Barranquilla Luis Eduardo Yepes set up the first Ley store (name based on the founder's initials).

1905
The Spaniard, José Carulla Vidal founded the first Carulla store in Bogotá, under the name of El Escudo Catalán (the "Catalan Coat of Arms").

Structure

EXITO Group

Parent Company

Almacenes Exito S.A.

Subsidiary Companies

CARULLA VIVERO S.A.

didetexco

Management
Report

Management report from the board of directors and chief executive officer of Almacenes Exito S.A. 2008

Gonzalo Restrepo López,
Chief Executive Officer Almacenes Exito S.A.

Dear Shareholders,

Amid an environment that is currently offering important opportunities to drive retail proposals focusing on maintaining the living standards of our customers, I hereby present our Management Report from the Board of Directors and Chief Executive Officer corresponding to 2008.

Results

Net revenues for 2008, including the integration of operations from the Carulla brand stores, came to COP$5,930,680 million, recording a nominal growth of 21.6% versus the previous year.

Gross profit totaled COP$1,452,808 million, or 24.5% of net revenues, with a year-on-year increase of 21.4%.

Selling and Administrative expense, including non-recurring expense originating in the integration of Carulla Vivero, came to COP$1,255,249 million, increasing by 26.9% compared with the previous year.

EBITDA, which measures the Company's capacity of generating cash flow, came to COP$421,174 million, or 7.1% of total net revenues, this surpassing the retail average. This level of EBITDA provides us with a coverage of our net financial expense of 4.4 times.

Net financial expense came to COP$96,034 million. Other net non-operating income and expense represented an income of COP$35,510 million.

Net income came to COP$153,322 million, showing an increase of 17% compared with the previous year and producing a net margin of 2.6% of sales.

In 2008, the Company invested a total of COP$608,395 million, which included the purchase of assets from Carulla Vivero S.A. for a total of COP$82,599 million.

Short- and long-term financial obligations came to COP$1,058,965 million, registering a drop of 3.4%.

The Company's assets at December 31, 2008 increased by 5.7% to COP$5,937,611 million and liabilities increased by 14% to COP$2,543,644 million. Shareholders Equity came to COP$3,393,967 million, remaining in line with the figure obtained last year.

Integration with Carulla Vivero

Before the end of 2008, the integration schedule with Carulla Vivero was duly completed, and its HR Management, commercial Support, Logistics and IT areas were successfully incorporated within the Organization.

This operating integration became the Exito Group in the No. 1 retail chain in Colombia with the top store brands in the country in both its hypermarket and supermarket formats.

All this was due to the hard work and effort of our employees, who were able to achieve this transition in an orderly and seamless fashion, without jeopardizing the continuity of the operation. The entire process was handled with a rigorous attention to detail, maintaining Carulla's DNA intact while placing the satisfaction of its customers above any other concern

New stores and a new format

In 2008, the Exito Business Group opened a total of 10 stores, 3 of these in towns where Exito had zero presence (Buenaventura, Caucasia and Zipaquirá); this including the reopening of the Exito Fontibon store as well as the new Bodega Surtimax Claret store. The Business Group thereby completed a total of 264 stores at year-end, for a total sales area of 647 thousand square meters.

Continuing with its policy to streamline its store brands, in 2008 the Group converted 6 Ley stores to EXITO and 8 Vivero stores to the Exito banner, thereby consolidating its presence on the Caribbean Coast with the Exito hypermarket format.

Rounding up the Group's coverage and making important inroads on the lower-income brackets, the Group launched its new "bodega" format under the Surtimax banner. Under the slogan" where it costs less to shop" Surtimax offers a basic assortment at very competitive prices. At the end of the year, the Bodega Surtimax format had a total of 14 stores, all located in Bogotá.

With regard to its shopping malls business, Almacenes Exito opened two new shopping complexes: Portal de la Sabana, next to the EXITO Fontibón store in Bogotá and Faro de Caucasia, next to the EXITO store in the town of this same name.

In June 2008 a new Distribution Center in Bucaramanga was incorporated within the Organization's new logistics network, which is allowing for much swifter store deliveries in the eastern part of the country.

In March, 2008 we reopened our Exito Fontibon store in Bogotá, which had been affected by fire at the end of 2007, this caused by a short circuit. The corresponding renovations were carried out in record time, within the space of just three months. Also our Las Vegas Distribution Center in Envigado, Antioquia gradually recommenced operations at the end of 2008, after 11 months of reconstruction work. The Company's logistics have now returned to normal.

Other events

As of August 1, 2008, Fiduciaria Bancolombia S.A. took over the handling of our shareholder services, through their nationwide network of branch offices, after having been appointed Exito´s Registration, Transfer and Payment Agent.

Innovative retail proposals

Given the decline in consumption levels, the effects of which began in 2008, Almacenes Exito has worked hard in drawing up innovative retail proposals allowing customers to save while at the same time being able to afford the products and services they are used to buying throughout the year.

In additional to Exito´s traditional sales such as its Anniversary and "Días de precios especiales" (Days of Special prices), events (which this year were extended to the Ley and Vivero stores) as well as other seasonal events that have long formed part of the Organization's retail calendar, the Company introduced two more sales seasons: the "Mega Prima " (Mega bonus) and "La Combinación Ganadora" (the Winning Combination) events, which invited 76 suppliers to take part in a televised competition aimed at the entire family.

For the third year running, the ExpoVinos Wine Fair was held, this being the most important trade fair of its kind in Colombia.

This was yet another opportunity obtained with the prevailing economic slowdown for our private label business, offering the customer top quality wines at good prices. For this reason, and taking full advantage of the worldwide consumer tendency towards wellness and wholesome food, the Company launched Taeq, the most complete range of nutritious, wholesome foods in Colombia. The Taeq label is manufactured by 32 suppliers, 90% of which are domestic.

On the other hand, Almacenes Exito, through its subsidiary Didetexco S.A., with a view to incorporating a greater level of innovation within its apparel offer, got together with the well-known fashion designer, Silvia Tcherassi, to launch a new collection of top-quality fashion garments as part of its private label, Arkitect.

As we have mentioned in the past, Almacenes Exito goes beyond its core retail business. Today we are a business corporation with a great deal of growth potential thanks to the important amount of customer traffic that visits our stores on a day-to-day basis. The idea is to offer our customers more solutions and services "all under one roof". For this reason, last year the Company joined forces with Avianca, and set up a series of in-store travel agencies. At December 31, there were 38 of these up and running throughout the country. Seguros Exito, our new in-store insurance initiative, is allowing our customers to be able to obtain insurance policies for vehicles, education and even groceries, all of this at easily-affordable prices. This business was set up in conjunction with Suramericana de Seguros and at the end of 2008, had a total of 26 in-store points of sale.

Also, our Exito store brand made inroads on the gas station business, by setting up three Exito gas stations in Bogotá, Neiva and Bello with another 4 set up under franchising arrangements with Terpel.

Human Resources

Almacenes Exito continued to be Colombia's largest employer, providing jobs, either directly or indirectly to 50 thousand people. The personnel who are directly hired receive higher salaries compared to the rest of the Colombian retail sector, and are entitled to exclusive benefits such as Exito´s employee cooperative and its mutual investment fund. This year, important steps were made in allowing the Company to rise to the challenge of integrating the operations of two large-scale companies, respecting the individual culture of each and the skills and knowledge of everyone involved.

Social Responsibility

Almacenes Exito S.A. directly donated COP$1,878 million to 13 companies working in different cultural and community sectors within the country.
The Company also developed a program whereby 150 disabled people were employed along with 18 students studying Logistics Technology at Sena (a state-run apprentice institute) who were taking part in a government program to re-insert ex-combatants into civilian society.

The Exito Foundation: food for 48 thousand underprivileged children

In 2008, the Exito Foundation focused on consolidating its nutrition programs for the under-6s, taking measures to increase the funds assigned to this sector, forming the epicenter of various solidarity networks. 72% of the amount invested by the Foundation, or COP$13,148 million, was assigned to provide food for 48,757 children and 828 nursing mothers. The Foundation also made a lot of progress in consolidating 25 food banks nationwide that benefit 1,791 institutions catering to 255,000 final beneficiaries. In 2008, the Foundation donated 2,313 tons of food, worth some COP$1,850 million, and gave its full support to setting up the National Network of Food Banks.

We also joined forces with the public and private sectors as well as with organizations such as the Organization of Ibero-American States, UNICEF and the World Bank Program, alliances aimed at providing funds for child nutrition.

The Exito Foundation provided its support to those left homeless after devastating rainfall and flooding in 2008. Donations were collected from our customers at all stores belonging to the Exito Group. This important initiative, carried out in conjunction with 10 different news media and the Red Cross, raised COP$679 million for housing, groceries and household cooking kits.

Thanks to the generous support of our customers, through the Goticas® donation certificates, a total of COP$4,008 million was raised, 75.2% of which was assigned to nutrition programs, 0.4% to education, 3.38% to the homeless and 21% to Christmas gifts for underprivileged children It is worthwhile noting that the stores belonging to the Group act as mere intermediaries for customer donations that are made via the Goticas certificates. These donations are deposited in a "third-party collection" account which is kept totally separate from the Organization's other accounts. The company regularly delivers the donations to Exito Foundation that doubles them. Under no circumstance the Goticas donations provide tax benefits for Almacenes Exito. The Exito Foundation is audited by KPMG.

With the voluntary work program, Aportar, a total of 10,487 company employees dedicated their free time to furthering the social causes of the Foundation. They also donated a total of COP$402 million in 2008. Furthermore, the Group's suppliers got together to donate COP$438 million for the Exito Foundation. On the other hand, the Casino Group, for the eighth year running, donated 50,000 Euros to the Foundation in 2008.

As part of the Exito Foundation's Child Nutrition Prize - 2008, an annual award that began five years ago, the Child Nutrition Week was staged, an event aimed at increasing awareness on the part of our customers of the prevalence of malnutrition amongst the child population, offering them a channel by which they can form part of the solution. In addition to the actual prize-awarding ceremony, this year 12 suppliers donated 1% of their sales to the Foundation.

On a corporate scale the Assembly of the Department of Antioquia, together with the Mayor's Office, decorated Almacenes Exito S.A. for providing job opportunities for the disabled. For this same reason, our Company was given the "Star of Hope" award by CIREC, the Integral Rehabilitation Center of Colombia.

On the other hand, the work carried out by the Exito Foundation with regard to the under-6s, also received a special mention from the Colombo American Chamber of Commerce as well as the "Orchid" Award given by the Medellin City Council.

The Business Group's Transactions With Subsidiaries.

The Business Group is made up of the parent company, Almacenes Exito S.A., and its subsidiaries Carulla Vivero S.A. and Distribuidora de Textiles y Confecciones S.A., Didetexco S.A. Consolidated net revenues for the Exito Business Group came to COP$7,124,974 million at December 31, 2008; with operating income totaling COP$265,886 million and net income COP$153,322 million.

The Exito Business Group, united in purpose and under common management, has an ample projection, as part of its strategic concept that goes beyond the core retail business of the parent company to explore new businesses with multiple retail formats and different store brands aimed at specific customer segments.

Main transactions carried out with the subsidiary, Carulla Vivero S.A.

In April and September 2008, the Board of Directors of Almacenes Exito S.A. authorized Company Management to enter into an operating agreement with its subsidiary Carulla Vivero S.A. for the purpose of operating and running the retail establishments, Surtimax, Merquefacil, Home Mart, Carulla as well as the Frescampo store belonging to Carulla Vivero S.A. By virtue of this, Almacenes Exito S.A. shall pay a monetary consideration based on a technical study conducted by Corredores Asociados S.A.'s investment bank.

By virtue of this agreement, Almacenes Exito S.A. is recording the corresponding sales revenues in books, while Carulla is posting in its income accounts the respective incomes received for this operation.

The sales, assets and inventories governed by this agreement were gradually and proportionally recorded, once each of the stores begins to be operated by Almacenes Exito S.A.

Main transactions carried out with its subsidiary, Didetexco S.A.

The Board of Directors of Almacenes Exito S.A. authorized the capitalization of Didetexco S.A. so as to strengthen the Group's real estate business and proceed with the strategic acquisition of the premises where the Exito Unicentro store is located in Bogotá, which were owned and leased by The Colombian National Federation of Coffee-Growers .

Almacenes Exito S.A. shall remain in its capacity as lessee, with all the legal guarantees that the law provides for all those tenants occupying a retail establishment for more than two years.

Real Estate

In December 2008, Almacenes Exito S.A., as seller, and the Fondo de Capital Privado Colombia Inmobiliaria (Colombia Real Estate Private Capital Fund) run by Fiduciaria Bancolombia S.A, as buyer, entered into bills of sale on two properties where EXITO stores are located (Unicentro store in Cali and another in Medellin) together with a distribution center in Cali. Likewise, both parties signed lease agreements on the three properties, for terms equal or greater than 15 years.

In January 2009, Carulla Vivero S.A. and Almacenes Exito S.A. entered into a bill of sale that included leaseback arrangements with this same fund on the properties where the Exito stores are located in Buenavista, in Barranquilla and Chipichape in Cali.

With these transactions, the Group is enhancing its cash position, which is enabling it to strengthen its working capital, adding funds to the financing of its investment plan and reducing its level of indebtedness in 2009, applying prudent criteria.

Transactions carried out by the Business Group subsequent to December 31, 2008.

Almacenes Exito S.A. acquired the underlying shares pertaining to Carulla Vivero S.A.'s ADR program, upon the expiry of the term of such. With this the Company directly or indirectly holds a 77.339% stake in the shares outstanding belonging to Carulla Vivero S.A.

Corporate Governance

Almacenes Exito, in order to maintain harmonious, transparent and trustworthy relationships with its different stakeholder groups, has been developing business culture practices in order to create an atmosphere of credibility and stability amongst all market players.

The Board of Directors of Almacenes Exito S.A. has nine members, three of which have an independent status. Furthermore, the Board of Directors receive the support of three specialized committees at periodic meetings: the Auditing Committee, the Committee for the Compensation, Evaluation and Monitoring of the Code of Good Governance and the Expansion Committee.

The Company's Board of Directors, through its Committee for the Compensation, Evaluation and Monitoring of the Code of Good Governance, conducted effective and responsible follow-ups on this Code, which was adopted in 2003 in the light of applicable legislation, and this has been updated and adapted to recent amendments to the Company's by-laws, international guidelines and current rules and regulations in Colombia.

The Board of Directors operates according to specific rules and regulations, that can be consulted by shareholders and investors alike on the Company's website.

All the latest news, achievements, appointments, store openings, results and, generally speaking, any relevant information pertaining to Almacenes Exito S.A. is published, both in English and Spanish, and are constantly updated on the Company's corporate website.

The Company's quarterly results are made available to shareholders and investors four times a year, these being also published in the form of relevant information for the market in general.

All information that could be of use to shareholders, investors relating to the GDR program and the banks participating in the Syndicated Loan, is published using the means and formats specified for such purposes in all applicable documents, rules and regulations.

Furthermore, both the consolidated and individual financial statements belonging to Almacenes Exito S.A. and its subsidiaries are published on its corporate website.

Almacenes Exito S.A. participated in the Country Code - Best Corporate Practices Survey, conducted by the Colombian Superintendency of Finance for the purpose of disclosing the good governance practices being conducted by issuers in Colombia. As a result of this, Almacenes Exito S.A. stood out amongst the rest of the retail sector.

Almacenes Exito S.A. has an Internal Audit Department, whose main objectives is to help to determine risk exposure and the adequacy of internal controls; implement plans to enhance internal processes and establish a general awareness of the importance of controls, both internal and otherwise.

The Company maintains adequate means to disclose and control financial reporting, that ensures both the content and adequacy of the information therein contained.

Legal Matters

There have not been any additional transactions conducted or decisions made other than those stated both in this report and in the notes to the financial statements, that could significantly affect the financial position of the parent company and its subsidiaries and which therefore would require subsequent disclosure herein.

All transactions carried out with shareholders, Company Management and related parties, including all corresponding figures as contained in books, have been disclosed in the Financial Statements that are being submitted for your consideration at this meeting.

In compliance with that stipulated in Law 603 of 2000, Company Management hereby states that the Company holds title to the ownership of its brands, trade names, ensigns, slogans and distinctive logos used in conjunction with its products and services, or is duly authorized to use such by means of a licensing agreement. The use of software products obeys all that stipulated in applicable legislation.

Events subsequent to the closing of books.

In January 2009, Almacenes Exito S.A. sold the shares held in the companies, Makro Supermayorista S.A. and Comercial Inmobiliaria Internacional S.A. (that is to say 13.87% of the subscribed shares of both companies) to Orkam Holding Colombia N.V. The price agreed upon is equivalent to an approximate value of COP$38,836 million, of which COP$27,740 million was received on January 30, 2009. The remaining balance shall be paid off in several installments in 2009, 2010 and 2011.

Going Forward

Although we are going through what can best be described as one of the most complicated economic times in history, we are confident that with our strategic focus, the reduction in our levels of indebtedness, a solid cash position, our operating excellence and an in-depth knowledge of our customers, we are well prepared to face a year of many challenges. None of this would be possible without the firm commitment on the part of our talented and enthusiastic team of staff. We are confident that the Company shall maintain its market leadership without sacrificing profitability, in the interests of our shareholders and investors.

Acknowledgments

In the 60 years it has been present on the Colombian retail market, Almacenes Exito S.A. has acquired a firm responsibility with the country at large. We shall always be proud of complying fully with this responsibility in conjunction with our employees, customers, investors, shareholders, suppliers, neighboring communities and friends. We are a Business Group that first came into being in Colombia, and that constantly seeks out the best the world has to offer in order to give back to Colombia in exchange for all that it has done for us. To all those people and institutions that unstintingly accompany us each and every day, we would like to express our heart-felt gratitude.

Envigado, February 24, 2009

Signed Board of Directors

Hakim Laurent Aouani
Francis André Mauger
David Bojanini García
Armando Montenegro Trujillo
Jan Hiljo Ozinga
Nicanor Restrepo Santamaría

Samuel Azout Papu
(Independent Member)
Luis Carlos Uribe Jaramillo
(Independent Member)
Guillermo Valencia Jaramillo
(Independent Member)

And by : Chief Executive Officer
Gonzalo Restrepo López

Corporate Governance

Board of Directors 2008

HAKIM AOUANI

Head of Corporate Development and Holdings of the Casino Group. He received a diploma from the SUPELEC School of Engineering with a degree in Telecommunications. He also holds a B.A. degree in Business Administration from the HEC Business School.

SAMUEL AZOUT PAPU

Holding a B.Sc degree in Economics from Cornell University and an MBA from the University of Georgetown, he was Chief Executive Officer of Carulla Vivero from 1995 to 2006.

DAVID BOJANINI GARCÍA

Chief Executive Officer of Suramericana de Inversiones S.A., holding a degree in Industrial Engineering from the Universidad de los Andes and an MBA from the University of Michigan. He was Chief Executive Officer of Protección S.A. a pension and severance fund, as well as General Manager of Suramericana de Seguros.

FRANCIS ANDRÉ MAUGER

Director of Operations in Latin America of the Casino Group. Mr. Mauger attended the École Hôteliere in Lausanne, Switzerland.

ARMANDO MONTENEGRO TRUJILLO

Holding a degree in Industrial Engineering from the Universidad Javeriana, and a Masters degree in Economics from the University of Ohio and a PhD in Economics from the University of New York, Mr. Montenegro is senior executive with Ágora Corporate Consultants Ltda. Prior to this he was Director of RC Corporate Consultants (a member of the Rothschild Group). He was also Chairman of ANIF, director of the National Planning Department and alternate member of the World Bank Board of Discussion in New York.

JAN HILJO OZINGA

Director of International Development and Expansion with the Casino Group. He was also Director of International Development and Expansion with the ACCOR Group in France.

NICANOR RESTREPO SANTAMARÍA

Holding a degree from the School of Mining and Engineering of the Universidad Nacional, he was senior executive of companies such as Caja Agraria, Encoper, Celanese, Empresa Cadena de Frío, Coltejer and Corporación Financiera Nacional. He was also Chief Executive Officer of Suramericana de Seguros and Chairman of the Grupo Empresarial Antioqueño (GEA) one of the leading business conglomerates in Colombia.

LUIS CARLOS URIBE JARAMILLO

He was Chief Executive Office of Familia Sancela S.A. a Colombian Company with Swedish investment, that leads in the design, innovation, production and distribution of personal hygiene products in Colombia.

GUILLERMO VALENCIA JARAMILLO

Currently Chief Executive Officer of Industrias El CID, one of the largest apparel manufacturers in the country. He is also Advisory Chairman of INEXMODA.

Management Team
December 2008

GONZALO RESTREPO LÓPEZ
Chief Executive Officer

Gonzalo Restrepo López has been the Chief Executive Officer of Almacenes Exito S.A. for the last 18 years.. He joined the Company after being Chief Executive Officer for Caribú Internacional S.A., Chief Executive Officer for Caribe Motor S.A., General Manager for Internaciones S.A., and General Manager for Marquillas S.A. He holds a B.Sc. degree in Management from Syracuse University in the United States. He subsequently obtained an MBA in Marketing from the University of Georgia, also in United States. He has taken part in academic programs such as Strategic Planning Management in Retailing at Babson College (United States) and Storewar Strategies for Consumer Goods Programme at the INSEAD Institute in Fontainebleau, France.
Mr. Restrepo is currently a member of the Board of Directors of the GS1 International as well as the Food Marketing Institute.

CARLOS MARIO GIRALDO MORENO
Chief Operating Officer (Retail)

In January 2008, Mr. Carlos Mario Giraldo joined the company as its Chief Operating Officer (Retail). He graduated in law from the Universidad de Medellín, and specialized in Commercial Law at the Universidad Pontificia Bolivariana. He attended an executive program at Kellogg University and in September 2008 he took part in academic programs such as Strategic Planning Management in Retailing at Babson College (United States).
Prior to that he had been President of the Cookie Business and Senior Commercial Vice-president of the Nacional de Chocolates Group, a position held since 2005. He also held various posts at Industrias Alimenticias Noel S.A., after joining in 1994. Prior to this, he had worked at the Colombian Association of Industrialists (ANDI) and at Uniban.

EDITH MARÍA HOYOS CARDONA
Vice-president of Finance

Edith María Hoyos was appointed Vice-president of Finance in 2004 after heading the Financial Planning Division in Almacenes Exito S.A., where she has been working for the last 25 years. Her professional background has been closely linked to the Colombian retail sector, since she held various posts in Cadenalco S.A. including Division Head of the Superkids Chain and Chief of the Financial-Administrative Auditing Area. She is a Public Accountant graduated from the Universidad de Antioquia.

CARLOS MARIO DÍEZ GÓMEZ
Vice-president of Operations

Carlos Mario Diez joined the Company 17 years ago. He has been Head of Food Sales, Manager of the Exito Medellín Bogotá Integration Project, Operations Manager, Head of the Market Business, Commercial Vice-president, Vice-president of the Hypermarket Format and is currently Vice-president of Operations for all the Company's chains. Before joining Almacenes Exito S.A., he was Manager of the L´Oreal group pertaining to Colcosmeticos. Mr. Diez graduated in Business Administration from the Universidad Eafit.

DARÍO JARAMILLO VELÁSQUEZ
Commercial Vice-president

Darío Jaramillo Velásquez returned to his former post as Commercial Vice-President of Almacenes Exito, in March 2008, after taking over as General Manager of Carulla Vivero S.A. He had worked for Almacenes Exito for 15 years, holding posts such as Commercial Vice-President and Head of the Supermarket format
He holds a B.A. in Economics from the University of Antioquia, and holds a post-graduate degree in Finance from the EAFIT University. He has also pursued retail studies at the Babson College.

JEAN JACQUES THIRIEZ LÓPEZ
Commercial Vice-president

Jean Jacques Thiriez joined Almacenes Exito S.A. in 2004 as Head of Textiles and Apparel, and was then promoted to Corporate Manager of Textiles and Apparel. Later in 2007, he was appointed Commercial Vice-president. He has worked in companies such as Leonisa, American Express in the United States and in AT KEARNEY in Europe. He graduated in Production Engineering from Universidad Eafit and holds an MBA from MIT.

JORGE MEJÍA LÓPEZ
Vice-president of Real Estate

Before being promoted to Vice-president of Real Estate in 2005, Jorge Mejia worked as the Company's Project Director for the space of 14 years. Prior to this, he headed the Commercial Division of the local public utility company, Empresas Públicas de Medellín. He graduated in Business Administration from the Universidad Eafit in Medellin and holds a specialization in Finance from this same university.

JUAN HINESTROSA GALLEGO
Vice-president of Real Estate

Holding a degree in civil engineering, Juan Hinestrosa joined the Company in 2008. Having graduated from the Escuela de Ingeniería de Antioquia, he holds a MSc in Project Analysis, Finance and Investment from the University of York in the United Kingdom.
Before joining Almacenes Exito he held posts such as Vice-president of Special and International Business of ConConcreto, Director of Financial Intelligence at Confecciones Leonisa S.A.,and Project Manager at Corfinsura S.A. (now known as B.I.Bancolombia).

JOSÉ GABRIEL
LONDOÑO LEMA
Vice-president of IT

José Gabriel Londoño headed the Company's Systems Development Division since the merger with Cadenalco in 2001 until August 2003 when he joined as Corporate IT Director. In 2006, he returned to Almacenes Exito S.A. as Vice-president of IT. He graduated in Systems Engineering from Universidad Eafit and holds a Masters in Business Administration from this same university.

ALEJANDRO
CALLE ARCILA
Vice-president
of Marketing

Alejandro Calle was appointed Vice-president of Marketing in 2005. He has ample experience in the Colombian retail sector since he worked in Cadenalco from 1992 as Director of Corporate Marketing He has also headed the Division of Alternate Channels and Marketing (Supermarket), Commercial Director of Retail Finance (Exito store card in association with Sufinanciamiento) He graduated in Business Administration from the Universidad Eafit and holds a specialization in Marketing from this same university.

RODRIGO
FERNÁNDEZ CORREA
Vice-president
of Human Resources

Rodrigo Fernández joined Almacenes Exito S.A. in 1979. He has held various posts in the Company such as, General Services Assistant, Head of the Supplies Department, Warehouse Director, and was Manager of Didetexco S.A. on two occasions before being promoted in 1995 to the post of Vice-president of Human Resources. He has also sat on various boards of directors including Dilavaco Ltda., Protección S.A. and Comfenalco Antioquia. He has also studied Electrical Engineering at the Universidad Pontificia Bolivariana and Industrial Technology at the Politecnico Colombiano in Medellin.

MARÍA CAROLINA
URIBE ARANGO
Manager of the Legal
Department

Maria Carolina Uribe joined Cadenalco S.A. in 1995 and has held various posts including Head of Recruiting within the Legal Department as well as Assistant to the Chief Executive Officer and Company Secretary. She graduated in law from the Universidad Pontificia Bolivariana, studied Tax Law at the Universidad Pontificia Bolivariana and, furthermore, obtained a post-graduate degree in Business Law from the Universidad Externado de Colombia.

JUAN DAVID
VILLA ARROYAVE
Comptroller

Juan David Villa joined the Company in 1992 as National IT Auditor. Later in 1994, he was promoted to Director of the Comptroller Area. He graduated in Systems Engineering from Universidad Eafit and holds a Masters in Business Administration from this same university. He was also awarded the title of Certified Information System Auditor from ISACA (Information Systems Audit and Control Association).

JESÚS ALBERTO
QUINTERO MARÍN
General Manager
of Carulla Vivero S.A.

Jesús Alberto Quintero joined Cadenalco in 1991 as Head of the Accounting Division. Subsequently he held the post of Head of Financial Planning at Almacenes Exito. In April, 2008 he was appointed General Manager of Carulla. He currently sits on the Board of Directors of Locatel Colombia S.A. He is a Public Accountant graduated from EAFIT University.

At the forefront

Keystone focuses for 2009

Enhance our profitability while maintaining our #1 position in the Colombian retail market

Expansion	Maximizing synergies	Operating and Financial Excellence	Retail Development and Complementary Business	Customer Service	Assortment/ Products

FOCUS FOR 2009

- >Continuing to enhance our operating excellence
- >Consolidating our loyalty programs to create added value for our customers
- >Superior customer service
- >Consolidating our private label business

Expansión: Profitable growth The Company's senior management is committed to implementing prudent growth plans in keeping with prevailing economic conditions, that provide an adequate rate of return for shareholders and investors alike.

Maximizing synnergies After completing the integration process with Carulla Vivero S.A., the Organization shall be taking full advantage of all inherent sysonergies so as to increase profitabilty and enhance the Company's competitive position on the Colombian retail market.

Striving towards greater financial and operating excellence A strong cash position and an adequate handling of the Company's working capital take priority in today's business climate. For this purpose it is necessary to adequately handle our inventories, adjust our retail proposals based on consumer needs as well as to safeguard healthy margins. All of this will provide us with a greater competitive advantage in today's demanding retail market.

Complementary business: for comprehensive commercial growth

Upon exploring new lines of business through our real estate bank, we create value in all real estate processes, maximize the value of our group of assets and make our Organization all the more profitable. Through the new insurance, travel agency and gas station businesses, we continue to offer our customers "everything under one single roof".

Customer relations: Working to keep our customers coming back for more

Enhancing our customer service and loyalty programs shall be a priority for us in 2009; this in order to increase shopping frequency, ticket values and the overall loyalty of our customers.

Assortment, product and private labels: purchase and sell at good prices

We are consolidating our assortment by tailoring our portfolio based on an appropriate segmentation per format and type of store so as to ensure levels of service that really satisfy the needs of our customers.

Our private label business constitutes an ideal alternative for our Colombian consumers. For this reason it is important to extend this business by incorporating greater levels of innovation in our apparel assortment, through our subsidiary, Didetexco as well as enhancing our range of food products taking full advantage of the food processing plants that have made Carulla so well known in Colombia.

A multiindustrial proposal to captivate more customers

60 YEARS AGO, Almacenes Exito began as a small shop dedicated to clothing its patrons in the mid 20th century. Now at the end of the first decade of the 21st century, the Company has taken over various other retail chains to become the No. 1 retail company in the country.

Faced with the challenge of offering our Colombian consumers more and more alternatives with which to cater to their needs, we have had to cover various fronts and consolidate our position as No. 1 alternative in each region within Colombia.

From textiles to retail… from retail to industry This phrase encapsulates the evolution of the Exito Group that today caters to the market with eight different industries: real estate, credit facilities, insurance, apparel, food, travel agency services, service stations and retail.

Real estate

This business consists of developing retail estate projects, supporting the Companies retail expansion plan, creating added value for all those real estate processes and maximizing the value of the Organization's group of assets.

Credit

Through its Exito store card, the Company offers Colombian consumers access to financing, providing them with exclusive benefits that meets their shopping needs. This business began in 2005 as a result of an alliance with Sufinanciamiento which belongs to the Bancolombia Group

Insurance

Offering multiple insurance solutions with products that are specially tailored to the basic, everyday needs of our customers, insuring their supply of groceries, the education of their children, their family's economic stability and net worth, amongst others.

Apparel

The Group's subsidiary, Didetexco, manufactures top-quality garments for the Exito Group's own private label business, incorporating innovative designs and current fashion trends.

Food

Top quality, reasonably priced food products are manufactured at our own processing plants to supply our ever-growing private label portfolio. We also sell different types of products to food service customers.

Travel Business

These offer air tickets and tourist plans in conjunction with Colombia's No. 1 airline, Avianca, together with exclusive benefits and credit facilities

Gas Stations

At EXITO' s gas stations, customers can service their cars and purchase a variety of fuels (normal and premium-grade gas as well as diesel fuel) taking full advantage of the fact that these are strategically located next to our stores, for a full value-added service.

Retail

The Colombian retail market is as diverse as the country's different regions, and that is why we are able to meet our customers needs, with our full range of formats, brands and different businesses.

Multi-format

Our formats are well-differentiated from the rest of the market, given the mix and variety of products offered, their selling area, target customer, level of service and geographical location.

Hypermarkets, Discount Stores and Others

Our hypermarkets focus on all income brackets but mainly the middle-income segment. We offer a wide range of top-quality products with a superior customer service.

EXITO

Average selling area: 5,000 m^2.
Features:

- Exito provides its customers with "everything under one single roof"
- It offers a wide range of products, combining value and low prices. Groceries, apparel, housewares and entertainment, besides access to other services with the Exito stores card, travel agencies and insurance.
- Ample experience on the apparel market
- Its customers come from all income segments
- Offering a superior customer service together with loyalty programs "Puntos Exito" (Exito loyalty points).
- Its stores are located in the main residential and commercial districts in large and medium-sized cities.

Supermarkets

Our supermarkets offer a full range of groceries, fruit, vegetables, meat, bakery and delicatessen products. We have our own food processing plant that manufactures and packs certain private label products that are sold at our stores.

Carulla POMONA

Average selling area: 1,000 m².
Features:

> Carulla has been present on the Colombian retail market for more than 100 years. Pomona, on the other hand, was founded in 1967.
> Selling groceries, fruit, vegetables, meat and ready-prepared food, amongst others.
> A great variety of perishables
> Conveniently located stores.
> Offering its customers top quality products with a superior customer service. Customers are demanding, careful and selective
> Service mindset "We work hard to keep the customers coming back for more"
> " An everyday treat" is their slogan
> Loyalty program: Carulla SuperCustomer Cards and POMONA store card.

Discount stores

Bodega Surtimax and Merquefácil

Average selling area: 1,300 m².
Features:

> Offering savings and everyday low prices
> Smaller stores located mainly in the more populated districts of the city.
> Carrying a complete range of groceries.
> Basic assortment of apparel, housewares and entertainment.
> Particularly strong on private label
> Offering credit facilities including the Exito store card.
> Continuous special offers

Others

Ley

Average selling area: 1,900 m².
Features:

> Traditional grocery stores offering basic groceries (food and cleaning products), perishables (fruit, vegetables, ready-prepared food and meat, among others), apparel (basic garments), housewares (electrical appliances) and entertainment (TVs, sound equipment and sports goods).
> Convenient, affordable format
> Competitive prices within a no-frills environment

Home Mart

Format: Specialized home decoration store
Average selling area: 1,650 m².
Features:

- Offering a complete range of home decoration and housewares for the kitchen, bathroom, bedroom, dining room and patio, amongst others.
- Its target customers are elegant and refined.
- Its employees are "hosts" and its customers are "guests".
- Service excellence
- Well, differentiated, exclusive assortment of innovative, top quality products
- Large percentage of assortment corresponds to imported products

Próximo Q'Precios

- These are pilot projects The first Q'Precios stores (discount stores) were inaugurated in 2004. These compete with the traditional "Mom and Pop" stores and offer a limited assortment, including convenience products and perishables, within a reduced selling area averaging out at 220 m².

- Próximo is a convenience store proposal that first opened its doors to the public in Q2, 2006. It has an average selling area of 200 m2, an ideal location, and a specialized range of ready-prepared food and basic foodstuffs.

Consolidated Financial Statements

Almacenes Exito S.A.

ERNST & YOUNG

Ernst & Young Audit Ltda.
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Statutory Auditor's Report

To the Shareholders of
Almacenes Exito S.A. and affiliates

I have audited the accompanying consolidated financial statements of Almacenes Exito S.A. and its affiliates, which comprise the consolidated balance sheet as at December 31, 2008 and the related consolidated statements of income, changes in equity, changes in financial position and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes. The consolidated financial statements at December 31, 2007 and for the year then ended were audited by another statutory auditor who issued an unqualified opinion on February 20, 2008.

The Company's administration is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Colombia of designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; and selecting and applying appropriate accounting policies and making estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I obtained the necessary information to comply with my functions and performed my examinations in accordance with auditing standards generally accepted in Colombia. These standards require that an audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes developing procedures to obtain evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements in the financial statements. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my audit opinion.

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Almacenes Exito S.A. and its affiliates as of December 31, 2008, the results of its operations, the changes in its financial position and the cash flows for the year then ended, in accordance with accounting principles generally accepted in Colombia, issued by the Colombian Government, consistently applied.

ERNST & YOUNG

As explained in Notes 17 and 22 to the consolidated financial statements, the Company opted for the alternate accounting procedure indicated in a legal provision of decreasing the equity revaluation account by the equity tax amount paid during 2008 and 2007. Tax, contribution or surtax expenses of a similar nature and current in previous years were recognized as expenses in the year they were incurred.

Luz Elena Rodríguez
Statutory Auditor
Professional Card 25820-T
Designated by Ernst & Young Audit Ltda. TR-530

Medellín, Colombia
February 6, 2009

Almacenes Exito S.A.

Financial Statement Certification

To: The general assembly of shareholders of Almacenes EXITO S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE AND PUBLIC ACCOUNTANT OF ALMACENES EXITO S.A., EACH ONE ACTING WITHIN THEIR OWN JURISDICTION

HEREBY CERTIFY:

That we have verified the statements made in the financial statements of both the Parent Company and its subsidiary companies for years ending December 31, 2008 and December 31, 2007, according to applicable regulations, and ensured that these were faithfully taken from the accounting books.

In the light of the above, and with regard to the aforementioned financial statements, we hereby declare that:

1. The assets and liabilities pertaining to the Parent Company and its subsidiary companies do exist and the transactions recorded were carried out in the year stated.

2. All transactions carried out have been duly recorded.

3. Assets represent acquired rights and liabilities represent obligations payable by the Parent Company and its subsidiary companies.

4. All items have been recorded at their appropriate values.

5. The transactions carried out have been correctly classified, described and disclosed.

6. They neither lack precision nor do they contain any flaws or errors that could prevent the Parent Company and its subsidiary companies' true financial position from being made known.

This certification has been issued in compliance with the set out in Article 37 of Law 222 of 1995.

In witness whereof, this certification has been signed on February 6, 2009.

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Exito S.A.

LIBIA AMPARO PÉREZ PUERTA
Public Accountant - Almacenes Exito S.A.
Lic. No. 40210-T

Financial Statement Certification In Accordance With That Provided By Law 964 Of 2005

To: The general assembly of shareholders of Almacenes Exito S.A
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE OF THE PARENT COMPANY, ALMACENES EXITO S.A.

HEREBY CERTIFIES:

That the financial statements together with the operations carried out by the Parent Company and its subsidiary companies for years ending December 31, 2008 and December 31, 2007 neither lack precision nor do they contain any flaws or errors that could prevent the Parent Company and its subsidiary companies' true financial position from being made known.

This certification has been issued in compliance with that set out in Article 46 of Law 964 of 2005.

In witness whereof, this certification has been signed on February 6, 2009.

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Exito S.A.

Almacenes Exito S.A.

Consolidated Balance Sheet

At december 31, 2008 and 2007
(In millions of Colombian pesos)

	Notes	2008	2007
ASSETS			
CURRENT ASSETS			
Cash	4	185,031	219,186
Marketable Securities	5	221,033	345,404
Accounts Receivable	6	258,180	304,486
Inventories	7	948,918	922,540
Deferred charges, net	11	61,483	75,078
TOTAL CURRENT ASSETS		**1,674,645**	**1,866,694**
NON-CURRENT ASSETS			
Accounts receivable	6	58,376	65,018
Long term investments	8	179,485	200,063
Property, plant and equipment, net	9	2,322,813	2,026,659
Intangibles, net	10	799,038	820,491
Deferred charges, Net	11	203,609	157,389
Other assets		285	285
Reappraisals	12	970,105	1,012,757
TOTAL NON-CURRENT ASSETS		**4,533,711**	**4,282,662**
TOTAL ASSETS		**6,208,356**	**6,149,356**
MEMORANDA ACCOUNTS DEBIT AND CREDIT	23	**6,271,827**	**5,634,912**

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

	Notes	2008	2007
LIABILITIES AND SHAREHOLDERS´ EQUITY			
CURRENT LIABILITIES			
Financial obligations	13	476,527	40,069
Suppliers	14	904,289	805,604
Accounts payable	15	280,231	255,572
Taxes, liens and encumbrances	17	59,869	71,113
Labor Liabilities	18	47,490	52,539
Accrued Liabilities and provisions	20	50,910	60,437
Bonds	16	-	70,000
Other Liabilities	21	13,925	13,779
TOTAL CURRENT LIABILITIES		**1,833,241**	**1,369,113**
NON-CURRENT LIABILITIES			
Financial Obligations	13	547,507	955,290
Labor Liabilities	18	510	366
Accrued Liabilities retirement pensions	19	13,817	14,207
Bonds	16	255,000	255,000
Deferred Charges, Net	11	15,130	46,014
Other Liabilities	21	18,689	-
TOTAL NON-CURRENT LIABILITIES		**850,653**	**1,270,877**
TOTAL LIABILITIES		**2,683,894**	**2,639,990**
MINORITY INTEREST		**135,142**	**124,105**
SHAREHOLDERS´ EQUITY , SEE ATTACHED FILE	12 y 22	**3,389,320**	**3,385,261**
TOTAL LIABILITIES AND SHAREHOLDERS´EQUITY		**6,208,356**	**6,149,356**
MEMORANDA ACCOUNTS DEBIT AND CREDIT	23	**6,271,827**	**5,634,912**

The accompanying notes are an integral part of the Financial Statements.

Libia Amparo Pérez P.

LIBIA AMPARO PÉREZ PUERTA
Public Accountant P.C Nº 40210-T
PC 40210-T
(See attached certification)

LUZ ELENA RODRIGUEZ
Auditor P.C. 25820-T
Member of Ernst & Young Audit Ltda. TR-530
(See attached report dtd February 6, 2009)

Consolidated Statement Of Income

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of colombian pesos)

	Notes	2008	2007
NET REVENUES			
Sales		6,829,486	6,601,260
Other operating revenue		295,488	214,526
TOTAL NET REVENUES	24	**7,124,974**	**6,815,786**
COST OF SALES		**(5,361,157)**	**(5,158,086)**
GROSS PROFIT		**1,763,817**	**1,657,700**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE			
Salaries and fringe benefits		(473,790)	(462,653)
Other operating expenses –administrative and sales		(746,829)	(668,129)
Depreciations and amortizations		(277,312)	(261,795)
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	25	**(1,497,931)**	**(1,392,577)**
OPERATING INCOME		**265,886**	**265,123**
NON-OPERATING INCOME			
Financial income		64,142	157,646
Other non-operating income - Dividends		29	27
TOTAL NON-OPERATING INCOME		**64,171**	**157,673**
NON-OPERATING EXPENSES			
Financial expense		(182,984)	(218,148)
Other non-operating income and expenses, net	26	31,282	(15,590)
TOTAL NON-OPERATING EXPENSE		**(151,702)**	**(233,738)**
TOTAL NON-OPERATING INCOME AND EXPENSE, NET		**(87,531)**	**(76,065)**
INCOME BEFORE TAXES AND MINORITY INTERESTS		**178,355**	**189,058**
MINORITY INTERESTS		**(5,333)**	**(4,270)**
INCOME BEFORE INCOME TAXES		**173,022**	**184,788**
INCOME TAXES			
Current		(41,455)	(42,178)
Deferred		21,755	(11,618)
TOTAL INCOME TAXES	17	**(19,700)**	**(53,796)**
NET INCOME		**153,322**	**130,992**
NET INCOME PER SHARE	2	**540.58***	**521.87 ***

(*) Expressed in Colombian Pesos

The accompanying notes are an integral part of the financial statements.

GONZALO RESTREPO LÓPEZ
Legal Representative Almacenes Exito S.A.
(See attached certification)

LIBIA AMPARO PÉREZ PUERTA
Public Accountant Almacenes Exito S.A.
P.C Nº 40210-T
(See attached certification)

LUZ ELENA RODRIGUEZ
Auditor PC 25820-T
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(See attached report dtd February 6, 2009)

Consolidated Statement Of Changes In Shareholders' Equity

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	Share Capital	Capital Surplusl	Reserves: Legal	Reserves: Future enlargements and improvements	Reserves: Treasury shares	Reserves: Fiscal depreciation	Reserves: Future dividends	Total reserves	Revaluation of shareholders equity	Unappropriated earnings	Retained earnings	Surplus from assets reappraisals	Total
Balance at December 31st, 2006	**2,096**	**597,631**	**7,857**	**124,016**	**19,266**	**8,741**	**1,419**	**161,299**	**616,355**	**123,176**	**4,759**	**716,613**	**2,221,929**
Appropriations made by the General Shareholders' Meeting: Cash dividend of $25 (*) per share and per month, from April 2007 to March 2008 on 233.627.168 outstanding Shares of Almacenes Exito S.A.										(70,088)			(70,088)
Transfer of unappropriated earnings to reserve of future enlargements and improvements				53,088				53,088		(53,088)			-
Issue of shares	747	989,176											989,923
Retained earnings as effect of consolidation									(3,236)		25,897		22,661
Tax equity for the year 2007									(21,371)				(21,371)
Increase in Surplus from asset reappraisal												111,215	111,215
Net income at December 31st, 2007										130,992			130,992
Balance at December 31st, 2007	**2,843**	**1,586,807**	**7,857**	**177,104**	**19,266**	**8,741**	**1,419**	**214,387**	**591,748**	**130,992**	**30,656**	**827,828**	**3,385,261**
Appropriations made by the General Shareholders' Meeting: Cash dividend of $60 (*) per share and per quarter, from april 2008 to March 2009 on 283.627.168 outstanding Shares of Almacenes Exito S.A.										(68,071)			(68,071)
Dividends paid Carulla Vivero S.A.											(6.887)		(6,887)
Transfer of unappropriated earnings to reserve of future enlargements and improvements				62,921				62,921		(62,921)			-
Swap valuation effect		2,797											2,797
Net effect of consolidation											(2,260)		(2,260)
Tax equitiy									(26,100)				(26,100)
Decrease in Surplus from valuation												(48,742)	(48,742)
Net income at December 31st, 2008										153,322			153,322
Balance at December 31st, 2008	**2,843**	**1,589,604**	**7,857**	**240,025**	**19,266**	**8,741**	**1,419**	**277,308**	**565,648**	**153,322**	**21,509**	**779,086**	**3,389,320**

(*) In million of Colombian pesos

The accompanying notes are an integral part of the financial statements

GONZALO RESTREPO LÓPEZ
Legal Representative Almacenes Exito S.A.
(See attached certification)

LIBIA AMPARO PÉREZ PUERTA
Public Accountant Almacenes Exito S.A.
P.C Nº 40210-T
(See attached certification)

LUZ ELENA RODRÍGUEZ
Auditor Almacenes Exito S.A.
P.C. 25820-T
Member of Ernst & Young Audit Ltda. TR-530
(See attached report dtd February 6, 2009)

Consolidated Statement Of Changes In Financial Situation

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	2008	2007
FINANCIAL RESOURCES WERE PROVIDED BY:		
Net income for the year	153,322	130,992
Add (less) charges (credits) to transactions that did not affect working capital:		
Depreciation of property, plant and equipment, net	207,851	193,028
Amortization of deferred charges	38,683	46,481
Amortization of intangibles	30,778	22,411
Profit from sale of property, plant and equipment, net	(88,292)	(47,024)
Profit from sale of deferred charges	–	(3,544)
Profit from sale of intangibles	(223)	–
(Decrease) increase of long-term deferred tax	(33,097)	10,977
Decrease of provisions for property, plant and equipment, net	298	(5,462)
Decrease of amortization of the long term actuarial calculation	(368)	(519)
Lost in liquidation of companies	634	–
Increase (decrease) of provision for protection of investments, net	40,109	(8,933)
Adjustment for exchange rate of investment abroad, net	(16,836)	16,495
Amortization of rent paid in advance	934	–
Profit (loss) from sale of investments, net	(808)	–
Adjustment in temporary investment	(23)	(69)
Amortization of deferred monetary correction	(875)	(479)
Minority interest	5,333	4,270
Withdrawal of fixed assets of the fire incident	2,223	42,907
Others	142	511
WORKING CAPITAL PROVIDED BY OPERATIONS	**339,785**	**402,042**
FINANCIAL RESOURCES GENERATED FROM OTHER SOURCES:		
Proceeds from sale of property, plant and equipment, net	102,775	138,305
Proceeds from decrease of long-term deferred charges	73	29,558
Transfer of properties, plant and equipment to Intangibles	223	71,517
Proceeds from sale of investments	1,899	1,779
Decrease of intangibles	–	8,003
Decrease in other assets	–	42,233
Decrease in long-term deferred	1,660	330
Increase in income tax in long-term deferred	–	25,789
Decrease in long-term accounts payable	6,642	–
Increase in financial obligations	–	684,645
issuance and premium issuance of shares	–	997,087
Effect of the valuation of the Swap	2,797	–
Increase in othe long-term liabilities	18,689	–
Transfer of long-term investments to short-term investments	–	5,985
Adjustment by profits of Didetexco S.A.	(2,720)	2,720
Others	135	147
Working capital provided by operations Carulla Vivero SA January 2007	-	4,477
TOTAL FINANCIAL RESOURCES PROVIDED	**471,958**	**2,414,617**

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	2008	2007
FINANCIAL RESOURCES WERE UTILIZED FOR		
Acquisition of investment	10,545	394,116
Acquisition of property, plant and equipment and other assets	515,513	309,576
Increase of intangibles	8,112	699,132
Increase of non-current debtors	-	12,688
Increase in non-current deferred assets	79,179	78,723
Dividends declared	74,959	78,698
Transfer of short term deferred to long-term deferred	5,565	4,322
Transfer of Property, plant and equipment to intangibles	-	71,517
Decrease in financial obligations	407,783	-
Decrease in long-term labor liabilities	-	216
Decrease in long-term deferred assets	379	-
Equity Tax	26,100	26,100
Transfer of short-term payable bonds to long-term bonds	-	70,000
Decrease in long-term payable accounts	-	1,960
Working capital Carulla Vivero S.A. at december 31, 2006	-	98,172
TOTAL FINANCIAL RESOURCES UTILIZED	**1,128,135**	**1,845,220**
INCREASE IN WORKING CAPITAL	**(656,177)**	**569,397**
ANALYSIS OF CHANGES IN WORKING CAPITAL		
INCREASE (DECREASE) IN CURRENT ASSETS		
Cash	(34,155)	11,292
Marketable Securities	(124,371)	230,177
Accounts receivable	(46,306)	120,280
Inventories	26,378	97,203
Deferred charles, net	(13,595)	35,006
TOTAL (DECREASE) INCREASE IN CURRENT ASSETS	**(192,049)**	**493,958**
(INCREASE) DECREASE IN CURRENT LIABILITIES		
Financial obligations	(436,458)	260,390
Suppliers	(98,685)	(34,124)
Accounts payable	(24,659)	27,723
Taxes, liens and encumbrances	11,244	(11,173)
Other liabilities	(146)	3,855
Labor liabilities	5,049	12,882
Estimated liabilities	9,527	(15,942)
Commercial papers and short-term bonds	70,000	(70,000)
Working capital Carulla Vivero S.A. at december 31, 2006	-	(98,172)
TOTAL (DECREASE) IN CURRENT LIABILITES	**(464,128)**	**75,439**
INCREASE IN WORKING CAPITAL	**(656,177)**	**569,397**

The accompanying notes are an integral part of the financial statements

LIBIA AMPARO PÉREZ PUERTA
Public Accountant P.C Nº 40210-T
(See attached certification)

LUZ ELENA RODRÍGUEZ
Auditor P.C. 25820-T
Member of Ernst & Young Audit Ltda. TR-530
(See attached report dtd February 6, 2009)

Consolidated Statement Of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Goods, services and others	7,892,103	7,606,360
Paid to suppliers	(5,837,777)	(5,769,119)
Paid for wages, salaries and fringe benefits	(489,152)	(489,504)
Paid for production expenses	(13,636)	(11,654)
Paid for administration expenses	(64,839)	(59,492)
Paid for sales expenses	(730,956)	(623,307)
Paid for sales tax	(142,068)	(140,339)
Paid for income tax	(92,554)	(79,426)
SUBTOTAL CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**521,121**	**433,519**
Acquisition of property, plant and equipment, net	(470,526)	(253,339)
Acquisition of deferred charges	(76,599)	(59,682)
Proceeds from sale of property, plant and equipment, net	104,101	71,964
Acquisition of investments	(10,545)	(398,039)
Acquisition of intangibles	(8,039)	(694,957)
SUBTOTAL CASH FLOWS USED IN CAPEX	**(461,608)**	**(1,334,053)**
Redemption (purchase) of marketable securities	145,260	(212,816)
Income from sale of investments	1,906	1,834
Interests received	63,662	113,276
Dividends received	29	27
SUBTOTAL CASH FLOWS NET PROVIDED (USED) BY OTHER INVESTMENTS	**210,857**	**(97,679)**
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES	**(250,751)**	**(1,431,732)**
Loans	580,887	2,437,907
Payment of principal installments of loans	(543,469)	(1,989,824)
Dividends declared and paid	(56,287)	(94,596)
Shares issues	-	989,923
Maturity of Bonds	(70,000)	-
Interests paid for loans and bonds	(179,091)	(178,012)
SUBTOTAL CASH FLOWS NET PROVIDED(USED) BY FINANCING ACTIVITIES	**(267,960)**	**1,165,398**
Cash flows provided by other items	81,771	23,061
Cash flows from subsidiary Carulla Vivero S.A	-	40,844
Cash flows used for payment of democratic security tax	(39,152)	(10,041)
Cash flows used for loan to the subsidiary Carulla Vivero S.A	-	(66,020)
Cash flows used for other ítems	(79,184)	(62,160)
SUBTOTAL CASH FLOWS USED IN OTHER ITEMS	**(36,565)**	**(74,316)**
NET CASH FLOWS FOR THE YEAR	**(34,155)**	**92,869**
OPENING BALANCE OF CASH	**219,186**	**126,317**
ENDING BALANCE OF CASH	**185,031**	**219,186**

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	2008	2007
RECONCILIATION OF NET INCOME TO CASH FLOWS OPERATING ACTIVITIES		
NET INCOME FOR THE YEAR	**153,322**	**130,992**
Adjustments to reconcile net income to cash flows provided by operating activities:		
Amortization of deferred monetary correction	(875)	(479)
Depreciation of Property, plant and equipment, net	207,851	193,028
Amortization of deferred charges	38,683	46,481
Amortization of intangibles	30,778	22,411
Amortization of rent paid in advance	934	-
Inflation adjustment included in the cost of sales	-	1,986
Reclassification of inflation adjustments on inventories	-	(1,986)
Decrease in amortization of actuarial calculation	(368)	(519)
Profits from sale of property, plant and equipment, net	(88,292)	(47,024)
Profits from sale of intangibles	(223)	-
Profits from sale of deferred charges	-	(3,544)
Increase (decrease) of provision for investments protection, net	40,109	(8,933)
Decrease of provision of property, plant and equipment, net	298	(5,462)
Adjustment for exchange rate of investment abroad, net	(16,836)	16,495
Profits from sale of investments, net	(808)	-
Lost in liquidation of companies	634	-
Extraordinary cost for reorganization	-	7,424
Variations in non-operating accounts	10,564	(40,430)
Expenses incurred	(71,357)	13,404
Dividends received	(29)	(26)
Donations	2,020	2,334
Financial transactions tax	3,127	8,006
Increase on inventory	(29,098)	(97,144)
Increase on suppliers	152,445	105,317
Labor liabilities	(4,772)	(11,649)
Decrease in accounts receivable	-	(27,776)
Interest received	(67,866)	(113,882)
Interest paid	184,137	180,307
Taxes payable	(30,960)	(28,025)
Expense of fire incident	2,223	87,475
Minority interest	5,333	4,270
Other	147	468
EFECTIVO NETO PROVISTO POR LAS OPERACIONES	**521,121**	**433,519**

The accompanying notes are an integral part of the financial statements.

GONZALO RESTREPO LÓPEZ
Legal Representative.
(See attached certification)

LIBIA AMPARO PÉREZ PUERTA
Public Accountant P.C Nº 40210-T
(See attached certification)

LUZ ELENA RODRÍGUEZ
Auditor P.C. 25820-T
Member of Ernst & Young Audit Ltda. TR-530
(See attached report dtd February 6, 2009)

Notes To The Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos and in US dollars)

NOTE 1

PARENT COMPANY AND SUBSIDIARIES

Almacenes Exito S.A., the parent company, was incorporated according to Colombian law on March 24, 1950. The Parent Company's business purpose is to acquire, store, process and, in general, distribute and sell under any type of commercial arrangement, including financing, any type of merchandise or product, produced nationally or abroad, either wholesale or retail.

The Parent Company's main domicile is located in the city of Envigado, Colombia, at the following address: Carrera 48 Nº 32B Sur139, and the term of its duration is due to expire on December 31, 2050.

In May 2007, the Casino Group based in France acquired a controlling stake in the parent company and its subsidiaries, and at the close of 2008 held a 59.8% stake in the Parent Company's share capital.

Carulla Vivero S.A., a subsidiary company, was incorporated in 1905 according to Colombian law. Its corporate purpose is mainly to: purchase, sell, import, export, process, pack, produce and in general market food, medicine, cosmetics, housewares, apparel, household appliances and other similar products, either through its own commercial establishments or those of third parties. The Parent Company's main domicile is located in Bogotá D.C., Colombia, at the following address: Carrera 68D Nº 21-35, and the term of its duration is due to expire on June 30, 2072.

Distribuidora de Textiles y Confecciones S.A., "DIDETEXCO S.A.", a subsidiary company, was incorporated on July 13, 1976 by means of public deed No. 1138 drawn up before Notary Public No. 7 of the Circuit of Medellin. Its corporate purpose is to purchase, store, process, manufacture, sell and in general distribute under any kind of arrangement all types or textiles and apparel, manufactured abroad or at home. Its main domicile is located in the city of Envigado, Colombia, at the following address: Carrera 48 Nº 32 Sur – 29, and the term of its duration is due to expire on July 31, 2026.

A new subsidiary, El Faro de Caucasia S.A., was incorporated on December 30, 2008, by means of Public Deed No. 7321 drawn up before the Notary Public No. 29 of the Circuit of Medellín. Its business purpose consists of investing, administrating, leasing, encumbering, transferring and disposing of real estate property, both urban and rural, purchasing, selling, distributing, importing, exporting any type of merchandise, products, raw materials and articles that are required for the retail sector in general. Its registered place of business is located in the town of Envigado, Colombia, at the following address: Carrera 48 Nº 32B Sur – 139, and the term of its duration shall expire on July 13, 2092.

Nota 2

MAIN ACCOUNTING POLICIES AND PRACTICES

In preparing its financial statements, the Parent Company abides by generally-accepted accounting principles in Colombia, as provided for by law, as well as the rules, regulations and instructions issued by the Colombian Superintendency of Finance, the Colombian Superintendency of Companies, together with all applicable legal provisions; said principles may differ in certain aspects from those established by other State regulatory authorities. The following are the main accounting policies and practices that the Parent Company and its subsidiaries have adopted in keeping with the above:

Consolidation Principles:

These financial statements were consolidated using the Global Integration method, by means of which the entire assets, liabilities, equity and income belonging to the subsidiary companies, are incorporated into the Parent Company financial statements, after having eliminating the investment made by the Parent Company in its subsidiary companies' equity as well as the transactions and reciprocal balances existing at the cut−off date of the consolidated financial statements.

In this way, the consolidated financial statements are able to adequately disclose the magnitude of the resources under the Parent Company's exclusive control, besides providing an approximate indication of the degree of responsibility that the Parent Company enjoys on a financial level.

These consolidated financial statements included the accounts of both the Parent Company and its subsidiary companies. All significant balances and transactions between these companies were duly eliminated from the consolidation.

The following figures were taken from the individual financial statements of both the Parent Company and its subsidiary companies at December 31. These have been duly certified and audited pursuant to current applicable legislation:

Company	ASSETS		LIABILITIES		EQUITY		NET INCOME	
	2008	2007	2008	2007	2008	2007	2008	2007
Almacenes Exito S.A.	5,937,611	5,616,658	2,543,644	2,231,617	3,393,967	3,385,041	153,322	130,992
Carulla Vivero S.A. (1)	906,190	1,096,420	329,021	557,164	577,169	539,256	22,682	18,131
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A." (2)	124,673	49,243	41,021	23,265	83,652	25,977	4,499	1,678
El Faro de Caucasia S.A. (3)	5,276	-	-	-	5,276	-	-	-
Totales	**6,973,750**	**6,762,321**	**2,913,686**	**2,812,046**	**4,060,064**	**3,950,274**	**180,503**	**150,801**

(1) The figures for Carulla Vivero S.A. correspond to operations carried out between February 1st and December 31, 2007. Almacenes Exito S.A. took over Carulla Vivero S.A. in February 2007, having acquired more than a 50% stake in this company. The stake held by Almacenes Exito S.A. in Carulla Vivero S.A. at December 31, 2008 came to 77.05% (2007 – 77.01%)

Net sales for Carulla Vivero S.A. in 2008 came to $1,363,164, selling and administrative expenses $267,363, that is to say 19.61% of sales, operating income $65,455 and net income totaled $22,682.

Notes To The Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos and in US dollars)

(2) Sales for Didetexco S.A., registered $146,241 in 2008, selling and administrative expenses went from 9.8% in 2007 to 11.24% in 2008, operating income for 2008 came to $2,986 (2007 $2,084) and net income totaled $4,499 (2007 $1,678).

(3) There is no financial statements for El Faro de Caucasia S.A. due to it was incorporated on december 30, 2008.

Effects of the consolidation on the Parent Company's assets, liabilities, equity and income

	Figures prior to consolidation		Figures subsequent to consolidation	
	2008	2007	2008	2007
Total assets	5,937,611	5,616,658	6,208,356	6,149,356
Total liabilities	2,543,644	2,231,617	2,683,894	2,639,990
Minority interest			135,142	124,105
Total equity	3,393,967	3,385,041	3,389,320	3,385,261
Total income	153,322	130,992	153,322	130,992

Reconciliation of the Parent Company's net income and the income obtained by its subsidiary companies on overall consolidated income:

	2008	2007
Net Income – Almacenes Exito S.A	153,322	130,992
Net Income – Didetexco S.A.	4,499	1,678
Net Income – Carulla Vivero S.A.	22,682	18,131
	180,503	**150,801**
Equity Method – Carulla Vivero S.A.	(17,476)	(13,962)
Minority interest – Carulla Vivero S.A.	(5,206)	(4,170)
Equity method – Didetexco S.A.	(3,671)	(356)
Minority interest – Didetexco S.A.	(127)	(101)
Unrealized profit in inventories	(701)	(1,220)
Net consolidated income	**153,322**	**130,992**

Adjustments for inflation

By means of Law 1111 passed December 27th, 2006, the Colombian Government eliminated adjustments for inflation for fiscal purposes beginning on January 1st, 2007. These same adjustments for accounting purposes were eliminated by means of Decree 1536, issued May 7, 2007, and backdated to January 1st, 2007. Adjustments for inflation accruing in accounts up to December 31, 2006 were not reversed and continued to form part of the balance of the respective accounts for all accounting purposes, until these are settled, depreciated or amortized. Also the balance of the equity revaluation account may be reduced with applicable wealth tax, but may not be distributed as profits until the company is wound up or is capitalized, this according to currently applicable legislation. Once the company is capitalized, the equity revaluation account may be used to absorb losses, providing the company is being wound up, however it cannot be used to reduce the Company's capital. This capitalization, with regard to shareholders, represents income that is not subject to either income or capital gains tax.

At the end of 2008 and 2007, the parent company and its subsidiaries, in compliance with the aforementioned legislation, recorded the sum of $26,100 as a lower value of the equity revaluation account for each of the aforementioned years. The effect of this change in accounting principles was to increase profits by this same amount for the years 2008 and 2007, corresponding to 17.0% and 19.9% respectively.

Converting foreign exchange

All foreign exchange operations were posted according to the exchange rates that applied on the dates these were carried out. At the end of each period, balances receivable and payable as well as investments in foreign currency are adjusted using the applicable exchange rate that, since the end of 1991 has been the Market Representative Rate, as certified by the Colombian Superintendency of Finance. With regard to balances remaining due and payable, only the exchange differences that are not attributable to the cost of acquiring assets are posted in the income accounts in the form of financial expense. Exchange differences can be attributed to the cost of acquiring assets while these are either being built or installed and until they are fit to be used.

Classification of assets and liabilities

Assets and liabilities are classified according to their use or the degree in which they can be realized, remain disposable, become due and payable or are finally settled, this in terms of both time and amounts.

For this purpose, current assets are considered amounts that are realized or remain disposable for up to one year, and current liabilities are all those items that become due and payable or are settled also within a term of up to one year.

Accounts receivable

These are all those items that confer the right to demand that a third party fulfills an obligation, therein incorporated, in the form of cash, goods or services, according to that agreed upon between the parties, as a result of any legal arrangement made with regard to credit payments.

Accounts receivable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

At the close of the fiscal year, technical evaluations are performed on the probability of their recovery and any loss contingencies are duly recorded.

Inventories

Inventories of merchandise that are not manufactured by the Parent Company and its subsidiary companies are posted at cost. The cost of the Parent Company's inventories is calculated on a monthly basis using the retail method and at the end of the fiscal year, physical inventories are appraised using the FIFO method. Industry inventories of Carulla Vivero SA are appraised by weighted average method.

Inventories of materials, spare parts and accessories are posted at cost. In the case of the Parent Company, at the end of the year inventories are physically checked and recorded using the FIFO method In the case of the subsidiary companies, Carulla Vivero S.A. and Didetexco S.A., the actual physical inventories are appraised using the weighted average method.

Merchandise in transit is appraised using the specific value method.

At the end of the fiscal year, inventories are reduced to their market value if this proves to be the lower value.

Investments

a. Negotiable investments

These are readily-disposable securities or instruments that the holder of such intends to sell within a period of up to three (3) calendar years. These may be either fixed or variable income investments.

Fixed income negotiable investments, are posted first in books using the cost method and subsequently in an exponential fashion, based on the internal rate of return calculated on the date of purchase. The difference with regard to their market or estimated value at the close of the fiscal year, is recorded as a higher or lower value of the original investment on the income accounts.

Negotiable variable-income investments, are recorded using the cost method and the differences arising from the periodic adjustments in their market value and the last value posted in books are entered against the value of the investments on the income accounts.

b. Permanent investments

These are investments that the investor has the firm intention of keeping until they expire or mature.

Non-controlling permanent investments, are recorded at cost, and this included inflation adjustments up to December 31, 2006

According to regulations issued by the Colombian Superintendency of Finance, at the end of the fiscal year, if the realizable value of non-controlling investments (intrinsic or stock market value, as applicable) is lower than their cost, this difference is posted as a reduction in value of the equity held, in the equity reappraisal surplus account, except when the respective non-controlled company is being wound up, or is producing recurrent losses, in which case the lower value is posted on the income statement, according to the Parent Company's prudence principle.

Any surplus in the investment's market or estimated value at the close of the fiscal period, is recorded separately as an increase in its value and posted in the equity reappraisal surplus account.

The investment made in Cativen S.A. was posted in books based on an appraisal carried out by the Parent

Company in December, 2008.

Investments held in Comercial Inmobiliaria Internacional S.A. "Subject to Winding-Up Proceedings", formerly known as Makro de Colombia S.A. as well as in Makro Supermayorista S.A, formerly known as Makro de Colombia S.A. were recorded based on the values agreed upon in the Memorandum of Understanding signed with Orkam Holding de Colombia N.V. in December, 2008.

Property, plant, equipment and depreciation.

The Property, Plant and Equipment account includes all tangible resources controlled by the Parent Company and its subsidiary companies, that have been obtained, or are being built or under construction and used in the normal course of business to produce other goods or provide services either for itself or for third parties; and whose contribution to the Parent Company's revenue-raising capabilities exceeds the term of one calendar year.

Property, plant and equipment are recorded using the cost method and this included inflation adjustments up to December 31, 2006.

The cost of property, plant and equipment includes the value of all those items required for operating or starting up these same. For this reason, once the asset is in condition to be used, any greater cost of such, together with the value of the items accruing or expensed or any additions made to the asset in question subsequent to said date cease to be recorded.

In this sense, all expense incurred as a result of acquiring, installing or building the tangible asset, including engineering and supervision expense, taxes, interest and monetary correction are subject to forming part of the cost of said asset, only up till such a time as the asset can be used, regardless of whether this use is real or material, and once it can be used, these items are recorded as expense for the period in which they either accrue or are paid, whichever occurs earliest.

Repairs and maintenance performed on these assets are charged to the income accounts.

Sales and withdrawals of such assets are discharged at their respective net cost and the difference between their selling price and net cost is posted on the income accounts.

Depreciation is calculated on the cost of said assets, using the straight-line method, based on the probable useful life of said assets and using the following annual rates:

- 5% for buildings and construction.
- 10% for machinery and equipment, including transport and office equipment.
- 20% for other transport equipment (vehicles), computer equipment and POS scanning equipment.

Display fixtures such as gondolas as well as anti-theft tags, shopping carts and signage, amongst others, are depreciated using the straight-line method applying an acceleration percentage ranging from 25% to 50% for each successive period.

According to the policy adopted by the Parent Company and its subsidiary companies, the residual value of fixed assets for the purpose of calculating depreciation is zero (0).

Valuation methods

According to technical regulations, accepted valuation criteria are: historic cost or value, current or replacement value, realizable or market value and present or discounted value.

- **Historic cost or value.** This is the original value either in cash or its equivalent incurred when the respective transaction was carried out.
- **Current or replacement value.** This represents the cash value that would be incurred in replacing the asset or that would be required in order to settle an obligation at that moment.
- **Realizable or market value,** this is the cash value expected in order to obtain an asset or settle a liability during the normal course of business.
- **Present or discounted value.** This is the present value of the net cash inflows or outflows generated by an asset or liability.

Pursuant to Article 4 of Regulatory Decree 2649 issued in 1993 and the attributes therein provided for accounting information, the Parent Company and its subsidiary companies have decided that their property, plant and equipment be valued according to its realizable or market value.

The realizable or market value of an asset must be based on commercial appraisals carried out every three calendar years at a maximum. In performing these appraisals, all those assets whose adjusted value is lower than twenty (20) basic legal monthly wages are exempted by law.

Appraisals are performed by persons who have no relationship with either the Parent Company or its subsidiary companies that could be considered to represent a conflict of interest; that is to say between the appraiser and the Parent Company and subsidiary companies there are no parallel ties, relations or operations implying an interest, real or potential, that could, in turn, prevent a fair and equitable value from being arrived at for the asset in question.

In all those cases where the value of property, plant and equipment is lower than their book cost, this latter figure is adjusted by means of provisions which affect the Parent Company and its subsidiary companies' income accounts.

In all those cases where the value of property, plant and equipment is higher than their book cost, this latter figure is adjusted by means of appraisals which directly affect the Parent Company and its subsidiary companies' equity.

Intangibles

These represent resources that carry a right or privilege enforceable against third parties, whose exercise or utilization may produce economic benefits in future years.

This category includes: goods handed over under trust arrangements, brands and goodwill.

The cost of these assets corresponds to clearly identifiable expenses incurred, and includes inflation adjustments until December 31, 2006. In order to recognize their contribution to the Parent Company revenue-raising capabilities, these are amortized systematically throughout their useful life.

Goodwill

All those additional amounts paid out on the purchase of business entities or companies over which control is obtained are recorded as goodwill.

The value of goodwill in the case of acquiring control over other companies is the difference between the purchase cost and the value of the acquired company's equity in books.

The goodwill recorded in 2007 corresponds to the excess equity value paid to acquire Carulla Vivero S.A. plus all necessary expense incurred such as lawyers' and consultants' fees, financial charges and the difference in the exchange rate amongst others.

Acquired goodwill is recorded as an intangible asset and is amortized on a monthly basis affecting the income accounts over a term of 20 years.

Its annual amortization is determined by using the exponential amortization method. The amortization percentage used for year 2008 was 2.64% (2007 - 2.47%)

Deferred items.

Deferred assets include:

1. **Prepaid expenses,** which are all those sums of money paid in advance or which must be amortized during the same period in which the services, accruing such costs or expense, are received; these include interest, insurance, lease rentals and other expense incurred in order to receive services in the future.

2. **Deferred charges,** are goods or services received with regard to which economic benefits are expected in other periods. These included inflation adjustments up to December 31, 2006 and their amortization is calculated as follows:

- **Improvements to third-party property,** are amortized during either the term of the corresponding agreement (independently of any extensions granted to such) and their probable useful life, (when their cost can not be recovered) whichever is the shortest.

Notes To The Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos and in US dollars)

- **Computer programs (software),** are amortized at a rate of 33% per year, except for financial and commercial software purchased during 2004 which is amortized at an annual rate of 20%.

Deferred monetary correction

The deferred monetary correction credit account includes all those adjustments for inflation applied to construction work in progress together wtih non-monetary deferred charges corresponding to the pre-operative stage which are amortized as of the date on which income is received and during the term established for the respective deferred item. The deferred monetary correction debit account corresponds to the proportional amount of the adjustment on equity, with regard to all those assets that are recorded as a credit in the deferred monetary correction credit account.

As a result of adjustments for inflation being eliminated as of January 1, 2007, the balances of the debit and credit entries in the deferred monetary account at December 31, 2006, shall continue to be amortized according to the useful life of the asset in question, posting either an extraordinary non-operating expense or a miscellaneous non-operating revenue. Should the asset producing an entry in these accounts be sold, transferred or otherwise withdrawn, the accumulated balances must be eliminated.

Deferred tax

The effect of all those temporary differences which imply higher or lower income tax must be recorded as deferred tax receivable or payable in the same year as accrued. These entries are calculated using current rates, providing there exists reasonable prospects that such differences shall be reverted.

Deferred tax is amortized in the periods in which the temporary differences producing such are reverted.

Valuations and devaluations.

Asset valuations and devaluations that form part of the Parent Company's equity include:

a) Surpluses recorded from commercial appraisals of moveable property or real estate compared with their net cost in books

b) Increases or drops in the intrinsic or stock market value of some investments, including fiduciary rights, at the end of the fiscal year, with regard to their net cost in books.

c) Valuations and devaluations of investments pursuant to regulations issued by the Colombian Superintendency of Finance.

Financial obligations

These are obligations incurred by the Parent Company and its subsidiary companies with credit and financial institutions both at home and abroad, including bank overdrafts and hedging operations.

The value recorded corresponds to the principal amount of the obligation and all financial expense that does not increase the principal is recorded as accrued expense payable.

Derivatives.

The Parent Company carried out various derivative operations with a view to reducing its exposure to fluctuations in the exchange and interest rates affecting its investments and obligations. These instruments include SWAPS and different types of options.

The Parent Company records all those contractually-acquired rights and obligations, and shows these as net amounts on its balance sheet, following hedging accounting procedures, as stipulated in External Circulars Nos. 025 and 049 issued in 2008 by the Colombian Superintendency of Finance

In appraising the value of these the Parent Company follows the following accounting policies:

a) Derivative contracts entered into for commercial purposes are adjusted at their market value at the end of the fiscal year and either debited or credited to the income accounts, as applicable. Their market value is determined based on stock quotes or, in the absence of these, on future discounted cash flow techniques or option models.

b) Derivative contracts that are entered into for the purpose of hedging the Parent Company's financial liabilities are also adjusted at their market value, as described above, but the resulting adjustment, whether positive or negative is posted in the equity accounts.

Accounts payable

These represent obligations payable by the Parent Company and its subsidiary companies for goods or services received. The more important obligations are recorded separately, these including suppliers, creditors and others. Accounts payable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

Taxes, duties and rates

These represent the value of all general and obligatory taxes and duties owed by the Parent Company and its subsidiary companies to the State that are calculated based on tax settlements for the respective fiscal year. These include, amongst others, income and complementary taxes, sales tax as well as industry and commerce tax.

The provision for income tax posted on the income accounts includes, besides the income tax due for the fiscal year in question, additional tax corresponding to the temporary differences arising between commercial profits and net income.

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Labor liabilities

These include all liabilities payable by the Parent Company and its subsidiaries to its workers or their beneficiaries. During the fiscal period in question, global estimates are recorded which are then adjusted at the end of the year, determining the amount payable to each employee in keeping with current legislation and the collective labor agreements in force.

According to Colombian labor legislation, in the event of wrongful dismissal, the employee in question is entitled to receive additional payments that vary according to the years he or she has remained at the service of a company and the wage or salary received. The liability corresponding to said obligations are not recorded in books, since normally they receive the treatment of a voluntary withdrawal from service

The Parent Company and its subsidiaries make periodic severance payments and all-inclusive social security contributions covering health, occupational risk and pensions, to the respective Private Funds or to the Colombian Social Security Institute that are responsible for these obligations.

Estimated liabilities and provisions

These consist of current obligations to be paid by the Parent Company and its subsidiary companies, whose ultimate value depends on certain factors in the future and is recorded in books by way of provisions, in keeping with standard principles of realization, prudence and accrual. Estimated liabilities are recorded in books during the period these are realized, and are applied to the assets and/or income belonging to the Parent Company and its subsidiary companies, as applicable.

A liability is understood to have materialized together with the need to calculate and record in books its estimated value, whenever an obligation is incurred by the Company as a result of a transaction, but due to temporary reasons its final value is not known for sure, albeit there being sufficient elements to be able to calculate its value in a reasonable fashion.

Retirement pensions

A retirement pension is a special employment benefit provided by the Parent Company and its subsidiary companies to its employees as a result of legal or contractual provisions and consist of the payment of a monthly sum of money, that is readjusted according to the indexes stipulated by the Colombian Government or the parties in question, during the lifetime of the holder of the pension right or his or her legal beneficiaries, this according to the parameters and procedures established by law or by contractual provisions.

Annual adjustments to this liability are made based on actuarial studies in keeping with applicable legislation. Pension payments are posted directly in the income accounts.

Recognition of revenues, costs and expense

Revenues from sales are posted when the actual transaction is carried out; revenues from leasing arrangements are posted in the same month as they accrue, while revenues from services are recorded during the term of the contract or when the services are provided. Costs and expense are posted based on the accrual method.

Net profits per share

Net profits per share are calculated on the weighted average of subscribed shares outstanding, which was 283.627.168 for 2008 (2007 - 251.004.091).

Memoranda Accounts Debit And Credit

Memoranda accounts, both credit and debit, contain all those commitments made in respect of transactions scheduled to be carried out as well as contingent rights or responsibilities, such as guarantees issued, unused letters of credit, securities received for safekeeping or as security, contracts signed for the purpose of buying merchandise, property and equipment as well as hedging operations. These also include control accounts used for the internal control of assets, management information or future financial situations. On the other hand, there are fiscal memoranda accounts used to post differences between the accounting figures and figures used for tax purposes.

Materiality

Transactions are recorded and presented according to their relative importance.

A transaction is considered material when, due to its nature or value, or whether it is known or unknown, bearing in mind the circumstances of such, it could significantly affect the decisions made by those using such information.

Upon preparing the financial statements, including the notes to such, the relative importance for reporting purposes, was calculated on the basis of 5% on current and non-current assets, current and non-current liabilities, shareholders' equity, the results for the period and on each general ledger account, considered on an individual basis.

Reclassifications

Certain items contained in the financial statements for 2007 were reclassified for comparative purposes.

Administrative and accounting internal controls

There were no significant changes to the administrative and accounting internal controls implemented by the Parent Company and its subsidiary companies in 2008 and 2007.

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NOTE 3

TRANSACTIONS IN FOREIGN CURRENCY

Basic rules and regulations in Colombia allow foreign currency to be freely negotiated through banks and other financial institutions at freely determined exchange rates. However, in the case of the Parent Company and its subsidiary companies, the majority of transactions in foreign currency still require official approval.

Operations and balances in foreign currency are converted using the representative market exchange rate, as certified by the Colombian Superintendency of Finance, and was used to prepare the financial statements at December 31st, 2008 and December 31st, 2007. The representative market exchange rate at December 31st, 2008 came to $2,243.59* (2007 - $2,014,76*).per US dollar.

(*) In Colombian pesos

The Parent Company and its subsidiary companies held the following assets and liabilities in foreign currency, posted at their equivalent value in millions of pesos at December 31:

	2008		2007	
	US$	Equivalent in millions of Colombian pesos	US$	Equivalent in millions of Colombian pesos
Accounts receivable (1)	3,849,218	8,636	2,467,529	4,971
Banks	423,755	951	703,528	1,418
Negotiable investments(2)	115,536	259	135,560,893	273,123
Cash in foreign currency	100,951	226	132,762	267
Total current assets	**4,489,460**	**10,072**	**138,864,712**	**279,779**
Investments (3)	73,520,646	164,950	73,520,646	148,126
Total non-current assets	**73,520,646**	**164,950**	**73,520,646**	**148,126**
Total assets	**78,010,106**	**175,022**	**212,385,358**	**427,905**
Foreign financial obligations (4)	162,250,000	364,023	-	-
Foreign suppliers	19,227,874	43,139	14,994,301	30,209
Accounts payable	7,580,722	17,008	14,515,110	29,244
Financial obligations - letters of credit	-	-	2,696,362	5,433
Total current liabilities	**189,058,596**	**424,170**	**32,205,773**	**64,886**
Foreign financial obligations (4)	195,375,000	438,341	363,875,000	733,121
Total non-current liabilities	**195,375,000**	**438,341**	**363,875,000**	**733,121**
Total liabilities	**384,433,596**	**862,511**	**396,080,773**	**798,007**
Net liability monetary position (5)	**(306,423,490)**	**(687,489)**	**(183,695,415)**	**(370,102)**

(1) 2008's figure included an account receivable due from Cativén S.A. for a total value of $4,314 corresponding to goods exported by the subidiary, Didetexco S.A.(2007, $4,488)

(2) 2007's figure includes US$131 million, corresponding to investment funds set up with part of the cash funds received from the issue of Global Depositary Shares (GDS's) abroad.

(3) In 2008, net income on the exchange difference came to $16,823 (2007 an expense -$16,470) this corresponding to adjustments based on the exchange difference on investments held in Cativén S.A.

(4) The figure includes a syndicated loan for a total of US$300 million (See note 13)

(5) The Parent Company's hedging operations come to US$357,6 million, corresponding to SWAPs with Bancolombia and Citibank.

Exchange differences for the year were posted in the following accounts:

	2008	2007
Financial income	267,307	189,012
Operacional income duly hedge (*)	69,509	(14,023)
Financial expenses	(327,961)	(164,016)
Net Financial income	**8,855**	**10,973**

(*) Corresponding to the effect of hedging operations carried out by the Parent Company to cover investments and financial obligations in foreign currency.

Adjustments for the exchange difference applicable on investment in foreign companies:

	2008	2007
Non-operating income	45,854	23,458
Non-operating expenses	(29,031)	(39,928)
Income (expense) net	**16,823**	**(16,470)**

NOTE 4

CASH AND BANKS

The balance of the Cash and Banks account at December 31, is as follows:

	2008	2007
Banks and corporations	105,556	139,746
Cash	79,475	79,440
Total	**185,031**	**219,186**

In 2008, the Parent Company and its subsidiary companies posted returns obtained from savings accounts held with banks and corporations for a total value of $1,985 (2007 - $890).

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NOTE 5

NEGOTIABLE INVESTMENTS

The Negotiable Investment account at December 31, is broken down as follows:

	2008	Interest rate	2007
CDTs (1)	102,652		100
Funding (1)	60,065	4% effective	24,733
Fiduciary Rights (1)	58,057	Between 6.14% and 8.44% Effective	38,227
Investments in foreign currency (2) (See Note 13)	259	Between 3.70% and 5.27% Effective	273,123
Investment fund	-	7.42% AE.	2,790
Solidarity (Peace) Bonds (3)	-	110% Value PAAG	6,431
Total	**221,033**		**345,404**

(1) The balance recorded at December 31, 2008, included funding that partially consisted of the proceeds received from the sale of real estate property, namely the Calima Distribution Center and the EXITO Unicentro store located in Cali as well as the EXITO Unicentro store in Medellín. The Parent Company received $85,600 from the sale of these assets

(2) 2007's figure includes US$131 million, corresponding to investment funds set up with part of the cash funds received from the issue of Global Depositary Shares (GDS's) abroad.

(3) In 2008, these were redeemed, with accrued interest totaling $448

In 2008, the Parent Company and its subsidiary companies recorded returns from negotiable investments totaling $5,464 (2007 - $12,262).

None of these investments bear restrictions or encumbrances which could limit their negotiability or realization

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NOTE 6

ACCOUNTS RECEIVABLE

The balance of the Accounts Receivable account at December 31, is broken down as follows:

	2008	2007
CURRENT:		
Advance payments on tax receivable (See Note 17)	63,372	64,987
Customers	62,617	82,794
Provision - customers	(5,462)	(2,985)
Sub-total	**120,527**	**144,796**
Miscellaneous receivables:		
Insurance claims (1)	36,930	86,608
Other receivables (2)	33,058	41,459
On sale of fixed assets – real estate (3)	20,614	6,334
Sufinanciamiento – Exito Card business (4)	20,411	772
Employee cooperative	16,620	13,952
Franchisees	7,541	6,610
Cativén S.A. (6)	4,458	3,585
Advance payments to contractors and suppliers	909	1,972
Predios del Sur S.A. (5)	746	1,265
Accrued interest	583	549
Hogar Sacerdotal (formerly Arquidiócesis de Medellín A church-sponsored home)	169	169
Parent Company	72	-
Provision for other receivables (6)	(4,458)	(3,585)
Sub-total miscellaneous receivables	**137,653**	**159,690**
Total current receivables	**258,180**	**304,486**
NON-CURRENT RECEIVABLES:		
Employee cooperative	25,595	21,522
Advance payments on purchase of fixed assets (7)	20,850	29,202
On sale of fixed assets – real estate (8)	10,688	13,062
Other miscellaneous receivables	1,243	1,232
Total non-current receivables	**58,376**	**65,018**

(1) This receivable corresponds to the balance of claims made for damages incurred with the fires affecting the Exito Fontibón store in Bogotá and Las Vegas Distribution Center in Envigado It also includes claims for loss of profits up to the time when the Exito Fontibon store was reopened plus extraordinary expense incurred in reestablishing operations at the Las Vegas Distribution Center in Envigado. Both fires occurred at the end of 2007, and the corresponding claims are being reviewed by the insurance company. The value to be recovered may vary, albeit to no material extent, depending on the findings of the study being conducted by both parties, based on the opinions of insurance adjusters and experts in the field.

(2) For 2008, other accounts receivable included: $4,762 in promo vouchers, $2,646 in tax claims, $2,519 in legal attachments, $2,415 in bonuses from the Centralized Purchasing Department and expenses refunded by the Casino Group, $2,308 in loans to Packer Cooperatives, $1,690 payable by Suramericana on the Seguros Exito insurance business, $821 in corporate sales to the Caja de Compensación del Atlántico and other minor receivables totaling $15,897.

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(3) Including a balance of $14.650 corresponding to sale of real estate property, namely the Calima Distribution Center and the Exito Unicentro store, both located in Cali as well as the Exito Unicentro store in Medellin all sold to FCPI Colombia Inmobiliaria in December 2008, payable in March 2009; $2.562 corresponding to the sale of the Ley Pereira Plaza store, $2.375 corresponding to the short-term installment pertaining to the sale of the premises where the Belen Distribution Center is located, these having been sold to Comfenalco Antioquia and $1,027 corresponding to the infrastructure construction works carried out near the Exito Rionegro store.

In 2007 included $2,693 corresponding to the sale of the Ley Pereira Plaza store, $2,375 corresponding to the short-term installament pertaining to the sale of the premises where the Belen Distribution Center is located, these having been sold to Comfenalco Antioquia and $1,027 corresponding to the infrastructure construction works carried out near the Exito Rionegro store and othe minor $239.

(4) The receivable corresponding to Sufinanciamiento corresponds to items relating to the Exito Store Card business, including royalties, reimbursed shared expense and coupon collection fees, which are scheduled to be paid in January and February of 2009.

(5) In 1996 the Company sold property to Predios del Sur S.A. for a total value of $4,557, of which, $1,496 were capitalized in said company and the remaining $3,061, was converted into a receivable with an initial due date in 2004. This term was then extended by means of a public deed until June 2008 with the remaining installments being postponed until 2009, at the request of the Board of Directors of Predios del Sur with the Company's approval. In 2008 the Company received partial payments totaling $519.

(6) Corresponding to a provision for a receivable due from Cativen S.A. in the amount of $4.458.

(7) Corresponding to advance payments made to contractors for the purchase of real estate and retrofitting stores. Said payments were made based on the corresponding construction inspection certificates and/or public deeds drawn up in 2009.

(8) Corresponding to a receivable for the sale of the premises where the Belen Distribution Center was located in Medellin. This was sold to Comfenalco Antioquia at an interest rate equivalent to the DTF benchmark rate + 1 point on a half-yearly in arrears basis, the expires date is 2014.

In 2008, the Parent Company and its subsidiary company, Carulla Vivero S.A. recorded charge-offs for a total of $540 (2007 - $832) and included new provisions for $3,890 (2007 - $2,445).

None of these accounts receivable bear restrictions or encumbrances or have been pledged as security for the Company's obligations.

The value recoverable per year with regard to long-term receivables at December 31, 2008 is as follows:

	Receivables – Almacenes Exito S.A. Employees´ Cooperative.	Other miscellaneous receivables and proceeds from sale of fixed assets (*)
Year	Amount	Amountr
2010	3,495	2,375
2011	3,008	2,375
2012	3,008	2,375
2013	2,912	2,375
2014	2,432	1,188
2015 on wards	10,740	1,243
Total	**25,595**	**11,931**

(*) The interest rate applicable to other miscellaneous receivables is comprised of the benchmark DTF rate + 1 point half-yearly in arrears on the receivable due from Comfenalco corresponding to the sale of the Belen Distribution Center in Medellín.

NOTE 7

INVENTORIES

The balance of the Inventories account at December 31, is as follows:

	2008	2007
Merchandise for sale	890,656	875,204
Inventories in transit	32,493	23,605
Finished product – apparel	18,212	9,595
Materials, spare parts and accessories	15,063	11,370
Products in process	7,616	13,307
Raw materials	4,951	8,396
Provision for the protection of inventories	(20,073)	(18,937)
Total	**948,918**	**922,540**

NOTE 8

PERMANENT INVESTMENTS

The balance of the Permanent Investment account at December 31, is broken down as follows:

			2008						2007
Economic entity	Valuation method	Date of intrinsic or market value	Book value	Valuation	Devaluation	Provision	Realizable value	Dividends received	Book value
1. Equity investments held in non-controlled companies, voluntary and participative									
Cadena de Tiendas Venezolanas – Cativén S.A.	Market		162,213	-	-	87,275	74,938	-	145,668
Comercial Inmobiliaria Internacional S.A. "subject to winding up proceedings", formerly Makro de Colombia S.A. (1)	Intrinsic	November	70,206	-	-	31,758	38,448	-	70,206
Makro Supermayorista S.A., formerly Makro de Colombia S.A. (1)	Intrinsic	November	396	-	-	7	389	-	396
Cadenalco "75th Anniversary" trust fund (2)	Intrinsic	December	8,612	7,481	-	-	16,093	-	8,799
Sufinanciamiento Bonds (3)			49,500	-	-	-	49,500	-	39,500
Predios del Sur S.A.	Intrinsic	November	3,451	-	-	1,340	2,111	-	3,451
Suramericana de Inversiones S.A.	Market	December	-	-	-	-	-	25	910
C.I. Promotora de Manufacturas para la Exportación S.A.	Intrinsic	February	-	-	-	-	-	-	634
Promotora de Proyectos S.A.	Intrinsic	November	196	-	137	-	59	-	157
Reforestadora El Guásimo S.A.	Intrinsic	November	37	6	-	-	43	4	33
Central de Abastos del Caribe S.A.	Intrinsic	November	26	39	-	-	65	-	26
Servicauca and Almacenes Exito S.A. (4)	Intrinsic	December	-	-	-	-	-	-	5,008
Servi-OIL DTC S.A. (4)	Intrinsic	December	313	-	-	-	313	-	-
Automercados de la Salud S.A. Panamá (5)			2,738	552	-	-	3,290	-	2,458
Locatel Colombia S.A. (5)	Intrinsic	November	38	-	-	21	17	-	88
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	Intrinsic	November	10	6	-	-	16	-	10
La Castellana Real Estate Stock Certificates	Intrinsic	September	-	-	-	-	-	-	950
Other minor investments			576	62	-	-	638	-	555
2. Equity investments in non-controlled companies, obligatory and non-participative									
Solidarity (Peace) Bonds (6)			1,574	-	-	-	1,574	-	1,574
Equity investments – sub-total			**299,886**	**8,146**	**137**	**120,401**	**187,494**	**29**	**280,423**
Provision for the protection of investments			(120,401)	-	-	-	-	-	(80,360)
Total permanent investments			**179,485**	**8,146**	**137**	**120,401**	**67,093**	**29**	**200,063**

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(1) In 2008, the Company signed a Memorandum of Understanding with Orkam Holding Colombia N.V. governing the sale of shares in Comercial Inmobiliaria Internacional S.A. "Currently Being Wound Up", formerly known as Makro de Colombia S.A and Makro Supermayorista S.A., formerly Makro de Colombia S.A. In the light of this sale, a provision for $31,765 was recorded in books in 2008.

(2) The Cadenalco 75th Anniversary trust corresponds to the securitization of property where the Exito San Diego store is located in Medellin as well as the Exito Salitre store in Bogota. At a meeting of trustees held October 18, 2006, a decision was made to extend the corresponding lease agreements for another 10 years. These securitization certificates shall therefore mature in 2017. A total of 13,812 certificates were sold in 2008, producing a profit of $162. No securitization certificates were sold in 2007.

(3) Bonds issued by Sufinanciamiento S.A. as part of a shared publicity agreement entered into by the Parent Company for its Exito store card, for a nominal value of $49,500 (2007 - $39,500) for a total term of 10 years, and at a rate of return equivalent to the CPI+ 2% plus the percentage of profits stipulated in said agreement.

(4) In 2008 the Company Servicauca was spun off and Almacenes Exito S.A. created two new companies: Faro de Caucasia S.A. and Servi-OIL DTC S.A., in which the Parent Company holds stakes of 94.07% and 5.93% respectively.

(5) Corresponding to an investment of 20.000 shares in Automercados de la Salud S.A. in Panama for a total value of US$1,220,000, and a contribution of $80 in the following Colombian Companies: Locatel Colombia S.A., Galaxia Médica Colombia S.A. and Locatel Master Colombia S.A.

(6) Peace Bonds are bearer bond certificates issued by the State for a term of 7 years and producing an annual rate of return of 110% of the Fiscal Year Adjustment Percentage. These produced a total of $554 (2007 - $689) in 2008. The balance of these bonds corresponds to an investment made in 2007 for a total of $1,375, maturing in 2014.

The Company's permanent investments do not bear any restrictions or encumbrances which restrict their negotiability or disposal, except for the investment which the Parent Company has in the form of Sufinanciamiento bonds which were issued as part of a shared publicity agreement for the Exito card by Sufinanciamiento S.A.

The following is additional information regarding permanent investments:

Type of investment according to economic entity	Economic activity	Type of share	No. of shares		% stake of subscribed capital	
			2008	2007	2008	2007
Equity investments held in non-controlled companies, voluntary and participative						
Cadena de Tiendas Venezolanas - Cativén S.A.	Commerce	Ordinary	15.249.340	15.249.340	28.62	28.62
Predios del Sur S.A.	Construction	Ordinary	1.496.328.719	1.496.328.719	19.47	19.47
Comercial Inmobiliaria Internacional S.A. "En liquidación", antes Makro de Colombia S.A.	Commerce	Ordinary	2.473.906.756	2.473.906.756	13.88	13.88
Makro Supermayorista S.A. antes Makro de Colombia S.A.	Commerce	Ordinary	138.718	138.718	13.88	13.88
C.I. Promotora de Manufacturas para la Exportación S.A.	Exports	Ordinary	-	1.903.211	-	11.82
Promotora de Proyectos S.A.	Services	Ordinary	138.631	54.990	5.52	5.52
Central de Abastos del Caribe S.A.	Commerce	Ordinary	3.430	3.430	0.14	0.14
Reforestadora El Guásimo S.A.	Agriculture	Ordinary	2.262.513	193.244	0.06	0.06
Suramericana de Inversiones S.A.	Services	Ordinary	-	109.100	-	0.05
Servicauca y Almacenes Exito S.A.	Investments	Ordinary	-	77.000	-	10.00
Servi-Oil DTC S.A.	Real Estate	Ordinary	41.080	-	5.93	-
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	Services	Ordinary	6.176	6.176	Less than 5 x mil	Less than 5 x mil
Carnes y Derivados S.A.	Industry	Ordinary	30.002	30.002	Less than 5 x mil	Less than 5 x mil
Locatel Colombia S.A.	Commerce	Ordinary	3.192	54.000	1.90	1.90
Galaxia Médica Colombia S.A.	Commerce	Ordinary	20.000	20.000	5.00	5.00
Locatel Master Colombia S.A.	Commerce	Ordinary	6.000	6.000	1.00	2.20
Automercados de la Salud S.A. Panamá	Commerce	Ordinary	20.000	20.000	25.00	25.00

With regard to investments held in Makro Supermayorista S.A. y Comercial Inmobiliaria Internacional S.A. (subject to winding-up proceedings) the Parent company signed a Memorandum of Understanding for its subsequent sale to Orkam Holding Colombia in December, 2008

The Parent Company does not plan to dispose of its investments in other companies in the short-term.

In the case of all those investments whose intrinsic value was not available at December 31, 2008, the value published at September 30 or November 30, 2008 was taken and compared with the value recorded in books at December 31, 2007 so as to determine the corresponding valuation or devaluation of such.

Investee companies in which the Parent Company holds more than a 10% stake of their total equity.

Corporate purpose:

Cadena de Tiendas Venezolanas – Catívén S.A., incorporated in Caracas (Venezuela), in December 1994, it began operating in March, 1995. Its main purpose is to set up and operate commercial businesses or funds for subsequent retail operations through supermarkets, hypermarkets or any form of organization, which import, distribute and sell all kinds of products, goods and merchandise. The Company conducts its activities through the EXITO Hypermarkets as well as the CADA supermarkets.

Predios del Sur S.A., incorporated by means of Public Deed Nº 3423, before the Notary Public No. 25 of the Circuit of Medellín, on December 6, 1996, as recorded before the Chamber of Commerce of Medellin in Register 9 of folio 1566. Its main corporate purpose is to build real estate projects in general, in urban or rural areas, for whatever purpose or use, with the view to selling off the property that make up the respective projects.

Makro Supermayorista S.A., incorporated by means of Public Deed Nº 0004193 drawn up on December 2, 2005 before the Notary Public No. 63 of the Circuit of Bogotá D.C., and registered on December 12, 2005 under No. 01025587 of Register IX. Its main corporate purpose is to import, export, consign, distribute, purchase, sell and trade in all kinds of foods, clothing apparel, tableware, furniture for the home and office, spare parts and accessories for automobiles, bed linen and table linen in general, books, magazines, flowers, ornaments, cleaning implements for industrial, shop, office and home use, camping and sports articles, hardware, plumbing and electrical supplies, cosmetics and personal hygiene products, sweets, miscellaneous and toys, housewares, desk and garden implements, household appliances and footwear, goods and/or any other activity related directly or indirectly with the running of wholesale or retail supermarkets as its Board of Directors should so decide.

Comercial Inmobiliaria Internacional S.A. "Subject to winding-up proceedings", incorporated by means of Public Deed Nº 4193 drawn up on December 2, 2005 before the Notary Public No. 63 of the Circuit of Bogotá D.C., and registered on December 12, 2005 under No. 01025577 of Register IX. Its main corporate purpose is to import, export, consign, distribute, purchase, sell and trade in all kinds of foods, clothing apparel, tableware, furniture for the home and office, spare parts and accessories for automobiles, bed linen and table linen in general, books, magazines, flowers, ornaments, cleaning implements for industrial, shop, office and home use, camping and sports articles, hardware, plumbing and electrical supplies,

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cosmetics and personal hygiene products, sweets, miscellaneous and toys, housewares, desk and garden implements, household appliances and footwear, goods and/or any other activity related directly or indirectly with the running of wholesale or retail supermarkets as its Board of Directors should so decide.

Servicauca and Almacenes Exito S.A. now known as BC Oil Colombia S.A., was incorporated by means of Public Deed No. 2311 drawn up on December 29, 2006, before the Notary Public No. 3 of the Circuit of Envigado, and registered before the Aburra Sur Chamber of Commerce on February 9, 2007. On December 15, 2008, the Shareholders of this Company at an extraordinary meeting approved all the points contained in the proposed spin-off; this consisting of transferring, in block form, all its assets, liabilities and shareholders equity in order to create two new companies : Faro de Caucasia S.A. and Servi-OIL DTC S.A. Consequently, and according to Minutes of Shareholders Meeting N° 9 drawn up December 15, 2008, the Company's stakes in both companies came to 94.07% and 5.93% respectively

Automercados de la Salud S.A. Panamá. was incorporated by means of Public Deed No. 3380 drawn up before Notary Public No. 5 of the Circuit of Panama, on June 9th 2004. Its corporate purpose is to establish, perform and carry out business inherent to an investment company; purchasing, selling and negotiating all types of consumer articles, shares, bonds and securities of all types; purchase, sell, lease or otherwise acquire or sell real estate; request or provide loans with or without collateral, enter into, extend, fulfill and execute all types of contracts; act as guarantor or otherwise guarantee the drawing up and fulfillment of all and any time of contract; engage in any type of lawful business that is not forbidden for this type of company, etc.

Comparative breakdown of the assets, liabilities, equity and profits of all those companies in which permanent investments are held.

The following figures were taken from financial statements, certified pursuant to applicable legislation of all those companies in which permanent investments were held at December 31, 2008 and 2007, with the exception of Predios del Sur S.A., Makro Supermayorista S.A. and Comercial Inmobiliaria Internacional S.A. "Subject to winding up proceedings" since their respective comparative analyses were conducted September 30th for the first one and November 30th, 2008 for the last two.

Company	ASSETS		LIABILITIES		EQUITY		INCOME		NET REVENUES	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Cadena de Tiendas Venezolanas – Cativén S.A. (1)	866,960	580,977	745,927	483,587	121,033	97,403	17,727	15,721	2,436,180	1,796,018
Predios del Sur S.A.	51,629	67,907	40,687	57,427	10,942	10,480	257	519	29,526	22,585
Makro Supermayorista S.A.	187,435	123,238	139,845	87,384	47,590	35,854	8,555	1,158	503,758	455,510
Comercial Inmobiliaria Internacional S.A. "En liquidación"	333,968	304,700	2,929	446	331,039	304,254	(4,146)	(1,716)	6,439	6,092
Automercados de la Salud S.A. Panamá (2)	13,162	10,694	-	-	13,162	10,694	1,072	(821)	-	258
Totales	**1,453,154**	**1,087,516**	**929,388**	**628,844**	**523,766**	**458,685**	**23,465**	**14,861**	**2,975,903**	**2,280,463**

(1) Figures taken from Cativen S.A. 's financial statements in current bolivars at December 31, 2008 and 2007 were converted to dollars and then from dollars to Colombian pesos at a rate of exchange of de $2,243.59* for 2008 (2007 - $2,014.76*).

Cativen S.A.'s financial statements for the year 2008 have not been audited at the time this report is presented.

(2 Figures were taken from the financial statements pertaining to Automercados de la Salud S.A. Panamá, which were sent by Locatel Colombia S.A. in Colombian pesos at December 31, 2008.

(*) In Colombian pesos.

NOTE 9

PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION.

The Property, Plant, Equipment and Depreciation account at December 31, was as follows:

	2008			2007		
	Cost	Accumulated Depreciation	Net Cost	Cost	Accumulated Depreciation	Net Cost
Buildings and constructions (1)	1,716,941	(574,599)	1,142,342	1,480,214	(509,555)	970,659
Land	494,324	-	494,324	432,006	-	432,006
Machinery and equipment	801,503	(447,170)	354,333	772,169	(450,430)	321,739
Office Equipment	479,775	(303,061)	176,714	445,467	(290,625)	154,842
Constructions in progress	82,678	-	82,678	69,694	-	69,694
Computer and communication equipment	273,650	(205,530)	68,120	293,885	(222,701)	71,184
Transport equipment	41,302	(30,453)	10,849	41,825	(28,894)	12,931
Machinery and equipment in transit	2,935	-	2,935	1,105	-	1,105
Security guard weaponry	49	(28)	21	30	(25)	5
Subtotal	**3,893,157**	**(1,560,841)**	**2,332,316**	**3,536,395**	**(1,502,230)**	**2,034,165**
Deferred tax depreciation (2)	-	8,012	8,012	-	9,711	9,711
Subtotal	**3,893,157**	**(1,552,829)**	**2,340,328**	**3,536,395**	**(1,492,519)**	**2,043,876**
Provision for property, plant and equipment (3)	-	(17,515)	(17,515)	(17,217)	-	(17,217)
Total	**3,893,157**	**(1,570,344)**	**2,322,813**	**3,519,178**	**(1,492,519)**	**2,026,659**

(1) In 2008 the Company sold off the following property:

Property	City	Value of Sale	Net Cost	Profits from sale
EXITO Unicentro	Cali	47,308	6,142	41,166
EXITO Unicentro	Medellín	39,350	2,304	37,046
Centro de Distribución Calima	Cali	13,736	1,384	12,352
Total		**100,394**	**9,830**	**90,564**

(2) For tax purposes only, from 1997 to 2000 the Parent Company applied the balance reduction method on capitalized constructions as of 1995. In order to be entitled to this benefit, a reserve was set up equivalent to 70% of the greater value requested for tax depreciation (Please refer to Note 24) which increases with the appropriation of profits for each fiscal year.

(3) The figure for 2008 includes a provision for $616 with an amount recovered of $318 (2007, the provision came to $$1,818 and the amount recovered $7,280). The majority of these properties included in the provision are located in Medellin.

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The Parent Company's property, plant and equipment do not bear any restrictions or encumbrances that limit their realization or negotiability, these being wholly-owned assets.

VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The following breakdown shows valuations and provisions at December 31:

1. With valuation

	2008			2007		
Type	Realizable Value	Net Cost	Valuation (See note 12)	Realizable Value	Net Cost	Valuation (See note 12)
Land and buildings	2,427,162	1,579,726	847,436	2,219,226	1,356,461	862,765
Machinery and equipment	177,906	97,708	80,198	248,673	151,184	97,489
Office Equipment	37,432	17,035	20,399	63,649	37,086	26,563
Transport equipment	15,637	7,139	8,498	18,594	11,133	7,461
Total	**2,658,137**	**1,701,608**	**956,529**	**2,550,142**	**1,555,864**	**994,278**

2. With provision

	2008			2007		
Type	Realizable Value	Net Cost	Provision	Realizable Value	Net Cost	Provision
Land and buildings	50,487	64,952	(14,465)	42,065	55,915	(13,850)
Machinery and equipment	14,282	17,135	(2,853)	19,943	22,889	(2,946)
Office Equipment	269	397	(128)	1,176	1,475	(299)
Transport equipment	535	604	(69)	659	781	(122)
Total	**65,573**	**83,088**	**(17,515)**	**63,843**	**81,060**	**(17,217)**

The Parent Company and its subsidiary companies performed technical appraisals on both its real estate and moveable property at the end of 2006, 2007 and 2008.

NOTE 10

INTANGIBLES, NET

The Intangibles Account at December 31 is broken down as follows:

	2008			2007		
	Net Cost	Acumulated amortization	Net Cost	Cost	Acumulated amortization	Net Cost
Goodwill - Carulla Vivero S.A (1)	690,048	(31,089)	658,959	689,741	(13,072)	676,669
Fiduciary rights on land and attached buildings (2)	90,347	(16,481)	73,866	94,790	(14,243)	80,547
Brands (3)	38,134	(5,709)	32,425	38,134	(3,355)	34,779
Other Goodwill	79,676	(65,864)	13,812	79,675	(59,053)	20,622
Oher rights (4)	12,867	-	12,867	223	-	223
Goodwill – Home Mart	8,859	(2,812)	6,047	8,933	(1,393)	7,540
Share rights	1,062	-	1,062	111	-	111
Dealers and franchises	685	(685)	-	685	(685)	-
Total	**921,678**	**(122,640)**	**799,038**	**912,292**	**(91,801)**	**820,491**

(1) Goodwill recorded in 2008 represents the equity surplus paid by the Parent Company for the acquisition of Carulla Vivero S.A., totaling $690,048 (2007 - $689,741) including all costs incurred by the Parent Company with the purchase of this company (Please refer to Note 27)

The total acquisition price paid for Carulla Vivero S.A. including expense incurred in the purchase process came to $1,073,023.

At the close of the fiscal year there were no contingencies that could have modified or accelerated the amortization of the goodwill acquired from Carulla Vivero S.A.

(2) Including the setting up of the BYC Exito stand-alone trust fund in 2007, by means of which the Exito Villamayor property was transferred to this mercantile trust fund for a value of $85,035 along with other properties totaling $5,312.

(3) The figure for Carulla Vivero S.A. includes the Surtimax and Merquefácil brands.

(4) Including the sum of $12,644 that was transferred to the City Plaza stand-alone trust fund. in which Almacenes Exito S.A. figures as area beneficiary along with other sums totaling $223.

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Note 11

DEFERRED ITEMS, NET

The Deferred Items account at December 31, is broken down as follows:

	2008			2007		
	Cost	Acumulated Amortization	Net Value	Cost	Acumulated Amortization	Net Value
Pre-paid expense						
Insurance	5,537	-	5,537	11,100	-	11,100
Maintenance	1,677	-	1,677	1,207	-	1,207
Lease rentals	1,057	-	1,057	1,483	-	1,483
Others	712	-	712	1,525	-	1,525
Advertising	299	-	299	894	-	894
Premium on option contracts (1)	-	-	-	20,350	-	20,350
Subtotal - pre-paid expense	**9,282**	**-**	**9,282**	**36,559**	**-**	**36,559**
Deferred income tax (See Note 17)	52,201	-	52,201	38,519	-	38,519
Subtotal-current deferred expense	**61,483**	**-**	**61,483**	**75,078**	**-**	**75,078**
Deferred charges:						
Improvements to third-party property	222,577	(89,951)	132,626	166,766	(71,657)	95,109
Software (2)	116,543	(73,210)	43,333	92,292	(55,834)	36,458
Lease rentals (3)	11,020	-	11,020	12,658	-	12,658
Deferred monetary correction	19,331	(10,863)	8,468	19,332	(9,809)	9,523
Deferred income tax (See note 17)	8,162	-	8,162	3,641	-	3,641
Subtotal – non current deferred charges	**377,633**	**(174,024)**	**203,609**	**294,689**	**(137,300)**	**157,389**
Total deferred items in assets	**439,116**	**(174,024)**	**265,092**	**369,767**	**(137,300)**	**232,467**
Liabilities:						
Deferred monetary correction	29,480	(16,994)	12,486	29,480	(15,065)	14,415
Deferred income tax (See Note 17)	2,644	-	2,644	31,599	-	31,599
Total non-current items in liabilities	**32,124**	**(16,994)**	**15,130**	**61,079**	**(15,065)**	**46,014**

(1) The figure for 2007 includes the market value of premiums for PUT and CALL options entered into with the following banks:

COLLARS	Nominal value in dollars	Completed operations	Floor Rate in pesos	Cap rate In pesos	Value of the premium at December 31, 2007	Beginning date	Redemption date
Citibank	50,000,000	-	2,180.00	2,375.00	8,262	23/08/2007	October-december 2008
JP Morgan Chase Bank	105,000,000	24,000,000	2,164.00	2,350.00	12,088	23/08/2007	December 2007, March-august 2008
	155,000,000	**24,000,000**			**20,350**		

(2) In 2008, the Parent Company acquired software for its expansion program in the amount of $24,251.

(3) The figure for 2008 includes an advance payment on lease contracts for premises where the Pomona San Lucas store operates in Medellin for $1,420 the Exito San Martin store in Bogotá for $8,937 as well as other minor advances of $663.

Note 12

APPRAISALS

The following breakdown shows a summary of appraisals at December 31:

	2008			2007		
	Valuation	Devaluation	Net Valuation	Valuation	Devaluation	Net Valuation
Constructions and buildings	847,436	-	847,436	862,765	-	862,765
Moveable property	109,093	-	109,093	131,513	-	131,513
Investments	10,103	(137)	9,966	15,011	(28,134)	(13,123)
Fiduciary Rights	3,610	-	3,610	1,300	-	1,300
Derivatives (*)	-	-	-	30,302	-	30,302
Total valuations	**970,242**	**(137)**	**970,105**	**1,040,891**	**(28,134)**	**1,012,757**

(*) Corresponding to the recordal of the resulting appreciation in value upon comparing the SWAPs held by the Parent Company to hedge its commitments in dollars with their market value at December 31, 2007. The corresponding balancing entry was recorded as an equity appraisal surplus.

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NOTE 13

FINANCIAL OBLIGATIONS

The balance of this account at December 31, is broken down as follows:

				2008				2007
	Fin Institution	Book value	Accrued Interest Payable	Interest Rate	Maturity Date	Guarantee	Book value	Interest Rate
SHORT TERM								
Letters of credit	Bancolombia	-	-				3,532	Libor + 0.90
	Banco de Bogotá	-	-				1,901	
Total Letters of credit		-	-				**5,433**	
Bank overdrafts	Citibank	-	-				1,348	
	Otros	-	-				1,865	
Total Bank overdrafts		-	-				**3,213**	
Credit cards		1,263	-				2,125	
Total Credit cards		**1,263**	-				**2,125**	
Factoring with suppliers	Citibank	278	-			Promissory Note	-	
Total factoring with suppliers		**278**	-				-	
Loans in local currency	BBVA	40,000	994	DTF + 2.5% AER	July 2009	Promissory Note	-	
		30,000	736	DTF + 2.5% AER	July 2009		-	
		10,000	147	DTF + 3.15% QIA	May 2009		-	
	Citibank	8,591	414	8.95% HYIA	September de 2009	Promissory Note	8,591	8.95% HYIA
	Banco de Bogotá	-	-				5,020	
Subtotal Loans in local currency		**88,591**	**2,291**				**13,611**	
Loans in foreign currency	Citibank	14,022	43	Libor 180 + 0.70	December 2009	Promissory Note	13,992	Libor 180 + 0.70
	JP Morgan	269,231	579	Libor 90 + 1.50	December 2009	Promissory Note	-	
	JP Morgan	80,769	927	Libor 90 + 1.75	December 2009	Promissory Note	-	
Subtotal Loans in foreign currency		**364,022**	**1,549**				**13,992**	
Hedging Operation SWAP	Citibank (1)	1,657	120				1,695	
	Citibank (1)	17,159	1,123				-	
	Citibank (1)	3,557	1,767				-	
Subtotal Hedging Operation SWAP		**22,373**	**3,010**				**1,695**	
Total Loans in foreign currency		**386,395**	**4,559**				**15,687**	
Total Short Term		**476,527**	**6,850**				**40,069**	
LONG TERM								
Loans in local currency	BBVA						40,000	DTF + 2.5% AER
							30,000	DTF + 2.5% AER
							10,000	DTF + 3.15%
	Davivienda	35,000	872	DTF + 3.05% Quarterly in arrears	April 2010		-	
		35,000	873	DTF + 3.325% Quarterly in arrears	April 2011		-	
	Citibank	8,591	-	8.95% HYIA	September 2010	Promissory Note	17,183	8.95% half yearly in arrears
Subtotal Loans in local currency		**78,591**	**1,745**				**97,183**	
Loans in foreign currency	Citibank	21,034	-	Libor 180 + 0.70	June 2011	Promissory Note	34,981	Libor 180 + 0.70
	JP Morgan	323,077	-	Libor 90 + 1.75	December de 2011	Promissory Note	362,657	Libor 90 + 1.75
	JP Morgan	-	-				241,771	Libor 90 + 1.50
	Bancolombia	94,230	309	Libor 180 + 0.70	May 2011	Promissory Note	94,029	Libor 180 + 0.70
Subtotal Loans in foreign currency		**438,341**	**309**				**733,438**	
Hedging Operation SWAP	Citibank (1)	2,499	-				4,238	
	Citibank (1)	20,566	-				66,898	
	Citibank (1)	-	-				44,599	
	Bancolombia (1)	7,510	690				8,934	
Subtotal Hedging Operation SWAP		**30,575**	**690**				**124,669**	
Total Loans in foreign currency		**468,916**	**999**				**858,107**	
Total Long Term		**547,507**	**2,744**				**955,290**	
Total short and long term financial obligations		**1,024,034**	**9,594**				**995,359**	

(1) Derivatives – SWAPs.

In January 2007, the Parent Company received the funds corresponding to a syndicated loan from J.P.Morgan Chase Bank for US$300 million for the purpose of acquiring Carulla Vivero S.A. This loan was divided up into two tranches: one totaling US$120 million with a three year term and one single repayment at maturity and the second for US$180 million with a five year term and five separate repayments on a half-yearly basis beginning in the third year.

In addition to this credit, the company has two more credits in foreign currency, one with Bancolombia for US$ 42 million with repayment maturity in May, 2011 and one with Citibank with a balance of US$16 million as of December, 2008 with a maturity date in June, 2011.

At December 31 2008 the Parent Company had four interest rate and currency SWAPs in force, as shown in the following table:

Financial Institution	Nominal value US$	SWAP rate in $$	Starting date	Expiry Date	Payments made at December 31, 2008 US$	Fixed interest rate (obligation)	Interest Rate (credit right)
Citibank (*)	120,000,000	2,386.42	January 2007	December 2009	-	10.19% HYIA	Libor 90 + 1.5
Citibank (*)	180,000,000	2,386.42	January 2007	December 2011	-	10.75% HYIA	Libor 90 + 1.75
Bancolombia	42,000,000	2,451.50	May 2006	May 2011	-	9.70% HYIA	Libor 180 + 0.7
Citibank	25,000,000	2,510.00	June 2006	June 2011	9,375,000	9.95% HYIA	Libor 180 + 0.7

(*) In June, 2007, the Parent Company performed a novation operation on these contracts with Citibank NA.
In 2008 the result of the valuation of these instruments, in accordance with Financial Superintendency rules on hedge accounting, it was recorded in the parent company´s equity $2,797.

The syndicated loan participant banks at December 31, 2008 are as follows:

JP Morgan Chase Bank, N.A.
ABN AMRO Bank N.V.
Banco de Bogotá, S.A. Panamá
Banco de Crédito del Perú - Miami Agency
Banco de Crédito Helm Financial Services (Panamá) S.A.
Bancolombia S.A
Banco Bilbao Vizcaya Argentaria, S.A.
Banco de Bogotá S.A., Miami Agency
Banco Latinoamericano de Exportaciones, S.A.
Israel Discount Bank of New York
Natixis
Standard Chartered Bank
West LB AG, New York Branch
Banco Security
Citibank N.A., Nassau Bahamas Branch

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To maintain the credit terms, the Parent Company acquired commitments which include:

Interest Coverage	No less than 3.25 for year 2008 and 3.50 for 2009 and following
Debt / EBITDA	Less than 3.0 for year 2008 and 2.75 for 2009 and following
Assets sales limit	USD $200 millions per year

At December 31, 2008 the Parent Company shows the following indicators:

EBITDA/interest	5.79
Financial Debt/EBITDA	2.25
Assets sales	$102,711

The Parent Company and its subsidiary companies do not expect to restructure their borrowings. The Parent Company and its subsidiary companies amortize their financial obligations on their respective due dates. None of said financial obligations are in arrears.

NOTE 14

SUPPLIERS

The balance of the Suppliers account at December 31 is broken down as follows:

	2008	2007
Local suppliers	861,149	775,395
Foreign suppliers	43,140	30,209
Total	**904,289**	**805,604**

NOTE 15

SHORT-TERM ACCOUNTS PAYABLE

The Short-Term Accounts Payable account at December 31 is broken down as follows:

	2008	2007
Dividends payable (1)	19,483	810
Miscellaneous creditors:		
Costs and expense payable	162,387	182,157
Account payable hedging obligations (2)	3,700	3,064
Contractors	47,579	23,016
Withholding tax payable	20,116	19,951
Contribution - Social Security Law (3)	6,304	6,922
Merchandise withdrawal orders to be used	17,881	17,399
Other miscellaneous creditors	2,781	2,253
Subtotal – miscellaneous creditors	**260,748**	**254,762**
Total short-term accounts payable	**280,231**	**255,572**

(1) The General Assembly of Shareholders of the Parent Company at an ordinary meeting held March 14th, 2008, decreed a dividend of $60 (*) per quarter, payable during a term of five business days of each month (1 April, 1 July, 1 October and 2 January, 2009)

(2) The figure corresponds to interest payable on SWAP hedging operations, as follows: Citibank, year 2008 $3,010 (2007 - $2,506), and Bancolombia for year 2008 $690 (2007 -$558).

(3) Including amounts payable for items concerning the Social Security Law at December 31, 2008 and 2007. At December 31, 2008 and 2007, the Parent Company satisfactorily complied with all rules and regulations applicable to contributions covered by the Social Security Law.

(*) In Colombian pesos.

The Parent Company and its subsidiary companies do not have any accounts payable whose residual term is greater than five years.

NOTE 16

BONDS

The total value of the bonds pertaining to the Parent Company and its subsidiary companies at December 31 was as follows:

	2008	2007
Current bonds	-	70,000
Non–current bonds	255,000	255,000
Total	**255,000**	**325,000**

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By means of Resolution No. 0414 issued in March 2006 by the Colombian Superintendency of Finance, the Parent Company, Almacenes Exito S.A. was authorized to issue bonds with the following characteristics:

Amount authorized:	$200,000
Amount placed at December 31, 2006	$105,000
Nominal value:	$1
Form of payment:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A.

The placement prospectus for Almacenes Exito S.A.'s issue of ordinary bonds placed in 2006, stipulates the following general guarantee for said bonds:

"To guarantee its obligations with all those holders of Ordinary Bonds using all of its assets in the form of general collateral for all of its creditors, in compliance with all those obligations acquired as a result of this issue of Ordinary Bonds".

By means of Resolution No. 0179 issued March 30, 2001 by the Colombian Superintendency of Securities (now known as the Superintendency of Finance), the subsidiary, Carulla Vivero S.A., was authorized to issue bonds with the following characteristics:

Amount authorized:	$70,000
Amount placed at April 30, 2001:	$70,000
Nominal value:	Series A : $10 million Series B : 100,000 UVR Series C: $10 million
Form of payment:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A.

These bonds were paid at maturity date on april 23, 2008.

By means of Resolution No. 0335 issued April 27, 2005 by the Colombian Superintendency of Securities (now known as the Superintendency of Finance), the subsidiary, Carulla Vivero S.A., was authorized to issue bonds with the following characteristics:

Amount authorized:	$150,000
Amount placed at May 31, 2005:	$150,000
Nominal value:	$10 million
Form of payment:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A

Bonds are guaranteed by Carulla Vivero Shareholder's equity

At December 31, 2008, the following securities had been issued:

Date of Issue	Value $	Maturity Date	Term	Interest Rate
26.04.2006	30,350	26.04.2011	5 years	CPI+ 4.98% half yearly in arrears
26.04.2006	74,650	26.04.2013	7 years	CPI+ 5.45% half yearly in arrears
05.05.2005	150,000	05.05.2015	10 years	CPI + 7.5%
Total	**255,000**			

In 2008 interest on these bonds, totaling $35,133 (2007 - $35,723). At December 31, 2008 accrued interest payables for $6,049 (2007 - $6,496)

NOTE 17

TAXES, DUTIES AND RATES

Advance payments and balances in favor with regard to taxes, duties and rates at December 31 are broken down as follows:

	2008	2007
Income and complementary tax	(54,971)	(52,287)
Sales tax payable	37,859	31,891
Land and Industry and Commerce tax	21,873	25,442
Advance payments on industry and commerce tax	(3,849)	(8,217)
Industry and Commerce withholding tax	(1,241)	(1,301)
Income tax recoverable IVA withholdings	(3,310)	(2,627)
Development quotas	136	174
Equity Equity tax	-	13,051
Net Total (1)	**(3,503)**	**6,126**

(1) Included on the Parent Company's balance sheet as follows:

	2008	2007
Current assets Advanced receivable tax (See note 6)	(63,372)	(64,987)
Current liabilities Taxes, duties and rates	59,869	71,113
Total	**(3,503)**	**6,126**

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The estimated current liability for income and complementary tax at December 31 was as follows:

	2008	2007
Liability – Provision for the year	41,455	42,178
Less: - Withholding tax and advance payments	(96,426)	(83,368)
- Greater tax on payment of deferred tax debit on provision for investments in Cativen S.A. and others	-	(11,097)
Total income and complementary tax payable (receivable)	**(54,971)**	**(52,287)**

Deferred income tax during the year was as follows:

	2008	2007
Balance at beginning of the year	**(10,561)**	**(33,206)**
Net adjustment to deferred tax from prior years	**(25,403)**	**11,027**
Deferred income tax for the year due to the effect of:		
Provisioned expense	2,007	(6,198)
Non-deductible provision for other assets	755	(907)
Non-deductible tax	(1,189)	(2,127)
Adjustment expensed depreciation on tax-book differences	(647)	(394)
Reimbursed deferred depreciation	(747)	(379)
Applications from provisioned liabilities	979	1,660
Deductible taxes	2,126	2,260
Amortization (surplus) presumptive income on ordinary Income (1)	(25,039)	(10,723)
Income on unpaid insurance indemnities (2)	-	28,426
Net activity for the year	**(21,755)**	**11,618**
Balance at year-end (3) (See note 11)	**(57,719)**	**(10,561)**

(1) The figure for 2008 included 33% of surplus presumptive income on the Parent Company' and its subsidiaty Didetexco S.A. ordinary net income of $75,877

(2) Corresponding to the Parent Company's deferred tax payable, generated by income accrued on insurance indemnities for the fires that broke out at the Exito Fontibon store in Bogotá and the Las Vegas Distribution Center in Envigado for a total of $86,140

(3) Included on the balance sheet as follows:

	2008	2007
Current assets		
Deferred items (See Note 11)	(52,201)	(38,519)
Non-current assets		
Deferred items, net (See Note 11)	(8,162)	(3,641)
Non-current liabilities		
Deferred items (See Note 11)	2,644	31,599
Total	**(57,719)**	**(10,561)**

The reconciliation between book profits and taxable income for tax purposes is as follows:

	2008	2007
Book profits before income tax	173,022	184,788
Plus:		
- Provision for investments (1)	40,937	80
- Provision for other assets	700	1,195
- Non-deductible expense on provisioned liabilities	40,988	54,274
- Provision for unknown shrinkage	19,279	17,087
- Financial transaction tax	2,344	6,055
- Expensed provision for industry and commerce, land and stamp tax	27,432	27,866
- Non-deductible tax	24,650	14,400
- Reimbursed deferred depreciation	2,237	1,771
- Non-deductible expense on limit of net income	60,108	-
- Adjustment expensed depreciation on tax/book differences	1,962	1,827
- Expensed non-deductible amortization of goodwill in the case of Carulla	18,017	13,072
- Refunded deduction on investment in productive fixed assets	15,728	23,602
- Subsidiary effect	27,181	19,809
Less:		
- Difference between book and tax cost of fixed assets sold off for tax disencumbrance purposes	(87,953)	(40,397)
- Adjustments for the exchange difference applicable on the investment in Cativen S.A.	(8,901)	8,715
- Recovery of provision for assets from prior periods	(3,400)	(16,214)
- Provision for liabilities from prior years, deductible in current year.	(52,219)	(35,937)
- Yearly payments of industry and commerce land and stamp tax	(26,464)	(24,423)
- Provision for inventories from prior years, deductible in current year	(16,881)	(12,893)
- Revenues from applying equity method to income	(21,155)	(14,318)
- Income not subject to income or capital gains tax	(3,307)	(796)
- Other non-taxable income (2)	(54,429)	(7,025)
- 40% deduction on investment in income-producing assets	(186,686)	(76,512)
- Income on unpaid insurance indemnities	-	(86,151)
Total net ordinary loss	**(6,810)**	**59,875**

(1) In 2008 the Parent Company posted a total of $8,899 recovered from the provision for Cativen S,.A. (2007 recovery of $8,715) and a provision for Comercial Inmobiliaria S.A. of $31,758 (In 2007 no provision was registered) and others $280

(2) In 2008 this figure corresponds, among others, to the recovery by the Parent Company of provisioned recovered liabilities for $22,107.

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The current income tax liability was calculated as follows:

	2008	2007
Net equity at December 31 of the prior year	3,162,223	2,221,024
Less net equity to be excluded	(258,619)	(55,913)
Net equity basis for presumptive income	**(2,903,604)**	**2,165,111**
Presumptive income on net equity	87,106	64,952
Total net ordinary income (loss)	(6,810)	59,875
Taxable net income	**123,122**	**91,414**
Income tax before capital gains (33% and 34%)	40,630	31,081
Capital gains tax	825	-
Tax on dismantling the deferred tax debit with regard to provision for investments in the case of Cativen S.A. and others.	-	11,097
Total current income tax liability	**41,455**	**42,178**
Expensed current income tax	**41,455**	**42,178**
Net movement of deferred taxes	(21,755)	11,618
Expensed income tax	**19,700**	**53,796**

The reconciliation between book and tax equity is as follows:

	2008	2007
Book equity at December 31	3,389,320	3,385,261
Plus:		
- Disencumbrance of net fixed assets	141,541	246,354
-Subsidiary effect	765,394	535,985
- Provision for fixed assets	17,515	17,219
- Estimated liabilities for expenses	53,278	63,400
- Provision for inventories	20,073	18,937
-Deferred tax payable	2,644	31,599
- Provision for Industry and Commerce tax	2,236	5,236
- Tax readjustments on fixed assets and investments	24,594	24,381
- Elimination of accumulated depreciation on difference between book and tax useful lives	8,074	6,112
- Provision for receivables	10,689	6,501
- Greater value of intangibles and deferred items	-	2,065
Less:		
- Valuations on fixed assets and fiduciary rights	(969,577)	(1,033,674)
- Deferred tax receivable	(60,364)	(42,160)
- Surplus between tax and book depreciation	(8,013)	(10,828)
- Elimination of Equity Method (previously applied on Carulla)	(31,444)	(32,528)
- Elimination of Equity Method (previously applied on Didetexco)	(15,240)	(11,883)
- Amortization of capitalized deferred charges	(81,733)	(77,178)
- Difference between book and fiscal income tax	-	(212)
- Bank reconciliation difference	-	(1,392)
Total net equity	**3,268,987**	**3,133,195**

Income and complementary tax on remittances

Current tax provisions applicable to the Parent Company and its subsidiary companies stipulate that:

a) As of 2008, taxable income shall be subject to a tax rate of 33%, in 2007 this was subject to a tax rate of 34%.

b) The basis for determining income tax cannot be lower than 3% of the net equity recorded on the last day of the immediately preceding fiscal year.

c) Beginning in the fiscal year of 2007 all adjustments for inflation for tax purposes were eliminated and a capital gains tax was revived in the case of corporate persons, which is calculated on the total amount of income received in the form of capital gains during the fiscal year in question.

d) The annual readjustment percentage applicable to the cost of all real estate and movable property that is classified as fixed assets for 2008 is 7.75%, (2007 -5.15%) and shall affect fiscal equity only.

e) As of the fiscal year of 2007, the deduction on cash investments in real productive fixed assets was set at 40% and its application does not give rise to taxable earnings for either shareholders or partners. Taxpayers who acquire productive fixed assets that are depreciable as of January 1, 2007 and who use the above deduction, may only depreciate said assets applying the straight-line method and shall not be entitled to exercise their right to an audit, even if they comply with the parameters established for such according to current tax legislation. Prior to January 1, 2007, this deduction was applied to investments in productive fixed assets without having to depreciate these same using the straight-line method. In the event that the assets, on which the abovementioned discount benefit accrued, cease to be used for income-producing activities or are sold off or otherwise transferred, the portion of this discount corresponding to their remaining useful life when they are sold off or otherwise withdrawn, constitute income to be taxed at the current rates

f) At December 31, 2008, the Parent Company and its subsidiaries posted a fiscal loss of $54,056 to be subsequently offset, together with a surplus of presumptive income of $89,331 According to current tax legislation, as of the fiscal year of 2007, companies may offset their tax losses, duly readjusted on a tax basis, at any time and without these being subject to any percentage restrictions, with ordinary net income without prejudice to the presumptive income recorded for the corresponding fiscal year. Any surpluses in presumptive income with regard to ordinary income obtained as of the fiscal year of 2007 may be offset with ordinary net income determined within a term of the following five (5) years, these to be duly readjusted on a tax basis. Losses sustained by companies may not be transferred to shareholders or partners. Tax losses arising from revenues that do not constitute income or capital gains or from costs and deductions that are not caused by the generation of taxable income may in no event be offset by the taxpayer's net income.

Pursuant to that stipulated in Articles 188 and 189 of the Colombian Tax Statute, for the fiscal year of 2008, the parent Company and its subsidiary Didetexco recorded their income tax liability using the presumptive income system, while its subsidiary, Carulla S.A. applied the ordinary net income system in accordance with Article 178 of this same Tax Statute. On the other hand for the fiscal year of 2007, the Parent Colombia recorded an income tax liability applying the presumptive income system whereas its subsidiaries applied the ordinary net income system.

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Law 963, passed July 8, 2005, provided for legal stability agreements to be drawn up with investors in Colombia. The Parent Company signed a legal stability agreement with the Government for a term of ten years beginning in August, 2007.

All tax returns for the years 2006, 2007 and 2008 as well as wealth tax returns for these same years remain subject to review on the part of the Colombian tax authorities. Both Company Management and its tax advisors consider that there will be no extra taxes to be paid by the Parent Company and its subsidiary companies, other than those that have been provisioned up to December 31, 2008.

Wealth tax

Pursuant to Law 1111 of 2006, a wealth tax was created for corporate and natural persons, de facto corporations and taxpayers declaring income tax for the fiscal years of 2007, 2008, 2009 and 2010. For the purpose of this tax, the concept of wealth is equivalent to the taxpayer's entire net equity, when this is equal or higher than three thousand million Colombian pesos.

This tax is calculated on the basis of net equity at January 1, 2007 at a rate of 1.2%.

Wealth tax for the fiscal year of 2008, came to $26,102, (2007 -$26,102) which was recorded by the Parent Company and its subsidiaries as a lower value in the equity revaluation account

NOTE 18

LABOR LIABILITIES

The balance of the Labor Liabilities account at December 31 is broken down as follows:

	2008		2007	
	Current Value	Non-Current Value	Current Value	Non-Current Value
Consolidated severance – previous system	685	510	1,129	366
Severance Law 50	14,508	-	14,955	-
Interest on severance payable	1,827	-	1,949	-
Vacations and vacation bonuses payable	13,032	-	12,955	-
Salaries and employment benefits payable	13,894	-	17,554	-
Retirement pensions (See Note 19)	3,544	-	3,997	-
Total	**47,490**	**510**	**52,539**	**366**

Employee information – Total Parent Company and Subsidiaries

	Headcount		Personnel expense (1)		Balance of employee loans granted		Interest Rate%
	2008	2007	2008	2007	2008	2007	
Management personnel (2)	353	360	42,315	42,268	356	808	17.13
Others	22,195	24,452	350,121	335,295	265	664	-
Total	**22,548**	**24,812**	**392,436**	**377,563**	**621**	**1,472**	**17.13**

(1) Including salaries and paid unemployment benefits.

(2) Including the Chief Executive Officer, Vice-Presidents, Corporate Business Managers, Senior Managers, Distribution Center Managers, Store Managers and District Managers.

NOTE 19

ESTIMATED RETIREMENT PENSION LIABILITY

The value of the Parent Company's liability with regard to retirement pensions has been calculated based on actuarial studies, in accordance with that provided for in Decree 2783 issued December 20, 2001, which introduced modifications to the technical basis used for making said calculations.

The Parent Company is responsible for paying retirement pensions to all those employees who fulfill the following requirements:

- Employees completing more than 20 years of service at January 1, 1967 (full liability)
- Employees and former employees completing between 10 and 20 years of service at January 1, 1967 (partial liability)

In the case of all other employees, the Colombian Institute of Social Security or the authorized pension funds are responsible for paying these pensions.

Actuarial calculations and the amounts posted in books are as follows:

	2008	2007
Actuarial calculation of the liability (100% amortized)	17,361	18,204
Less: Current portion (See Note 18)	(3,544)	(3,997)
Non-current portion	**13,817**	**14,207**

At December 31, 2008, actuarial calculations included 227 persons (2007 - 270).

The benefits covered correspond to monthly retirement pensions, pension readjustments pursuant to legal regulations, surviving beneficiary income, burial benefits and bonuses in June and December, as legally provided.

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The deferred cost of retirement pensions was amortized pursuant to tax regulations. The Parent Company's net balance at December 31, 2007 and December 31 2006 represent 100% of the actuarial calculations made on the total contingent liability for the years ended on said dates.

NOTE 20

ESTIMATED LIABILITIES AND PROVISIONS

The balance of the Estimated Liability and Provisions account at December 31 is broken down as follows:

	2008	2007
Other provisions (1)	41,157	44,033
Provision for customer loyalty program (2)	9,753	16,404
Total	**50,910**	**60,437**

(1) Including provisions for 2008 for the following items: restructuring process $11,500, expenses for integration with Carulla Vivero S.A. $12,161, legal stability agreement $4,235, , labor suits $1,604, litigation and claims $7,258 and others $4,399. The figure for 2007 includes provisions for the following ítems: proceso restructuring process - Carulla Vivero S.A. $27,739, legal stability agreement $5,280, labor proceedings $2,046, litigation and claims $3,532 provisión provision for expenses $1,060, other labor, tax and civil contingencies $2,151 and other $2,225.

(2) Liability for customer loyalty programLiabilities accruing from customer loyalty programs ("Puntos Exito" and "Tarjeta EXITO"). named "Puntos EXITO" and "Tarjeta EXITO"

NOTE 21

OTHER LIABILITIES

The balance of the Other Liabilities account at December 31, 2008 and December 31, 2007 is broken down as follows:

	2008	2007
Installments received – layaway plan	2,090	1,934
Retained as security	3,018	7,506
Amounts collected for third parties	7,342	3,424
Others	1,475	915
Subtotal – other current liabilities	**13,925**	**13,779**
Other non-current liabilities (*)	18,689	-
Total	**32,614**	**13,779**

(*) In 2008, the Parent Company entered into a Business Collaboration agreement with EASY Colombia, the purpose of which was for Almacenes Exito S.A. to hand over the tenancy pertaining to certain retail premises for EASY to subsequently set up and initiate operations.

EASY Colombia, for its part, is obliged to build and retrofit said premises as tenant, amortizing the improvements made over a period of 20 years, when it shall be released from any liability regarding the construction and improvement work. The value of building these premises came to $18,689.

NOTA 22

EQUITY

22.1 Share Capital

The Parent Company's authorized capital corresponds to 400,000,000 ordinary shares each with a face value of $10 (*) , The Parent Company's subscribed and paid-in capital totals $2,843 (2007 - $2,843) the number of shares outstanding comes to 283,627,168.and the number of treasury shares is a 635,865 each year.

(*) In Colombian pesos

22.2 Share placement premium

The share placement premium represents the higher value paid out over and above the shares' face value. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

22.3 Reserves

Except for the restricted reserve, set up with 70% of the deferred depreciation (see Note 9) and the reserve for share repurchases, the other reserves were set up with retained earnings and remain freely available for distribution by the General Assembly of Shareholders of the Parent Company.

The Parent Company and its subsidiary companies are required to set up this reserve appropriating 10% of their net annual profits until the balance of this reserve reaches 50% of its subscribed capital The reserve cannot be distributed prior to the Parent Company and its subsidiary companies being wound up, but must be used to absorb or reduce losses. Appropriations in excess of the aforementioned 50% remain freely available for distribution by the General Assembly of Shareholders.

22.4 Equity Revaluation

Inflation adjustments on balances of shareholders' equity accounts up to December 31, 2006, excluding the reappraisal surplus, have been posted to this account, and charged to the income statement. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

The Colombian Government eliminated inflation adjustments for tax purposes by means of Law 1111 passed December 27, 2006. These were subsequently eliminated from books, as of January 1, 2007 by means of Decree 1536 issued May 7, 2007.

During the year 2008, Company Management in accordance with the aforementioned provisions, posted the sum of $26,100 (2007-$26,100) as a lower value of the equity revaluation account.

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NOTE 23

MEMORANDA ACCOUNTS, DEBIT AND CREDIT

The balance of the Memoranda Accounts at December 31, is broken down as follows:

	2008	2007
Hedging operations(1)	802,364	997,054
Contingent rights on loans(2)	29,959	553
Receivables to be recovered	179	179
Subtotal - Contingent rights	**832,502**	**997,786**
Tax receivable	1,080,658	878,549
Subtotal – tax receivable	**1,080,658**	**878,549**
Unused credit	680,673	629,306
Property, plant and equipment, fully depreciated	514,328	321,844
Inflation adjustments on non-monetary assets.	466,455	518,935
Goods handed over under fiduciary arrangements (3)	104,695	96,872
Litigations and lawsuits (4)	29,283	28,839
Unused letters of credit	7,860	12,381
Post– dated checks	6,425	6,016
Leased goods	1,996	1,343
Written-off receivables	1,518	1,518
Capitalization on equity revaluation	519	519
Merchandise in consignment	13	135
Subtotal – control receivables	**1,813,765**	**1,617,708**
Hedging operations	858,107	873,795
Other contingent liabilities(7)	359,133	6,889
Labor suits and litigations (5)	24,510	24,199
Other litigations and lawsuits (6)	13,060	13,380
Goods and securities received for safekeeping	1,595	1,595
Goods and securities received as security	405	598
Subtotal – contingent liabilities	**1,256,810**	**920,456**
Tax payable	541,235	447,763
Subtotal – tax payable	**541,235**	**447,763**
Inflation adjustments on equity	746,857	772,650
Subtotal – control payables	**746,857**	**772,650**
Total – Memoranda accounts, debit and credit	**6,271,827**	**5,634,912**

(1) In order to minimize the impact of fluctuating interest rates, the Parent Company has carried out hedging operations, in the form of SWAPs. These operations include a syndicated loan and two loans in dollars (Please refer to Notes 13 and 27).

(2) A promissory bill of sale governing the property where the Vivero Buenavista store is located in Barranquilla.

(3) Including property such as: the EXITO Villamayor store in Bogotá and the EXITO Armenia store in the city of the same name, together with premises belonging to the Vizcaya Shopping Mall in Medellín and City Plaza – Escobero in Envigado, all of which have been handed over under trust arrangements.

(4) 2008's figure included the following legal proceedings:

- **a.** Unfair competition suits originating in comparative publicity for the "Guaranteed Lowest Price" campaign for an approximate value of $25,000.
- **b.** Various customs proceedings with the Colombian Tax Authorities amounting to $1,790 in 2008, (2007 - $1,241).
- **c.** Other proceedings with municipal authorities and other third parties for an approximate value of $2,493 for 2008 (2007 -$2,598).

(5) Corresponding mainly to labor suits filed against the subsidiary Carulla Vivero S.A. by former employees of the Caja de Compensación Familiar de Antioquia COMFAMA

(6) Including the following legal proceedings:

- **a.** Tort liability suits for an approximate value of $7,833 for 2008 (2007 - $4,342).
- **b.** Other proceedings with municipal authorities and other third parties for an approximate value of $ 4,311 for 2008 (2007 - $8,723). In this regard, the Parent Company recorded a provision of $2,945 in 2008 (2007 - $3,532).
- **c.** With regard to a law suit filed against the Parent Company with regard to the land on which the Exito San Antonio store was built in Medellin, a ruling was given in favor of the Parent Company in 2008.

(7) 2008 includes a contingent liability originating in an Exit Agreement entered into with remaining shareholders of Carulla Vivero S.A. which came to $352,548 in 2008.

NOTE 24

NET REVENUES

The Net Revenue Account at December 31 is broken down as follows:

	2008	2007
Net Sales (1)	**6,829,486**	**6,601,260**
Subtotal - other operating revenue	295,488	214,526
Special display negotiations	147,447	123,884
Revenue from franchises	58,689	60,253
Revenues from discount sales – royalty program	24,832	-
Other Revenues (2)	20,304	5,265
Services	13,892	9,687-
Revenues from royalty Exito-SUFI alliance	10,755	-
Lease rentals	9,035	3,576
Revenues from events	8,367	8,785
Revenues from employee cafeteria sales	2,167	3,076
Total	**7,124,974**	**6,815,786**

(1) Discounts granted in 2008 total a $132,923 (2007 - $96,086).

(2) Other Revenues include billboards $642 (2007 - $722), premium paid by retail premises $4,562 (2007 - $530), income from events $834 (2007 - $127) and other $14,266 (2007 - $3,886).

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Sales returns are posted as a lower value of sales, bearing in mind that it is the policy of the Parent Company and its subsidiary companies to exchange merchandise. When the customer returns an article, he or she is given an exchange receipt to be used in payment of other items.

NOTE 25

SELLING, GENERAL & ADMINISTRATIVE EXPENSES

The Selling, General & Administrative Expenses Account at December 31, is broken down as follows

	2008			2007		
	Administrative	Sales	Total Operating expenses	Administrative	Sales	Total Operating expenses
Personnel expense	73,519	400,271	473,790	71,841	390,812	462,653
Services	6,711	308,883	315,594	4,864	260,333	265,197
Depreciation	14,966	192,877	207,843	12,500	180,422	192,922
Miscellaneous (*)	10,357	133,663	144,020	8,593	128,484	137,077
Lease rentals	2,106	104,365	106,471	2,117	94,492	96,609
Taxes	21,025	70,450	91,475	18,262	65,240	83,502
Amortization	32,806	36,663	69,469	19,372	49,501	68,873
Maintenance and repairs	4,988	30,111	35,099	3,831	36,695	40,526
Insurance	3,004	18,415	21,419	2,740	10,880	13,620
Fees	8,878	1,680	10,558	7,292	1,984	9,276
Traveling expense	4,996	4,337	9,333	5,579	4,996	10,575
Retrofittings and installations	409	8,567	8,976	308	6,599	6,907
Legal expenditure	343	2,362	2,705	482	2,527	3,009
Membership fees and contributions	678	501	1,179	567	1,264	1,831
Total	**184,786**	**1,313,145**	**1,497,931**	**158,348**	**1,234,229**	**1,392,577**

(*) Miscellaneous expense includes, amongst others, packing and tagging material for $36,063 (2007 - $41,787) plus debit and credit card commissions for $24,061 (2007 – $25,771), store inauguration expense $20,220 (2007 – $12,948), expense incurred in the EXITO-Sufinanciamiento alliance for $2,532 (2007 - $8,474), fuel and generators $2,917 (2007 – $2,616), elements of hygiene and fumigation $5,564 (2007 – $5,645), regional support $3,824 (2007 – $3,205), stationery and office supplies $5,102 (2007 - $4,577), restaurant and cafeteria elements $3,124 (2007 – $2,275), paid for using and operating the Carulla Vivero S.A. commercial establishments, that Almacenes Exito purchased in 2008 and others for $40,613 (2007 – $29,779).

NOTE 26

OTHER NON-OPERATING INCOME AND EXPENSE

The Other Non-Operating Income and Expense account is broken down as follows:

	2008	2007
Non-operating income		
Profits from sale of property, plant and equipment plus investments (1)	91,052	52,774
Profits from sale of investments (2)	808	-
Amounts recovered from provisions (3)	56,282	13,688
Amounts recovered from provision for investment in Cativen S.A.	-	8,712
Income from exchange difference on the investment held in Cativen S.A.(4)	45,575	23,457
Recovered costs and expense	3,552	2,134
Other sales	-	111
Insurance indemnities (5)	13,556	91,024
Amortization of the deferred monetary correction credit account upon dismantling adjustments for inflation	1,929	1,376
Other non-operating revenue	4,485	3,479
Total non-operating income	**217,239**	**196,758**
Non-operating expense		
Expense on exchange difference on investment held in Cativen S.A.(4)	(29,031)	(39,655)
Royalty expense - Sufinanciamiento	(4,284)	-
Cost of claims (5)	(14,656)	(87,621)
Other provisions	(4,077)	-
Amortizations, bonuses and indemnities (6)	(43,071)	(4,783)
Retirement pensions	(628)	(1,673)
Loss on sale/withdrawal of assets	(2,314)	(2,252)
Financial transaction tax ("4 x 1000" tax)	(3,127)	(8,074)
Donations	(2,020)	(2,369)
Provision for property, plant and equipment	(617)	(1,818)
Provision for investments (7)	(40,937)	-
Expenses for Carulla Vivero S.A. structuring costs	(16,000)	(30,000)
Amortization of deferred monetary correction credit account upon dismantling adjustments for inflation	(1,054)	899
Loss sustained on winding up companies	(634)	-
Legal proceedings and costs	(1,203)	(2,067)
Other non-operating expense (8)	(22,304)	(31,137)
Total non-operating expense	**(185,957)**	**(212,348)**
Total Other Non-Operating income and (Expense), net	**31,282**	**(15,590)**

Notes To The Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos and in US dollars)

(1) The figure for 2008 includes mainly the sale of the following property belonging to the Parent Company: premises and land belonging to the Calima Distribution Center in Cali, the property belonging to the Exito Unicentro store in Cali and the property belonging to the Exito Unicentro store in Medellin (Please refer to Note 9).

The figure for 2007 includes mainly the sale of the following property belonging to the Parent Company. premises and land where the Avenida 68 Distribution Center was located in Bogotá, land and buildings where the EXITO Poblado store is located in Medellín, property where the Ley Gemelo Norte store operated in Cali along with premises Nos. 107, 107A, 108 and 109 belonging to the Sabana Shopping Center in Villavicencio. With respect to the subsidiary Carulla Vivero S.A. a plot of land (El Limonar) was sold along with fixed assets corresponding to the Pomona Hacienda Santa Bárbara store and the Ley Siete de Agosto store in Bogotá to Supertiendas y Droguerías Olímpica S.A.; this in compliance with conditions set by the Colombian Superintendency of Industry and Commerce in Article 7.2 of Resolution 30904 issued December 18, 2006.

(2) In 2008, shares held in Suramericana de Inversiones S.A. were sold off, representing a total profit of $646 and other for $162.

(3) Corresponding to amounts recovered from the provision in Carulla Vivero for $25,783, recovered amounts from the income tax provision corresponding to 2007 for $26,445, recovered amounts from the provision for litigation and lawsuits for $2,962, recovered amounts from the provision for the winding up of C.I. Promotora de Manufactura for $ 634 and the recovered provision in Didetexco for $458.

The figure for 2007 corresponds mainly to the recovery of provisions set up due to appraisals of land and buildings for $7,500, recovery of deferred income tax for $3,686 and other provisions recovered for $2,502.

(4) Corresponding to adjustments for the net exchange difference on the Company's investment in Cativén S.A, for $16,544 (2007 - $16,198).

(5) Corresponds mainly to revenue and expense incurred with the fires that broke out at the Exito Fontibon store in Bogotá in November 2007 and at the Las Vegas Distribution Center in the town of Envigado in December 2007.

(6) The figure shown for 2008 corresponds to indemnities on the part of Carulla Vivero S.A. for $24,368, personnel indemnities on the part of Almacenes Exito S.A. for $18,630 and personnel indemnities on the part of Didetexco for $73.

(7) Corresponding to the provision for the investment held in Makro Supermayorista for $31,765, the investment in Cativén S.A. for $8,899 and other investments for $273. (Please refer to Note 8).

(8) The figure shown for 2008, corresponds to taxes, litigation and withholdings for $3,165, payroll expense, uncollected disability and loans for retired personnel for $1,819, labor union and institutional contributions for $1,243, fines, sanctions and litigations for $3,828, supplier expense for $2,111, non-operating property maintenance and security guard services for $397 and other expense for $9,741.

The figure for 2007 included the recordal of expense incurred with fines, sanctions and litigations for $2,647, non-operating property maintenance and security guard services $228, amortization of deferred monetary correction debit account due to the dismantling of adjustments for inflation for a total value of $899, provision for doubtful accounts $1,290, provisions for legal proceedings with the Colombian Tax Authorities for $657, notary expense on the purchase and sale of property for $1,828, labor and law suits for $3,677 tax contingencies on the part of the subsidiary company Carulla Vivero $887, adjustments to taxes and asset devaluation $603, trade commissions paid abroad $665 deferred charges by accounting homologation with Carulla Vivero $4,459 and other expense totaling $13,297.

NOTE 27

ADDITIONAL REPORTING INFORMATION

Year 2008

Integrating the Carulla Vivero S.A. store operations with those of Almacenes Exito S.A.

For the purpose of making the operations of Almacenes Exito S.A. and Carulla Vivero S.A. much more robust and efficient as well as to take full advantage of the synergies existing between these two companies, in 2008, the operations and retail management of the Carulla, Surtimax, Merquefacil and Home Mart stores belonging to Carulla Vivero S.A. were taken over by the Parent Company with the latter receiving in exchange a monetary consideration.

In order to operate these retail establishments, Almacenes Exito S.A. shall pay Carulla Vivero S.A., an annual sum of $148,400 plus a variable component, which was established based on lease rentals that Carulla Vivero S.A. was obliged to pay third parties. Likewise, by means of this operation, Carulla Vivero S.A. sold the assets and inventories located at these stores to Almacenes Exito S.A.

83 Carulla stores, 26 Surtimax stores, 18 Merquefácil stores and 7 Home Mart stores were duly incorporated into the Parent Company's operations.

ADDITIONAL REPORTING INFORMATION

Year 2007

PURCHASE OF SHARES IN CARULLA VIVERO S.A.

Strategic Acquisition

Almacenes Exito S.A. acquired a 77.01% stake in Carulla Vivero S.A.'s share capital for approximately US$433 million, that is to say fifteen point seven nine two US dollars (US$15.792) per share, as a result of a selection process for which various offers were received from both Colombian and foreign parties. This process finalized with Almacenes Exito S.A. being chosen as Carulla Vivero S.A.'s strategic partner.

For this acquisition, Almacenes Exito S.A. carried out two IPOs, one voluntary and the other mandatory.

At December 31, 2007, Almacenes Exito S.A.'s stake in Carulla Vivero was equal to 77.01% of its total shares outstanding. This corresponds to a direct stake of 52.96% and an indirect stake of 24.04% through SPVs (Special Purpose Vehicles).

Notes To The Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos and in US dollars)

Financing

In order to finance this operation, Almacenes Exito S.A. carried out the following financing operations:

1. A primary issue of 24.700.000 ordinary shares for a total of $259,350

2. A syndicated loan for US$300 million.

3. Sale of fixed real estate assets for $64,646.

A Notice of No Objection on the part of the Colombian Superintendency of Industry and Commerce.

On December 18, 2006, Almacenes Exito S.A. received a notice of no objection from the Colombian Superintendency of Industry and Commerce with regard to the merger with Carulla Vivero S.A., ordering the parties to fully comply with the commitments and conditions placed on them with a view to ensuring the competitive balance of the Colombian retail sector, as well to protect the rights on the part of the Colombian consumers.

As a result of this notice of no objection on the part of the Colombian Superintendency of Industry and Commerce with regard to the merger between Carulla Vivero S.A. and Almacenes Exito S.A., Carulla Vivero S.A. duly notified the firm Ripley Corp. The Memorandum of Understanding that it had signed to set up a Commercial Financing Company in Colombia was duly terminated and Carulla Vivero S.A. was free to look for another strategic partner to set up a private brand of credit card and to use its market in conjunction with another partner or partners to grant consumer credit.

In compliance with that ordered by the Colombian Superintendency of Industry and Commerce with regard to the sale of eleven (11) stores belonging to Carulla Vivero S.A y Almacenes Exito S.A., a sales contract was signed by these two companies as sellers, on the one hand and, on the other, by Supertiendas and Droguerías Olímpica S.A. as the purchasers. The retail establishments offered by Almacenes Exito S.A. were: the Pomona Hacienda Santa Bárbara and the Ley 7 de Agosto stores, located in Bogotá. Carulla Vivero S.A., for its part, offered the following comercial establishments: Its Carulla Iserra 100 and Carulla Cedritos stores in Bogotá, Carulla San Lucas, Carulla Villa Nueva, Merquefácil Colombia and Merquefácil Carabobo stores in Medellín and the Carulla Buenos Aires, Merquefácil Blas de Lezo and Merquefácil Centro stores in Cartagena.

Integrating the Carulla Vivero S.A. store operations with those of Almacenes Exito S.A.

For the purpose of consolidating operations between Almacenes Exito S.A. and Carulla Vivero S.A. enhancing efficiency and taking full advantage of inherent synergies, a Memorandum of Understanding was drawn up in September, which established the general principles and conditions governing the manner in which Almacenes Exito S.A. was to run the Almacenes Vivero chain belonging to Carulla Vivero S.A., the latter receiving consideration in exchange for this arrangement.

In order to operate these retail establishments, Almacenes Exito S.A. shall pay Carulla Vivero S.A., in the form of royalties, an annual sum of $13,820 plus a variable component, which was established based on lease rentals that Carulla Vivero S.A. was obliged to pay third parties. Likewise, by means of this operation, Carulla Vivero S.A. sold the assets and inventories located at these stores to Almacenes Exito S.A.

Operations corresponding to a total of 18 stores were integrated with those of Almacenes Exito, 7 of which had been converted to the Exito Hypermarket format at December 31, 2007.

LEGAL STABILITY AGREEMENT

Law 963, passed July 8, 2005, provided for legal stability agreements to be drawn up with investors in Colombia. The Parent Company signed a legal stability agreement with the Colombian Government for a term of ten years beginning in August, 2007.

INSURANCE CLAIMS FILED IN 2007

Fire at the Las Vegas Distribution Center

On Monday December 24, 2007, fire broke out at Almacenes Exito´s Las Vegas Distribution Center in Envigado, causing the loss of two thirds of these premises.

Las Vegas Distribution Center was duly covered by the insurance policies in place and therefore did not produce any significant effect on the Company's financial statements.

Thanks to protocols in place for this type of emergency, Almacenes Exito S.A. was able to guarantee its customers the normal functioning of all of its stores across the country, operating both the unaffected part of Las Vegas Distribution Center as well as other distribution centers nationwide.

The Las Vegas Distribution Center is a warehouse measuring 55.000 square meters built in Envigado, Antioquia. It was inaugurated on March 17, 2006.

Material losses caused by this fire totaled approximately $74,000 million pesos.

Fire at the Exito Fontibon Hypermarket

On Saturday November 17, 2007, fire broke out at the Exito Fontibon hypermarket located in Cundinamarca, causing the total loss of its premises.

This store was inaugurated October 1, 2004 and measured 4.500 square meters.

Material losses caused by this fire totaled approximately $16,000 million pesos.

Comments to Consolidated Financial Results, year 2008

Net Revenues: increased 4.5% for a total of COP$7,124,974 million for the year ended December 2008 from $6,815,786 million for 2007. The increase in net revenues is due to a decrease in 0.5% in same store sales and the increase of 5% due to the Company´s expansion plan.

Gross Profit: grew 6.4% to COP$1,763,817 million in 2008 from $1,657,700 million in 2007. As a percentage of Net Revenues, the Gross Margin increased from 24.3% to 24.8% in 2008 due to mainly the synergies of the integration with Carulla Vivero S.A.

Selling and Administrative Expenses: These rose 7.6% to COP$1,497,931 million for the year 2008 compared to COP$1,392,577 million for the year 2007. As a percentage of Net Revenues, selling and administrative expenses increased from 20.4% in 2007 to 21.0% in 2008 due to non-recurrent expenses resulting from the integration with Carulla Vivero.

Operating Income: This figure reached COP$265,886 million in 2008 compared to $265,123 of the same period last year. As a percentage of Net Revenues, the operating income decrease from 3.9% in 2007 to 3.7% in 2008.

EBITDA: grew 2.5% from COP$543,198 million in 2008 compared to COP$529,802 million for the year 2007. EBITDA margin slighly decrease from 7.8% in 2007 to 7.6% in 2008 as a percentage of Net Revenues.

Financial Income and Expenses: Net financial expense rose to COP$118,842 million in 2008 from COP$60,502 million in 2007. The figure for 2007 is a result of the interest received from short-term investments made with the funds from the equity offering which were invested in 2008 in the expansion plan.

Other non operating income and expense: This figure rose a non-operational income of COP$31,282 million compared to a non-operational expense of COP$15,590 million in 2007. This increase is mainly by the non-taxable earnings by the selling of assets placed in Medellin and Cali city.

Income Tax: This figure decreased 63.38% to COP$19,700 million in 2008 from COP$53,796 million in 2007 mainly due to less taxes paid by higher tax incentives, as a result of more investments in productive fixed assets during 2008 compared to 2007.

Net Income: grew 17.0% to COP$153,322 million in 2008 from COP$130,992 million in 2007 representing an increase to 2.2% from 1.9% in 2007, as a percentage of Net Revenues

Consolidated Financial Indicators

For years ending December 31st, 2008 and 2007

	2008	2007
1. LIQUIDITY RATIOS		
Current ratio	0.91	1.36
Net Working Capital / Net Revenues	(2.23)	7.30
Acid test ratio - inventories	0.40	0.70
Suppliers/ Inventories	0.97	0.88
2. INDEBTEDNESS RATIOS(%)		
Total indebtedness	43.23	42.93
Concentration of short-term borrowings	68.31	51.86
Financial indebtedness	20.60	20.33
Financial leverage	37.74	36.94
Short-term indebtedness	37.26	3.20
Total mid- to long-term indebtedness	62.74	96.80
Total indebtedness in foreign currency	66.87	69.88
Total indebtedness in local currency	33.13	30.12
Net Financial Expense / EBITDA	21.88	11.42
Gross Indebtedness / EBITDA (times)	2.35	2.36
Net Indebtedness / EBITDA (times)	1.61	1.29
Operating income / net financial expense (times)	2.24	4.38
Net revenues / total financial obligations (times)	5.57	5.45
3. PROFITABILITY RATIOS(%)		
Profit margin before non-operating income and expense	3.73	3.89
Net margin	2.15	1.92
Return on assets	2.47	2.13
Return on Equity	4.52	3.87
EBITDA Margin (*)	7.62	7.77
Gross profit / Total net revenues	24.76	24.32
4. OPERATING EFFICIENCY AND TENDENCY RATIOS (TIMES)		
Total asset turnover	1.15	1.11
Inventory turnover	5.81	7.12
Supplier turnover	6.27	7.99
Gross profit / sales expense coverage	1.34	1.34
Fixed asset turnover	3.07	3.36
Administrative expense / gross profit (%)	10.48	9.55
Sales expense / gross profit (%)	74.45	74.45
Personnel expense / net revenues	6.65	6.79

(*) Earnings before interest, tax, amortization, depreciation and adjustments for inflation

Since the Parent Company and its subsidiaries conduct their sales strictly on a cash basis, the "Receivables Turnover" ratio does not apply.

Analysis of the Consolidated Financial Indicators

For years ending December 31st, 2008 and 2007
(In millions of Colombian pesos)

Liquidity Ratios

Working capital for both the Parent Company and its subsidiaries at December 31, 2008 came to COP$158,596, (2007 COP$497,581). The year-on-year change is due mainly to the Company's current liabilities, since in 2009 US$156 million shall become due and payable as part of a syndicated loan taken out 2007 for the acquisition of Carulla Vivero S.A.

The Parent Company and its subsidiaries have a total of COP$0.91 to cover its short term obligations and the supplier/inventory ratio showed an improvement of 0.97 in 2008 compared to the 0.88 obtained in 2007, thereby evidencing the Organization's enhancing negotiating capacity with suppliers reaching the levels normally accorded for retail companies.

Indebtedness Ratios (%)

The Company's total consolidated debt remained stable with regard to 2007 showing an increase of 0.3%, out of the total amount of indebtedness, the portion financed with financial obligations comes to 20.6%.

The indebtedness concentration ratio for 2008 shows a short-term portion of 68.31%, this due to a syndicated loan taken out in 2007 for the acquisition of Carulla Vivero S.A. US$156 million of which is shortly to become due and payable.

Mid- to long-term indebtedness with the financial sector included a syndicated loan for US$144 million, disbursed in January, 2007, in order to purchase Carulla Vivero S.A.

The net financial expense / EBITDA ratio is a variation of 10.46% going from 11.42% to 21.88% resulting from the interest received in 2007 for short-term investments made with funds from the issuing of GDS´s and the profit obtained during the monetization process of dollars to colombian pesos

Profitability Indicators

The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin shows the Company's capacity to generate cash from its operations which in 2008 came to 7.62%.

ROA and ROE increased by 0.34 and 0.65 respectively, upon comparing the percentage figures for 2008 with those of 2007, showing a greater return in shareholder investment.

The Parent Company and its subsidiaries in 2008 produced a net margin of 2.15%, upon comparing this with a margin obtained before non-operating income and expense of 3.73% showing that non-operating items represent 1.58% of the Organization's net revenues.

Operating Efficiency and Tendency Ratios (times)

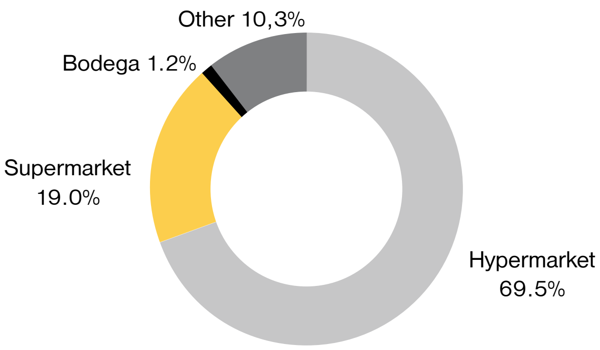
Each peso invested by the Parent Company and its subsidiaries in assets generated sales of COP1,15 , as evidenced by the Organization's total asset turnover which increased with regard to 2007, going from 1,11 to 1,15.

The Parent Company and its subsidiaries purchase inventory which remain an average of 62 days in their possession and which are paid within a term of 57 days.

Consolidated Operating Indicators

At December 31, 2008

Sales by store format



Number of stores, selling area, average selling area by format.

Format	Stores	Area (sqm)	Average Area (sqm)
Hypermarket	87	455.818	5.239
Supermarket	94	91.609	975
Bodega	14	20.025	1.430
Other	69	79.285	1.149
Total	**264**	**646.737**	

Number of stores, selling area (owned/leased)

	Stores		Area	
		%	sqm	%
Leased	132	50	242.034	37
Owned	132	50	404.703	63
Total	**264**	**100**	**646.737**	**100**

Openings, closings and convertions

At December 31, 2008

Format	Opened	Closed	Converted
Hypermarket (*)	7	-	8
Supermarket	2	1	1
Bodega	1	-	13
Other	-	2	6
Total	**10**	**3**	**28**

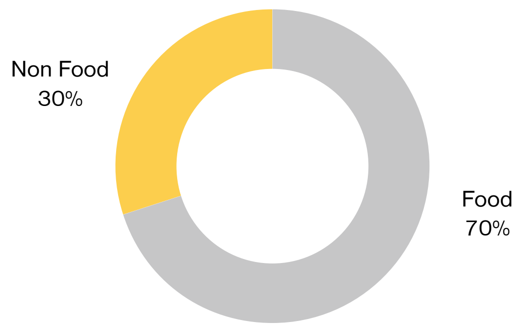
(*) Including the reopening of EXITO Fontibon Bogotá.

Consolidated CAPEX (for the twelve months ended December 31, 2008)

	% Capex
Expansion	50
Conversion and Remodeling	21
Logistics and IT	9
Other	20
Total Capex	**100**

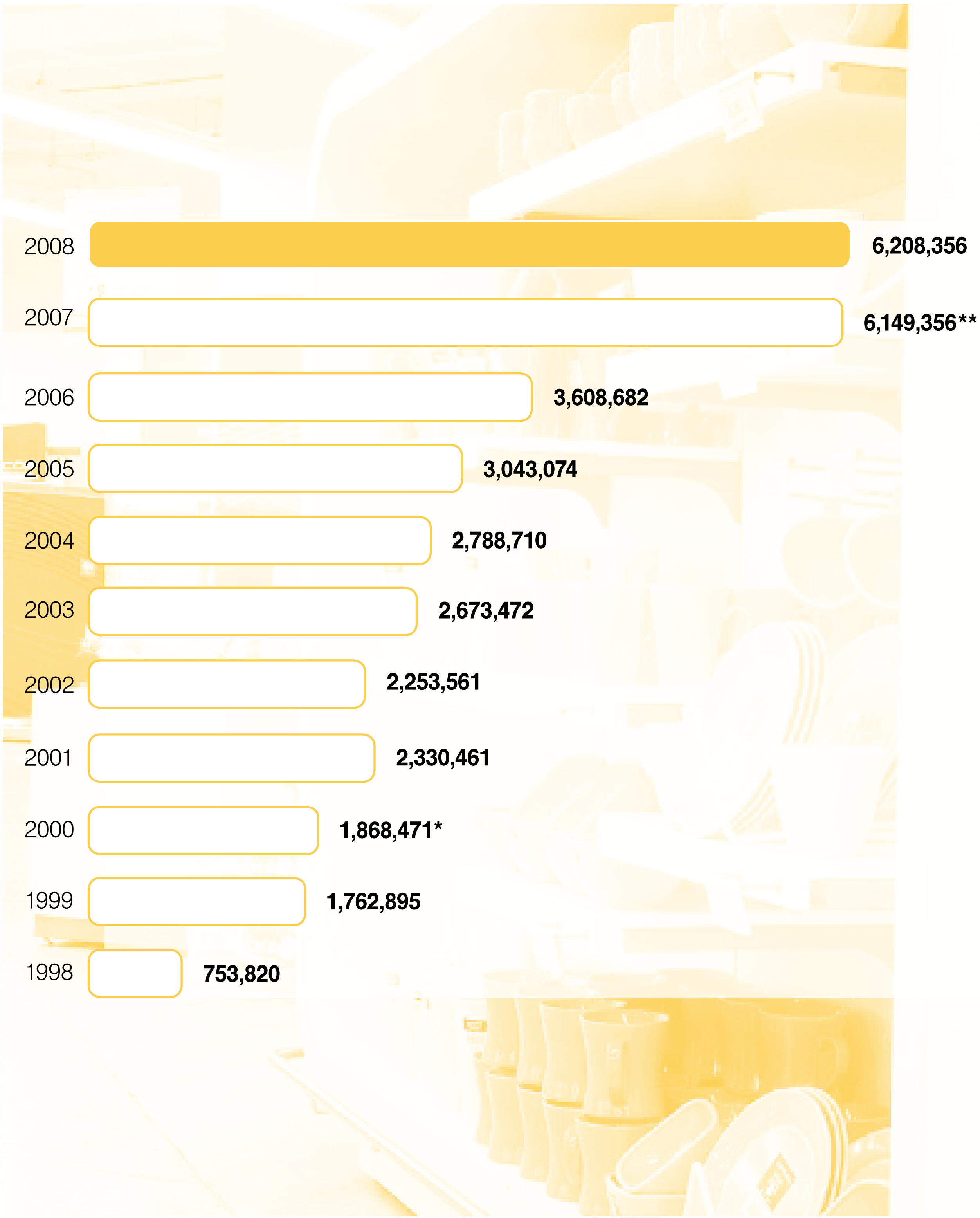
Sales Mix

At December 31, 2008



Consolidated Statistics Graphics

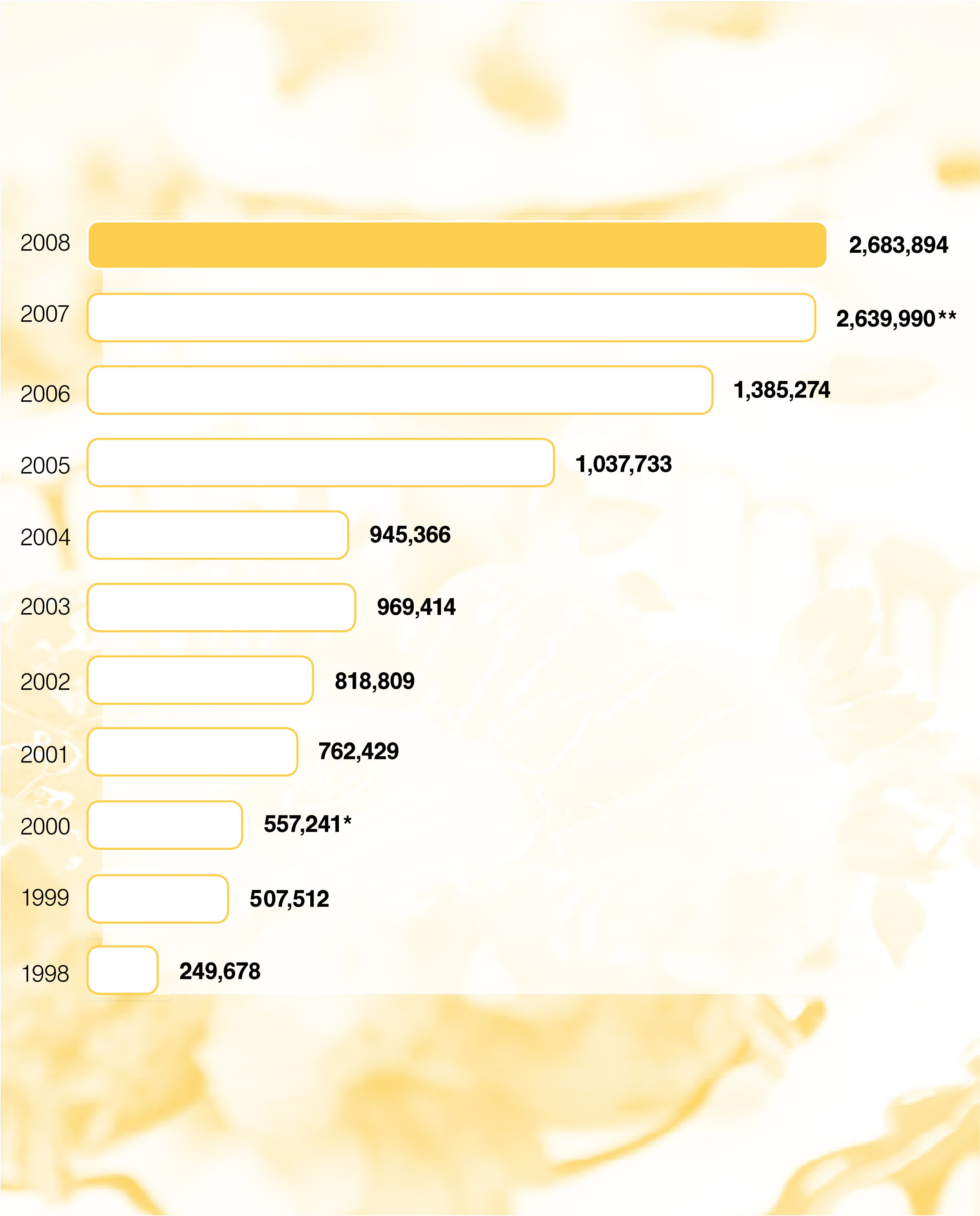
Assets



* **Año 2000** Acquisition of Gran Cadena de Almacenes Colombianos S.A.

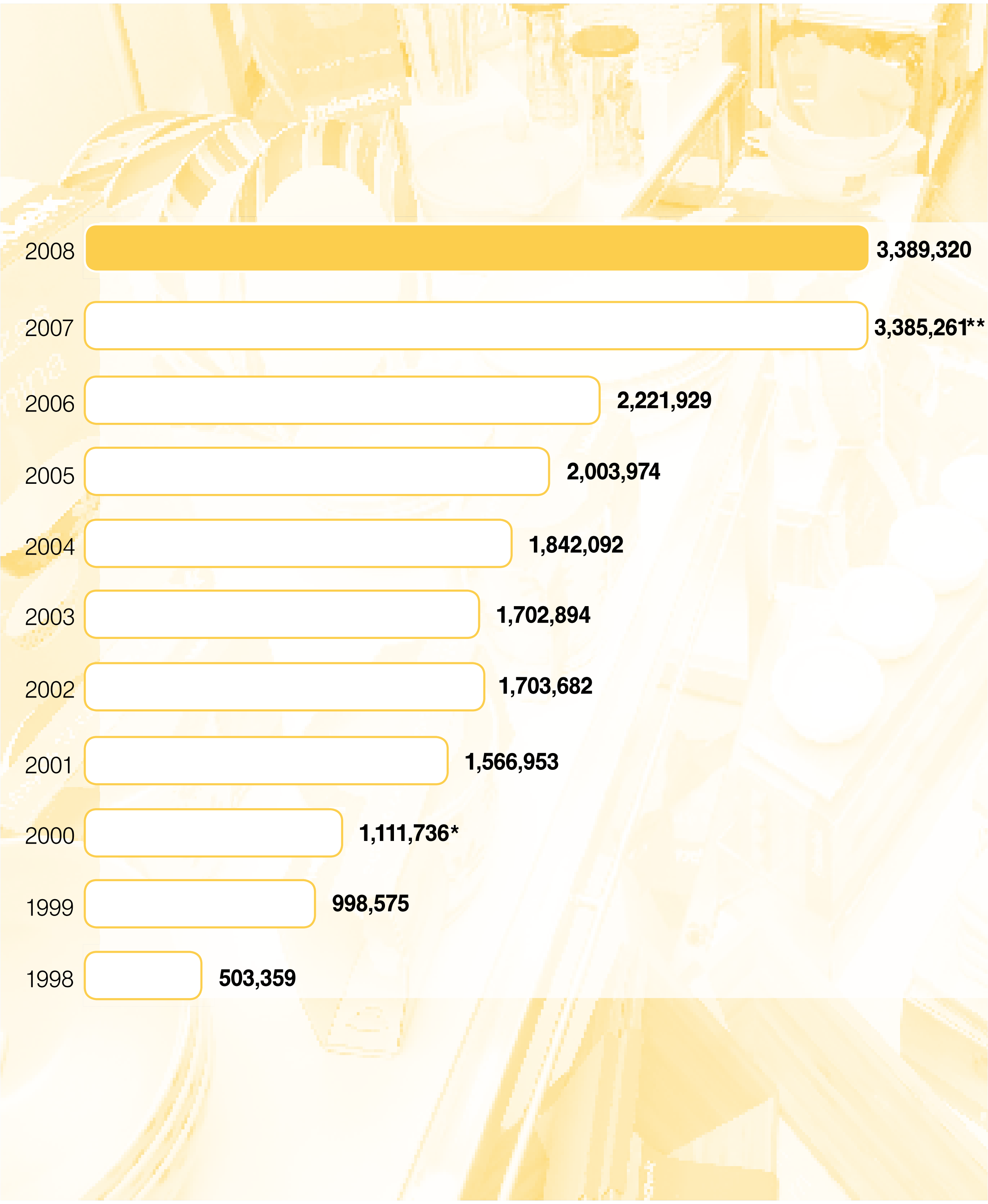
** **Año 2007** Acquisition of Carulla Vivero S.A.

Liabilities



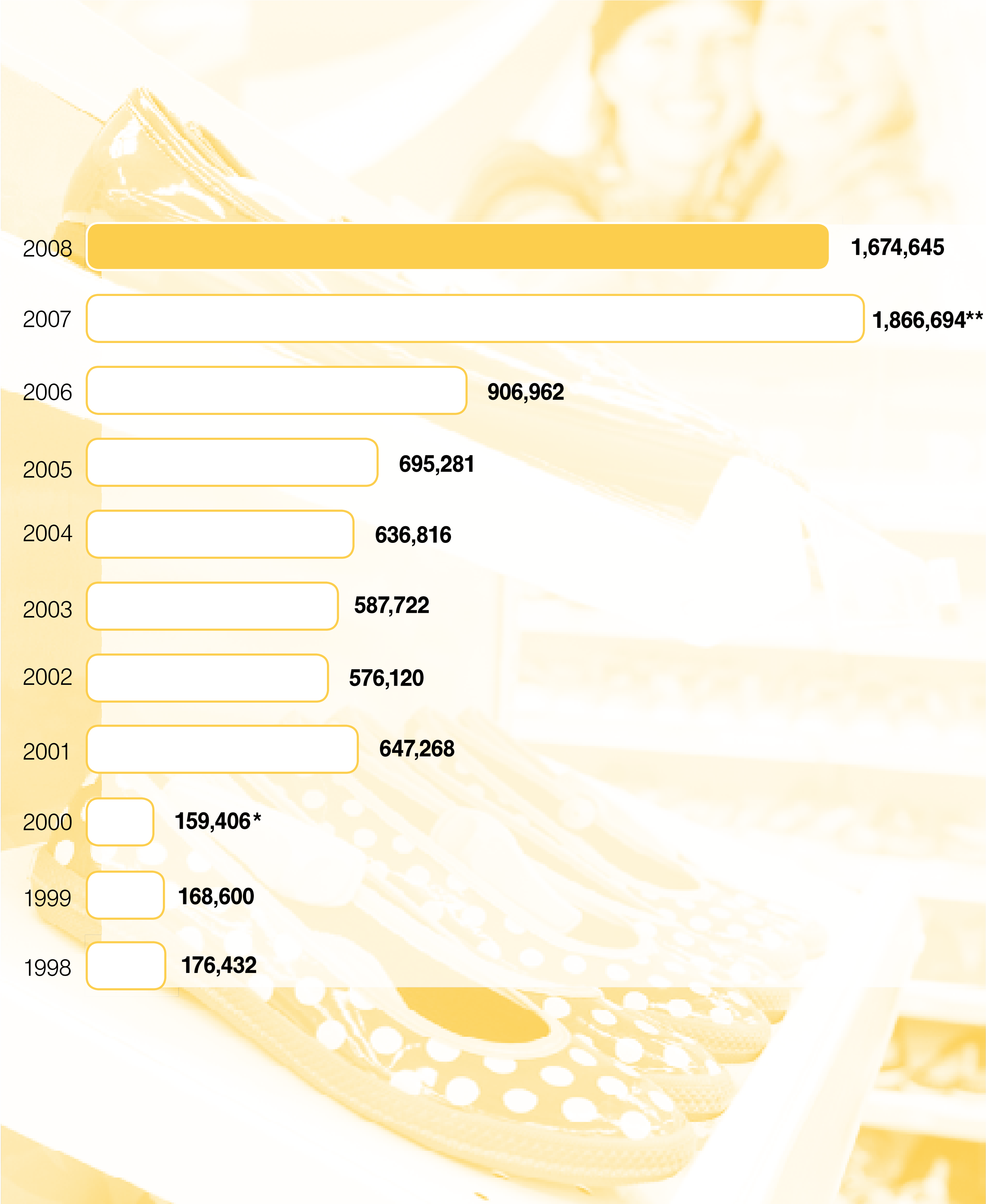
* **Año 2000** Acquisition of Gran Cadena de Almacenes Colombianos S.A.
** **Año 2007** Acquisition of Carulla Vivero S.A.

Shareholders' equity



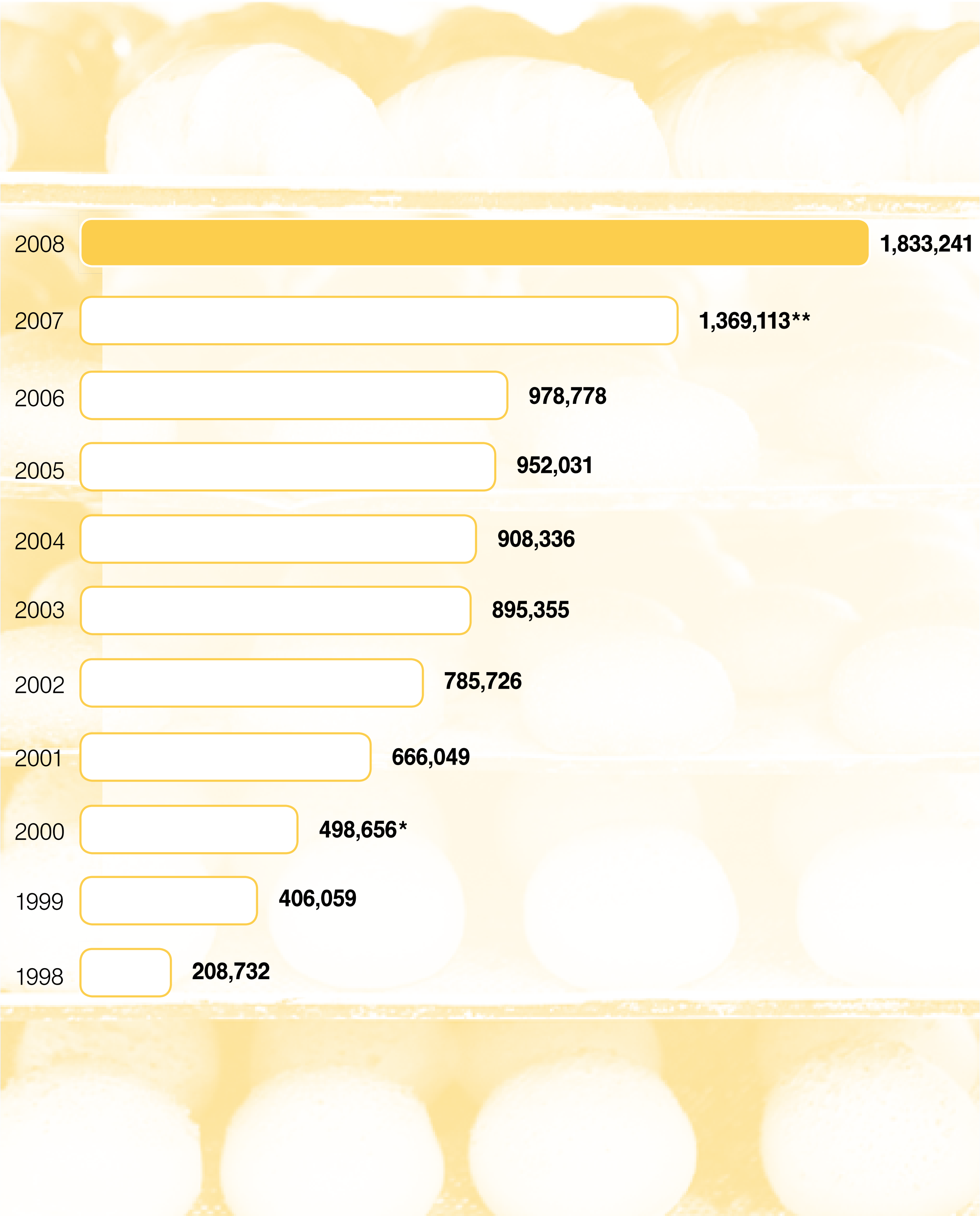
* **Año 2000** Acquisition of Gran Cadena de Almacenes Colombianos S.A.
** **Año 2007** Acquisition of Carulla Vivero S.A.

Current Assets



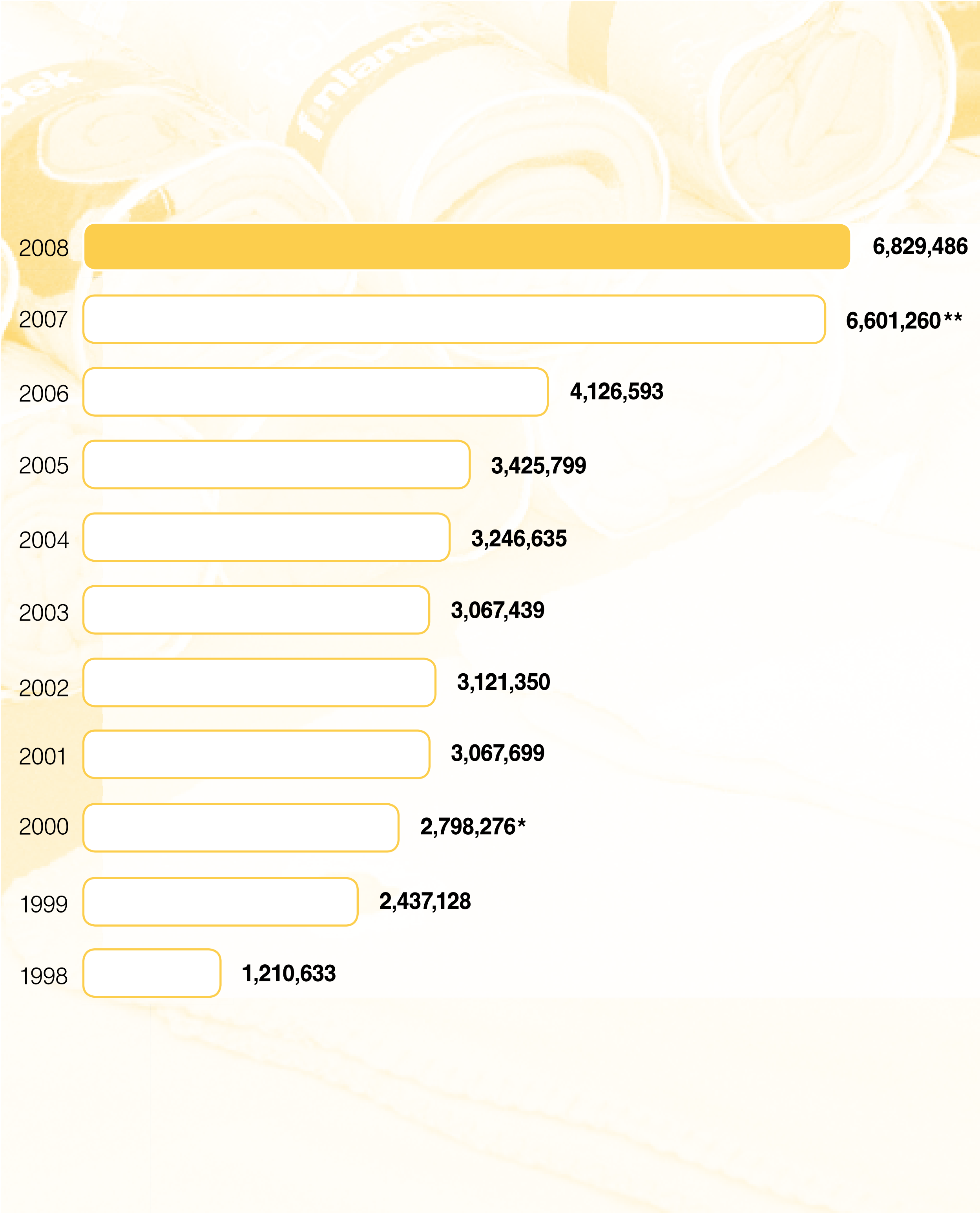
* **Año 2000** Acquisition of Gran Cadena de Almacenes Colombianos S.A.
** **Año 2007** Acquisition of Carulla Vivero S.A.

Current Liabilities



* **Año 2000** Acquisition of Gran Cadena de Almacenes Colombianos S.A.
** **Año 2007** Acquisition of Carulla Vivero S.A.

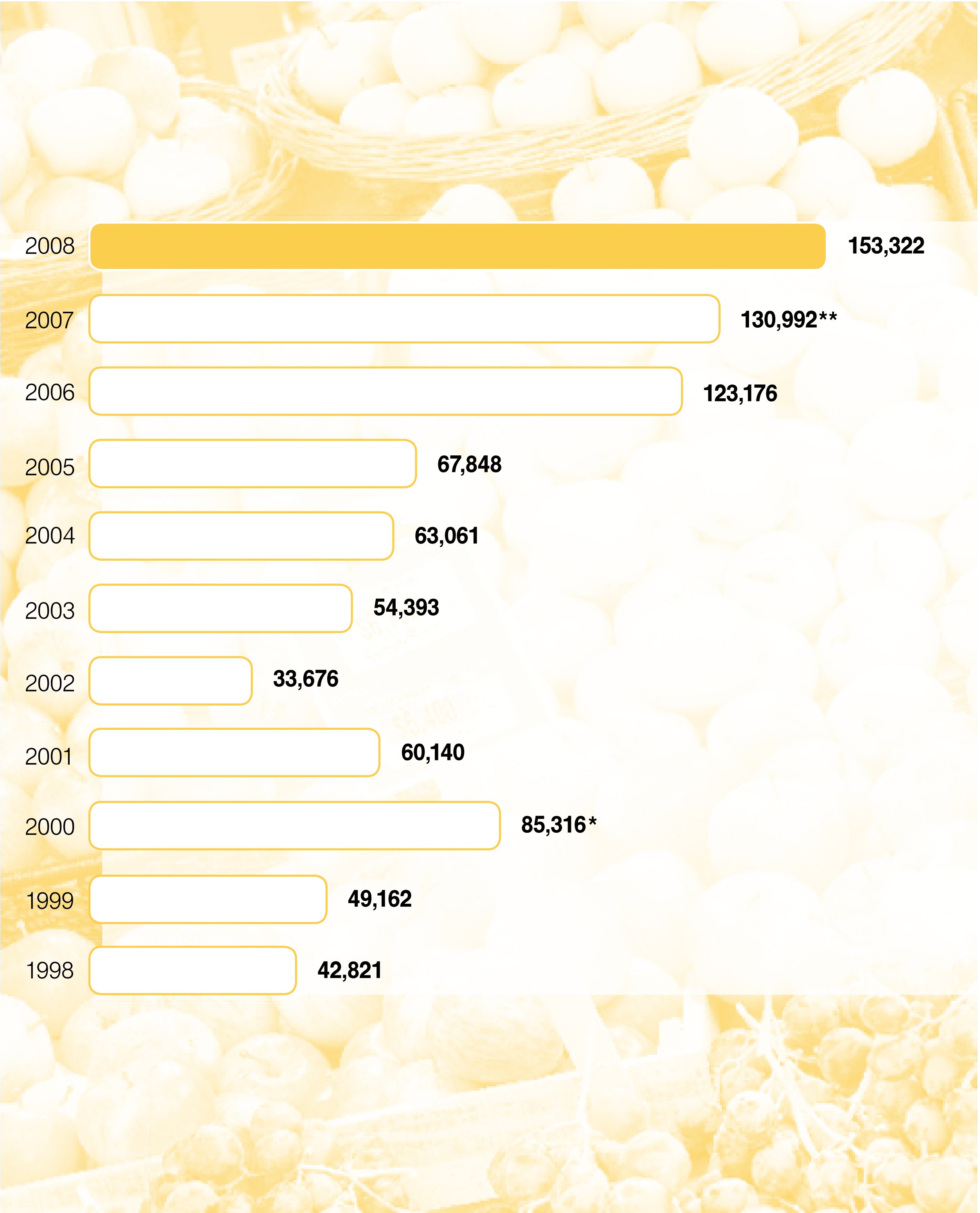
Sales



* **Año 2000** Acquisition of Gran Cadena de Almacenes Colombianos S.A.

** **Año 2007** Acquisition of Carulla Vivero S.A.

Net Income



* **Año 2000** Acquisition of Gran Cadena de Almacenes Colombianos S.A.
** **Año 2007** Acquisition of Carulla Vivero S.A.

Financial
Statements

Almacenes Exito S.A.

ERNST & YOUNG

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Statutory Auditor's Report

To the Shareholders of
Almacenes Exito S.A.

I have audited the accompanying financial statements of Almacenes Exito S.A., which comprise the balance sheet as at December 31, 2008 and the related statement of income, changes in equity, changes in financial position and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes. The financial statements at December 31, 2007 and for the year then ended were audited by another statutory auditor who issued an unqualified opinion on February 20, 2008.

The Company's administration is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Colombia of designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; and selecting and applying appropriate accounting policies and making estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these financial statements based on my audit. I obtained the necessary information to comply with my functions and performed my examinations in accordance with auditing standards generally accepted in Colombia. These standards require that an audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes developing procedures to obtain evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements in the financial statements. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my audit opinion.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Almacenes Exito S.A. as of December 31, 2008, and the results of its operations, the changes in its financial position and the cash flows for the year then ended, in accordance with accounting principles generally accepted in Colombia, issued by the Colombian Government, consistently applied.

ERNST & YOUNG

As explained in Notes 19 and 24.4 to the financial statements, the Company opted for the alternate accounting procedure indicated in a legal provision of decreasing the equity revaluation account by the equity tax amount paid during 2008 and 2007. Tax, contribution or surtax expenses of a similar nature and current in previous years were recognized as expenses in the year they were incurred.

Further, based on the scope of my audit, I am not aware of situations indicating that the Company has not: 1) kept minute books, the shareholders' register and the accounting records in accordance with legal requirements and prescribed accounting principles; 2) carried out its operations in accordance with the by-laws and the decisions of the Shareholders' and Board of Directors' meetings, and the rules related with the integral social security system; 3) retained correspondence and the accounting vouchers; and, 4) adopted internal control measures for the maintenance and custody of the Company's assets and those of third parties held by it. Additionally, there is agreement between the accompanying financial statements and the accounting information included in the management report prepared by the Company's administration.

Luz Elena Rodríguez
Statutory Auditor
Professional Card 25820-T
Designated by Ernst & Young Audit Ltda. TR-530

Medellín, Colombia
February 6, 2009

Almacenes Exito S.A.

Financial Statement Certification

To:
ASAMBLEA GENERAL DE ACCIONISTAS ALMACENES EXITO S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE AND PUBLIC ACCOUNTANT OF ALMACENES EXITO S.A., EACH ONE ACTING WITHIN THEIR OWN JURISDICTION

HEREBY CERTIFY:

That we have verified the statements made in the financial statements of the Company for years ending December 31, 2008 and 2007, according to applicable regulations, and ensured that these were faithfully taken from the accounting books.

In the light of the above, and with regard to the aforementioned financial statements, we hereby declare that:

1. The assets and liabilities pertaining to the Company do exist and the transactions recorded were carried out in the year stated.

2. All transactions carried out have been duly recorded.

3. Assets represent acquired rights and liabilities represent obligations payable by the Company.

4. All items have been recorded at their appropriate values.

5. The transactions carried out have been correctly classified, described and disclosed.

This certification has been issued in compliance with that set out in Article 37 of Law 222 of 1995.

In witness whereof, this certification has been signed on February 6, 2009.

GONZALO RESTREPO LÓPEZ
Legal Representative
Almacenes Exito S.A.

LIBIA AMPARO PÉREZ PUERTA
Public Accountant
Almacenes Exito S.A.
Lic. No. 40210-T

Financial Statement Certification In Accordance With That Provided By Law 964 Of 2005

To:
THE GENERAL ASSEMBLY OF SHAREHOLDERS OF ALMACENES EXITO S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE OF THE PARENT COMPANY, ALMACENES EXITO S.A.

HEREBY CERTIFIES:

That the financial statements together with the operations carried out by the Company for years ending December 31, 2008 and 2007 neither lack precision nor do they contain any flaws or errors that could prevent the Companies' true financial position from being made known

This certification has been issued in compliance with that set out in Article 46 of Law 964 of 2005

In witness whereof, this certification has been signed on February 6, 2009

GONZALO RESTREPO LÓPEZ
Legal Representative
Almacenes Exito S.A.

Balance Sheet

AT DECEMBER 31st OF 2008 AND 2007
(In Million of Colombian Pesos)

	Notes	2008	2007
ASSETS			
CURRENT ASSETS			
Cash	4	181,525	161,607
Marketable Securities	5	220,528	341,927
Accounts Receivable	6	240,326	300,113
Inventories	7	913,019	731,968
Deferred Charges, Net	13	55,203	69,209
TOTAL CURRENT ASSETS		**1,610,601**	**1,604,824**
NON-CURRENT ASSETS			
Accounts Receivable	6	57,512	59,150
Long term investments	9 y 10	704,892	633,724
Property, Plant and Equipment	11	1,872,404	1,601,141
Intangibles, net	12	745,839	758,518
Deferred Charges, Net	13	184,971	128,738
Other assets		285	285
Reappraisals	14	761,107	830,278
TOTAL NON-CURRENT ASSETS		**4,327,010**	**4,011,834**
TOTAL ASSETS		**5,937,611**	**5,616,658**
MEMORANDA ACCOUNTS DEBIT AND CREDIT	25	**5,440,864**	**4,926,830**

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

AT DECEMBER 31st OF 2008 AND 2007
(In Million of Colombian Pesos)

	Notes	2008	2007
LIABILITIES AND SHAREHOLDERS´ EQUITY			
CURRENT LIABILITIES			
Financial Obligations	15	476,458	35,879
Suppliers	16	966,140	677,576
Accounts Payable	17	339,062	251,632
Taxes, liens and encumbrances	19	44,430	46,669
Labor Liabilities	20	31,310	33,087
Accrued Liabilities and Provisions	22	46,142	57,226
Other Liabilities	23	13,800	13,386
TOTAL CURRENT LIABILITIES		**1,917,342**	**1,115,455**
NON-CURRENT LIABILITIES			
Financial Obligations	15	477,507	955,290
Labor Liabilities	20	510	366
Accrued Liabilities and Provisions for retirement	21	9,466	9,871
Bonds	18	105,000	105,000
Deferred Charges, Net	13	15,130	45,635
Other Liabilities	23	18,689	-
TOTAL NON-CURRENT LIABILITIES		**626,302**	**1,116,162**
TOTAL LIABILITIES		**2,543,644**	**2,231,617**
SHAREHOLDERS´ EQUITY , SEE ATTACHED FILE		**3,393,967**	**3,385,041**
TOTAL LIABILITIES AND SHAREHOLDERS´EQUITY	14 y 24	**5,937,611**	**5,616,658**
MEMORANDA ACCOUNTS DEBIT AND CREDIT	25	**5,440,864**	**4,926,830**

The accompanying notes are an integral part of the Financial Statements.

LIBIA AMPARO PÉREZ PUERTA
Public Accountant P.C Nº 40210-T
(See attached certification)

LUZ ELENA RODRÍGUEZ
Auditor P.C. 25820-T
Member of Ernst & Young Audit Ltda. TR-530
(See attached report dtd February 6, 2009)

Almacenes Exito S.A.

Statement of Income

For the years ended December 31, 2088 and 2007
(In millions of colombian pesos)

	Notes	2008	2007
NET REVENUES			
Sales		5,664,821	4,706,866
Other operating revenues		265,859	171,420
TOTAL NET REVENUES	26	**5,930,680**	**4,878,286**
COST OF SALES		**(4,477,872)**	**(3,681,607)**
GROSS PROFIT		**1,452,808**	**1,196,679**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE			
Salaries and fringe benefits		(384,131)	(331,989)
Other operating expenses –administrative and sales		(647,503)	(469,965)
Depreciations and amortizations		(223,615)	(187,368)
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	27	**(1,255,249)**	**(989,322)**
OPERATING INCOME		**197,559**	**207,357**
NON-OPERATING INCOME			
Financial income		54,680	149,703
Other non-operating income - Dividends		29	23
Earnings equity method	10	21,152	14,318
TOTAL NON-OPERATING INCOME		**75,861**	**164,044**
NON-OPERATING EXPENSES			
Financial expense		(150,714)	(181,419)
Other non-operating income and expenses, net	28	35,510	(18,851)
TOTAL NON-OPERATING EXPENSE		**(115,204)**	**(200,270)**
TOTAL NON-OPERATING INCOME AND EXPENSE, NET		**(39,343)**	**(36,226)**
INCOME BEFORE TAXES		**158,216**	**171,131**
INCOME TAXES			
Current		(25,595)	(29,162)
Deferred		20,701	(10,977)
TOTAL INCOME TAXES	19	**(4,894)**	**(40,139)**
NET INCOME		**153,322**	**130,992**
NET INCOME PER SHARE	2	**540.58***	**521.87***

(*) Expressed in Colombian Pesos

The accompanying notes are an integral part of the financial statements.

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Statement Of Changes In Shareholders' Equity

FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(In millions of Colombian pesos)

			Reserves										
	Share Capital	Capital Surplus	Legal	Future enlargements and improvements	Treasury shares	Fiscal depreciation	Future dividends	Total reserves	Revaluation of shareholders' equity	Unappropriated earnings	Retained earnings	Surplus from assets reappraisals	Total
Balance at December 31st, 2006	**2,096**	**599,589**	**7,857**	**124,016**	**19,266**	**8,741**	**1,419**	**161,299**	**613,119**	**7,813**	**123,176**	**717,556**	**2,224,648**
Appropriations made by the General Shareholders' Meeting: Cash dividend of $25 (*) per share and per month, from April 2007 to March 2008 on 233.627.168 outstanding Shares of Almacenes Exito S.A											(70,088)		(70,088)
Transfer of unappropriated earnings to reserve of future enlargements and improvements				53,088				53,088			(53,088)		-
Issue of shares	747	989,176											989,923
Increase in equity method		18,215											18,215
Tax equity for the year 2007									(21,371)				(21,371)
Increase in Surplus from asset reappraisal												112,722	112,722
Net income at December 31st, 2007											130,992		130,992
Balance at December 31st, 2007	**2,843**	**1,606,980**	**7,857**	**177,104**	**19,266**	**8,741**	**1,419**	**214,387**	**591,748**	**7,813**	**130,992**	**830,278**	**3,385,041**
Appropriations made by the General Shareholders' Meeting: Cash dividend of $60 (*) per share and per quarter , from april 2008 to March 2009 on 283.627.168 outstanding Shares of Almacenes Exito S.A.											(68,071)		(68,071)
Transfer of unappropriated earnings to reserve of future enlargements and improvements				62,921				62,921			(62,921)		-
Increase in equity method		11,420											11,420
Swap valuation effect		2,797											2,797
Tax equitiy year 2008									(21,371)				(21,371)
Decrease in Surplus from valuation												(69,171)	(69,171)
Net income at December 31st, 2008											153,322		153,322
Balance at December 31st, 2008	**2,843**	**1,621,197**	**7,857**	**240,025**	**19,266**	**8,741**	**1,419**	**277,308**	**570,377**	**7,813**	**153,322**	**761,107**	**3,393,967**

(*) In million of Colombian pesos

The accompanying notes are an integral part of the financial statements

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Statement Of Changes In Financial Situation

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	2008	2007
FINANCIAL RESOURCES WERE PROVIDED BY:		
Net income for the year	153,322	130,992
Add (less) charges (credits) to transactions that did not affect the working capital		
Depreciation of property, plant and equipment, net	168,511	145,348
Amortization of deferred charges	33,978	27,219
Amortization of intangibles	21,126	14,801
Profit from sale of property, plant and equipment, net	(89,902)	(43,354)
Profit from sale of deferred charges	-	(322)
(Decrease) increase of long-term deferred tax	(33,097)	36,766
Decrease of provisions for property, plant and equipment, net	497	(6,065)
Decrease of amortization of the long term actuarial calculation	(405)	(722)
Earnings from equity method	(21,152)	(14,318)
Lost in liquidation of companies	634	-
Increase (decrease) of provision for protection of investments, net	40,286	(8,933)
Adjustment for exchange rate of investment in Cativen S.A., net	(16,545)	16,197
Amortization of rent paid in advance	934	
Profit (loss) from sale of investments, net	(808)	-
Adjustment in temporary investment	(23)	(69)
Amortization of deferred monetary correction	(875)	(479)
Withdrawal of fixed assets of the fire incident	2,223	42,907
Other	14	-
WORKING CAPITAL PROVIDED BY OPERATIONS	**258,718**	**339,968**
FINANCIAL RESOURCES GENERATED FROM OTHER SOURCES:		
Proceeds from sale of property, plant and equipment, net	101,183	79,340
Proceeds from decrease of long-term deferred	-	1,308
Transfer of properties, plant and equipment to Intangibles	-	71,517
Proceeds from sale of investments	1,906	-
Increase in long-term labor liabilities	144	-
Decrease in long-term accounts receivable	1,638	-
Increase in long-term financial obligations	-	684,645
Issuance and premium for issuance of shares	-	989,923
Effect of the valuation of the Swap	2,797	-
Increase in other long-term liabilities	18,689	-
Transfer of long-term investments to short-term investments	-	5,904
TOTAL FINANCIAL RESOURCES PROVIDED	**385,075**	**2,172,605**

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	2008	2007
FINANCIAL RESOURCES WERE UTILIZED FOR		
Acquisition of investments	64,045	394,116
Acquisition of property, plant and equipment and other assets	451,732	247,906
Increase of intangibles	8,112	695,993
Increase of non-current debtors	-	11,826
Increase in non-current deferred assets	84,506	78,391
Dividends declared	68,071	70,088
Decrease in long-term financial obligations	477,783	-
Transfer of Property, plant and equipment to intangibles	-	71,517
Transfer of long-term debtors to intangibles	5,565	-
Decrease in long- term labor liabilities	-	161
Equity Tax	21,371	21,371
TOTAL FINANCIAL RESOURCES UTILIZED	**1,181,185**	**1,591,369**
(DECREASE) INCREASE IN WORKING CAPITAL	**(796,110)**	**581,236**

ANALYSIS OF CHANGES IN WORKING CAPITAL		
INCREASE (DECREASE) IN CURRENT ASSETS	19,918	35,592
Marketable Securities	(121,399)	235,442
Accounts receivable	(59,787)	205,738
Inventories	181,051	212,193
Deferred charges	(14,006)	38,703
TOTAL INCREASE IN CURRENT ASSETS	**5,777**	**727,668**
(INCREASE) DECREASE IN CURRENT LIABILITIES		
Financial Obligations	(440,579)	136,062
Suppliers	(288,564)	(201,044)
Accounts payable	(87,430)	(63,608)
Taxes, liens and encumbrances	2,239	(4,333)
Other liabilities	(414)	(863)
Labor liabilities	1,777	4,627
Estimated liabilities	11,084	(17,273)
TOTAL INCREASE IN CURRENT LIABILITES	**(801,887)**	**(146,432)**
(DECREASE) INCREASE IN WORKING CAPITAL	**(796,110)**	**581,236**

The accompanying notes are an integral part of the financial statements

LIBIA AMPARO PÉREZ PUERTA
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(See attached certification)

LUZ ELENA RODRÍGUEZ
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Almacenes Exito S.A.

Statement of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(In millions of Colombian pesos)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Goods, services and others	6,616,625	5,484,886
Paid to suppliers	(4,914,399)	(4,171,118)
Paid for wages, salaries and fringe benefits	(385,410)	(339,765)
Paid for administration expenses	(59,415)	(53,815)
Paid for sales expenses	(615,442)	(467,765)
Paid for sales tax	(91,792)	(100,050)
Paid for income tax	(67,779)	(52,669)
SUBTOTAL CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**482,388**	**299,704**
Acquisition of property, plant and equipment, net	(394,605)	(247,308)
Acquisition of deferred charges	(83,363)	(79,749)
Proceeds from sale of property, plant and equipment, net	88,942	78,295
Acquisition of investments	(64,045)	(398,039)
Acquisition of intangibles	(10,527)	(691,818)
SUBTOTAL CASH FLOWS USED IN CAPEX	**(463,598)**	**(1,338,619)**
Redemption (purchase) of marketable securities	142,289	(215,222)
Income from sale of long-term investments	1,906	-
Interests received	54,191	104,917
Dividends received	29	23
SUBTOTAL CASH FLOWS NET PROVIDED (USED) BY OTHER INVESTMENTS	**198,415**	**(110,282)**
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES	**(265,183)**	**(1,448,901)**
Loans	140,591	985,576
Payment of principal installments of loans	(174,998)	(439,581)
Dividends declared and paid	(51,097)	(85,776)
Shares issues	-	989,923
Interests paid for loans and bonds	(147,509)	(143,364)
SUBTOTAL CASH FLOWS NET PROVIDED(USED) BY FINANCING ACTIVITIES	**(233,013)**	**1,306,778**
Cash flows provided by other items	73,594	8,327
Cash flows provided by payment of loan from the subsidiary Carulla Vivero S.A.	66,020	-
Cash flows used for payment of democratic security tax	(32,058)	(10,686)
Cash flows used for loan to the subsidiary Carulla Vivero S.A	-	(66,020)
Cash flows used for other ítems	(71,830)	(53,610)
SUBTOTAL CASH FLOWS USED IN OTHER ITEMS	**35,726**	**(121,989)**
NET CASH FLOWS FOR THE YEAR	**19,918**	**35,592**
OPENING BALANCE OF CASH	**161,607**	**126,015**
ENDING BALANCE OF CASH	**181,525**	**161,607**

FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007
(In millions of Colombian pesos)

	2008	2007
RECONCILIATION OF NET INCOME TO CASH FLOWS OPERATING ACTIVITIES		
NET INCOME FOR THE YEAR	**153,322**	**130,992**
Adjustments to reconcile net income to cash flows provided by operating activities:		
Amortization of deferred monetary correction	(875)	(479)
Depreciation of Property, plant and equipment, net	168,511	145,348
Amortization of deferred charges	33,978	27,219
Amortization of intangibles	21,126	14,801
Amortization of rent paid in advance	934	-
Inflation adjustment included in the cost of sales	-	2,241
Reclassification of inflation adjustments on inventories	-	(2,241)
Decrease in amortization of actuarial calculation	(405)	(722)
Profits from sale of property, plant and equipment, net	(89,902)	(43,354)
Profits from sale of deferred charges	-	(323)
Profits from equity method	(21,152)	(14,318)
Increase (decrease) of provision for investments protection, net	40,286	(8,933)
Decrease of provision of property, plant and equipment, net	497	(6,065)
Adjustment for exchange rate of investment in Cativen, net	(16,545)	16,197
Profits from sale of investments, net	(808)	-
Lost in liquidation of companies	634	-
Extraordinary cost for reorganization	-	6,457
Variations in non-operating accounts	452	(40,472)
Expenses incurred	24,887	(18,514)
Dividends received	(29)	(22)
Donations	1,577	1,736
Withdrawal of fixed assets of the fire incident	2,223	87,301
Financial transactions tax	2,517	6,784
Increase on inventories	(181,051)	(212,193)
Increase on suppliers	288,564	201,044
Labor liabilities	(873)	(7,053)
Interest received	(54,191)	(104,918)
Interest paid	147,509	143,363
Payable taxes	(38,812)	(24,184)
Other	14	12
CASH FLOWS NET PROVIDED BY OPERATING ACTIVITIES	**482,388**	**299,704**

The accompanying notes are an integral part of the financial statements.

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(See attached certification)

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Notes to the Financial Statements

For years ending December 31st, 2008 and 2007
(In millions of Colombian pesos and in US dollars)

Note 1

REPORTING ENTITY

Almacenes Exito S.A. was incorporated according to Colombian law on March 24, 1950. The Company's business purpose is to acquire, store, process and, in general, distribute and sell under any type of commercial arrangement, including financing, any type of merchandise or product, produced nationally or abroad, either wholesale or retail.

The Company's main domicile is located in the town of Envigado, Colombia, at the following address: Carrera 48 Nº 32B Sur-139, and the term of its duration is due to expire on December 31, 2050.

In May 2007, the Casino Group based in France acquired a controlling stake in the parent company, and at the close of 2008 held a 59.8% stake in the Company's share capital.

Note 2

MAIN ACCOUNTING POLICIES AND PRACTICES

In preparing its financial statements, the Company abides by generally-accepted accounting principles in Colombia, as provided for by law, as well as the rules, regulations and instructions issued by the Colombian Superintendency of Finance together with all applicable legal provisions; said principles may differ in certain aspects from those established by other State regulatory authorities. The following are the main accounting policies and practices that the Company has adopted in keeping with the above.

Inflation Adjustments

By means of Law 1111 passed December 27th, 2006, the Colombian Government eliminated inflation adjustments for fiscal purposes beginning on January 1st, 2007. These same adjustments for accounting purposes were eliminated by means of Decree 1536, issued May 7, 2007, and backdated to January 1st, 2007. Inflation adjustments accruing in accounts up to December 31, 2006 were not reversed and continued to form part of the balance of the respective accounts for all accounting purposes, until these are settled, depreciated or amortized. Also the balance of the equity revaluation account may be reduced with applicable equity tax, but may not be distributed as profits until the company is wound up or is capitalized, this according to currently applicable legislation. Once the company is capitalized, the equity revaluation account may be used to absorb losses, providing the company is being wound up, however it cannot be used to reduce the Company's capital. This capitalization, with regard to shareholders, represents income that is not subject to either income or capital gains tax.

In December 2008 and 2007, Company Management, in accordance with the aforementioned provisions, posted the sum of $21,371 as a lower value of the equity revaluation account, whereas in previous years this had been posted on the income accounts. The total effect of this change in book-keeping principles was to increase profits by the same amount, that is to say by 14.4% for 2008 and 16.31% for 2007.

Converting foreign exchange

All foreign exchange operations were posted according to the exchange rates that applied on the dates these were carried out. At the end of each period, balances receivable and payable as well as investments in foreign currency are adjusted using the applicable exchange rate that, since the end of 1991 has been the Market Representative Rate, as certified by the Colombian Superintendency of Finance. With regard to balances remaining due and payable, only the exchange differences that are not attributable to the cost of acquiring assets are posted in the income accounts in the form of financial expense. Exchange differences can be attributed to the cost of acquiring assets while these are either being built or installed and until they are fit to be used.

Classification of assets and liabilities

Assets and liabilities are classified according to their use or the degree in which they can be realized, remain disposable, become due and payable or are finally settled, this in terms of both time and amounts.

For this purpose, current assets are considered amounts that are realized or remain disposable for up to one year, and current liabilities are all those items that become due and payable or are settled also within a term of up to one year.

Accounts receivable

These are all those items that confer the right to demand that a third party fulfills an obligation, therein incorporated, in the form of cash, goods or services, according to that agreed upon between the parties, as a result of any legal arrangement made with regard to credit payments.

At the close of the fiscal year, technical evaluations are performed on the probability of their recovery and any loss contingencies are duly recorded.

Accounts receivable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

Inventories

Inventories of merchandise that are not manufactured by the Company are posted at cost. The cost of these inventories is calculated on a monthly basis using the retail method and at the end of the fiscal year, physical inventories are appraised using the FIFO method.

Inventories of materials, spare parts and accessories are posted at cost. Their appraisal at the end of each fiscal year is recorded using the FIFO method.

Merchandise in transit is appraised using the specific value method.

At the end of the fiscal year, inventories are reduced to their market value if this proves to be their lower value.

Notes to the Financial Statements

For years ending December 31st, 2008 and 2007
(In millions of Colombian pesos and in US dollars)

Investments

a. Negotiable investments

These are readily-disposable securities or instruments that the holder of such intends to sell within a period of up to three (3) calendar years. These may be either fixed or variable income investments.

Fixed income negotiable investments, are posted first in books using the cost method and subsequently in an exponential fashion, based on the internal rate of return calculated on the date of purchase. The difference with regard to their market or estimated value at the close of the fiscal year, is recorded as a higher or lower value of the original investment on the income accounts.

Negotiable variable-income investments, are recorded using the cost method and the differences arising from the periodic adjustments in their market value and the last value posted in books are entered against the value of the investments on the income accounts.

b. Permanent investments

These are investments that the investor has the firm intention of keeping until they expire or mature. These may be of a controlling or non-controlling nature.

Permanent controlling investments, are posted using the equity method, as determined by the Colombian Superintendency of Finance and, according to which, investments in subsidiary companies with regard to which the economic entity is entitled to arrange for profits or surpluses to be transferred to itself during the following period, must be recorded using the equity method, except when these investments are acquired or exclusively kept for subsequent sale in the near future, in which case they must be considered as negotiable investments.

In applying the equity method, the company records its investments in subsidiary companies, first at cost and subsequently these figures are adjusted (increased or reduced) based on any changes arising in the subsidiaries' equity after these investments were acquired, and in the corresponding amount according to the percentage stake held. This included inflation adjustments up to December 31, 2006.

The counterpart of this adjustment in the Parent financial statements are recorded in the income statement and/or the capital account surplus - the method of participation as indicated below

- Changes in subsidiary equity during the fiscal year in question are recorded by the parent company, either increasing or reducing the cost of said investment.
- Changes in subsidiary equity arising from the net income for the year shall affect the parent company's income statement.
- Fluctuations in subsidiary equity not resulting from the subsidiary's income statement do not affect the parent company's income, but are recorded in the parent company's capital surplus account.

- Dividends received in cash from an investee company corresponding to periods in which the shareholder company applied the equity method are recorded by reducing the book value of the investment in question.

At the close of the fiscal year, if the estimated value of controlling investments is lower than their respective adjusted cost, a provision is recorded to reflect this loss in value and posted in the income accounts.

Non-controlling permanent investments, are recorded at cost, and this included inflation adjustments up to December 31, 2006

According to regulations issued by the Colombian Superintendency of Finance, at the end of the fiscal year, if the realizable value of non-controlling investments (intrinsic or stock market value, as applicable) is lower than their cost, this difference is posted as a reduction in value of the equity held, in the equity reappraisal surplus account, except when the respective non-controlled company is being wound up, or is producing recurrent losses, in which case the lower value is posted on the income statement, according to the Company's prudence principle.

Any surplus in the investment's market or estimated value at the close of the fiscal period, is recorded separately as an increase in its value and posted in the equity reappraisal surplus account.

The investment made in Cativen S.A. was posted in books based on an appraisal carried out by the Parent Company in December, 2008.

Investments held in Comercial Inmobiliaria Internacional S.A. "Subject to Winding-Up Proceedings", formerly known as Makro de Colombia S.A. as well as in Makro Supermayorista S.A, formerly known as Makro de Colombia S.A. were recorded based on the values agreed upon in the Memorandum of Understanding signed with Orkam Holding de Colombia N.V. in December, 2008.

Property, plant, equipment and depreciation

The Property, Plant and Equipment account includes all tangible resources controlled by the Company, that have been obtained, or are being built or under construction and used in the Company's normal course of business to produce other goods or provide services either for itself or for third parties; and whose contribution to the Company's revenue-raising capabilities exceeds the term of one calendar year.

Property, plant and equipment are recorded using the cost method and this included inflation adjustments up to December 31, 2006.

The cost of property, plant and equipment includes the value of all those items required for operating or starting up these same. For this reason, once the asset is in condition to be used, any greater cost of such, together with the value of the items accruing or expensed or any additions made to the asset in question subsequent to said date cease to be recorded.

In this sense, all expense incurred as a result of acquiring, installing or building the tangible asset, including engineering and supervision expense, taxes, interest and monetary correction are subject to forming part of the cost of said asset, only up till such a time as the asset can be used, regardless of whether this use is real or material and once it can be used, these items are recorded as expense for the period in which they either accrue or are paid, whichever occurs earliest.

Repairs and maintenance performed on these assets are charged to the income accounts.

Sales and withdrawals of such assets are discharged at their respective net cost and the difference between their selling price and net cost is posted on the income accounts.

Depreciation is calculated on the cost of said assets, which included inflation adjustments until December 31, 2006, using the straight-line method, based on the probable useful life of said assets and using the following annual rates:

- 5% for buildings and construction.
- 10% for machinery and equipment, including transport and office equipment.
- 20% for other transport equipment (vehicles), computer equipment and POS scanning equipment.

Display fixtures such as gondolas as well as anti-theft tags, shopping carts and signage, amongst others, are depreciated using the straight-line method applying an acceleration percentage ranging from 25% to 50% for each successive period.

According to Company policy, the residual value of fixed assets for the purpose of calculating depreciation is zero (0).

Valuation methods

According to technical regulations, accepted valuation criteria are, historic cost or value, current or replacement value, realizable or market value and present or discounted value.

- **Historic cost or value.** This is the original value either in cash or its equivalent incurred when the respective transaction was carried out.
- **Current or replacement value.** This represents the cash value that would be incurred in replacing the asset or that would be required in order to settle an obligation at that moment.
- **Realizable or market value,** this is the cash value expected in order to obtain an asset or settle a liability during the normal course of business.
- **Present or discounted value.** This is the present value of the net cash inflows or outflows generated by an asset or liability.

In deference to Article 4 of Regulatory Decree 2649 issued in1993 and the attributes therein provided for accounting information, the Company has decided that its property, plant and equipment be valued according to its realizable or market value.

The realizable or market value of an asset must be based on commercial appraisals carried out every three calendar years at a maximum. In performing these appraisals, all those assets whose adjusted value is lower than twenty (20) basic legal monthly wages are exempted by law.

Appraisals are performed by persons that have no relationship with the company that could be considered to represent a conflict of interest; that is to say between the appraiser and the Company there are no parallel ties, relations or operations implying an interest, real or potential, that could, in turn, prevent a fair and equitable value from being arrived at for the asset in question.

In the period between one appraisal and the next, and in order to disclose this information in the financial statements that must be presented, whether these be interim or year-end, the most recent realizable value of the wholly−owned property, plant and equipment, as established by the commercial appraisals carried out, adjusted for inflation up to December 31, 2006 and as of January 1st, 2007 by the Colombian Consumer Price Index, except when the corresponding circumstances render said adjustment inappropriate.

In all those cases where the value of property, plant and equipment is lower than their book cost, this latter figure is adjusted by means of provisions which affect the Company's income accounts.

In all those cases where the value of property, plant and equipment is higher than their book cost, this latter figure is adjusted by means of appraisals which directly affect the Company's equity.

Intangibles

These represent resources that carry a right or privilege enforceable against third parties, whose exercise or utilization may produce economic benefits in future years.

This category includes: goods handed over under trust arrangements, brands and goodwill.

The cost of these assets corresponds to clearly identifiable expenses incurred, and includes inflation adjustments until December 31, 2006. In order to recognize their contribution to the Company revenue-raising capabilities, these are amortized systematically throughout their useful life.

Goodwill

All those additional amounts paid out on the purchase of business entities or companies over which control is obtained are recorded as goodwill.

The value of goodwill in the case of acquiring control over other companies is the difference between the purchase cost and the value of the acquired company's equity in books.

The goodwill recorded in 2007 corresponds to the excess equity value paid to acquire Carulla Vivero S.A. plus all necessary expense incurred such as lawyers' and consultants' fees, financial charges and the difference in the exchange rate amongst others.

Acquired goodwill is recorded as an intangible asset and is amortized on a monthly basis affecting the income accounts over a term of 20 years.

Its annual amortization is determined by using the exponential amortization method. The amortization percentage used for 2008 was 2.64% (2007 - 2.47%)

Deferred items

Deferred assets include:

1. **Prepaid expense,** which are all those sums of money paid in advance or which must be amortized during the same period in which the services, accruing such costs or expense, are received; these include interest, insurance, lease rentals and other expense incurred in order to receive services in the future.

2. **Deferred charges,** are goods or services received with regard to which economic benefits are expected in other periods. These included inflation adjustments up to December 31, 2006 and their amortization is calculated as follows:

- **Improvements to third-party property,** are amortized during either the term of the corresponding agreement (independently of any extensions granted to such) and their probable useful life, (when their cost can not be recovered) whichever is the shortest.

- **Computer programs (software),** are amortized at a rate of 33% per year, except for financial and commercial software purchased during 2004 which is amortized at an annual rate of 20%.

Deferred monetary correction

The deferred monetary correction credit account includes all those inflation adjustments recorded up to December 31, 2006, as well as construction in progress and non-monetary deferred charges corresponding to the pre-operative stage which are amortized as of the date on which income is received and during the term established for the respective deferred item. The deferred monetary correction debit account corresponds to the proportional amount of the adjustment on equity, with regard to all those assets that are recorded as a credit in the deferred monetary correction credit account.

As a consequence of inflation adjustments being eliminated as of January 1, 2007, the balances of the deferred monetary accounts, both credit and debit, shall continue to be amortized according to the useful life of the asset generating such entries, posting an extraordinary non-operating expense or miscellaneous non-operating revenues, respectively. Should the asset that produced these entries be sold, transferred or otherwise withdrawn, the accumulated balances in these accounts must be eliminated.

Deferred tax

The effect of all those temporary differences which imply higher or lower income tax must be recorded as deferred tax receivable or payable in the same year as accrued. These entries are calculated using current rates, providing there exists reasonable prospects that such differences shall be reverted.

Deferred tax is amortized in the periods in which the temporary differences producing such are reverted.

Valuations and devaluations

Asset valuations and devaluations that form part of the Company's equity include:

a. Surpluses recorded from commercial appraisals of moveable property or real estate compared with their net cost in books

b. Increases or drops in the intrinsic or stock market value of some investments, including fiduciary rights, at the end of the fiscal year, with regard to their net cost in books.

c. Valuations and devaluations of investments pursuant to regulations issued by the Colombian Superintendency of Finance.

Financial obligations

These are obligations incurred by the Company with credit and financial institutions both at home and abroad, including bank overdrafts and hedging operations.

The value recorded corresponds to the principal amount of the obligation and all financial expense that does not increase the principal is recorded as accrued expense payable.

Derivatives

The Company carried out various derivative operations with a view to reducing its exposure to fluctuations in the exchange and interest rates affecting its investments and obligations. These instruments include SWAPS and different types of options.

The Parent Company records all those contractually-acquired rights and obligations, and shows these as net amounts on its balance sheet, following hedging accounting procedures, as stipulated in External Circulars Nos. 025 and 049 issued in 2008 by the Colombian Superintendency of Financ

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In appraising the value of these the Parent Company follows the following accounting policies:

a. Derivative contracts entered into for commercial purposes are adjusted at their market value at the end of the fiscal year and either debited or credited to the income accounts, as applicable. Their market value is determined based on stock quotes or, in the absence of these, on future discounted cash flow techniques or option models.

b. Derivative contracts that are entered into for the purpose of hedging the Company's financial liabilities are also adjusted at their market value, as described above, but the resulting adjustment, whether positive or negative is posted in the equity accounts.

Accounts payable

These represent obligations payable by the company for goods or services received. The more important obligations are recorded separately, these including suppliers, creditors, related parties and others. Accounts payable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

Taxes, duties and rates

These represent the value of all general and obligatory taxes and duties owed by the Company to the State that are calculated based on tax settlements for the respective fiscal year. These include, amongst others, income and complementary taxes, sales tax as well as industry and commerce tax.

The provision for income tax posted on the income accounts includes, besides the income tax due for the fiscal year in question, additional tax corresponding to the temporary differences arising between commercial profits and net income.

Labor liabilities

These include all liabilities payable by the Company to its workers or their beneficiaries. During the fiscal period in question, global estimates are recorded which are then adjusted at the close of the year, determining the amount payable to each employee in keeping with current legislation and the collective labor agreements in force.

According to Colombian labor legislation, in the event of wrongful dismissal, the employee in question is entitled to receive additional payments that vary according to the years he or she has remained at the service of a company and the wage or salary received. The liability corresponding to said obligations are not recorded in books, since normally they receive the treatment of a voluntary withdrawal from service

The Company and its subsidiaries make periodic severance payments and all-inclusive social security contributions covering health, occupational risk and pensions, to the respective Private Funds or to the Colombian Social Security Institute that are responsible for these obligations.

Estimated liabilities and provisions

These consist of current obligations to be paid by the Company, whose ultimate value depends on certain factors in the future and is recorded in books by way of provisions, in keeping with standard principles of realization, prudence and accrual. Estimated liabilities are recorded in books during the period these are realized, and are applied to the Company's assets and/or income, as applicable.

A liability is understood to have materialized together with the need to calculate and record in books its estimated value, whenever an obligation is incurred by the Company as a result of a transaction, but due to temporary reasons its final value is not known for sure, albeit there being sufficient elements to be able to calculate its value in a reasonable fashion.

Retirement pensions

A retirement pension is a special employment benefit provided by the Company to its employees as a result of legal or contractual provisions and consist of the payment of a monthly sum of money, that is readjusted according to the indexes stipulated by the Colombian Government or the parties in question, during the lifetime of the holder of the pension right or his or her legal beneficiaries, this according to the parameters and procedures established by law or by contractual provisions.

Annual adjustments to this liability are made based on actuarial studies in keeping with applicable legislation.

Pension payments are posted directly in the income accounts.

Recognition of revenues, costs and expense

Revenues from sales are posted when the actual transaction is carried out; revenues from leasing arrangements are posted in the same month as they accrue, while revenues from services are recorded during the term of the contract or when the services are provided. Costs and expense are posted based on the accrual method.

Net profits per share

Net profits per share are calculated on the weighted average of subscribed shares outstanding, which was 283,627,168 for 2008 (2007 - 251,004,091).

Memoranda accounts, debit and credit

Memoranda accounts, both credit and debit, contain all those commitments made in respect of transactions scheduled to be carried out as well as contingent rights or responsibilities, such as guarantees issued, unused letters of credit, securities received for safekeeping or as security, contracts signed for the purpose of buying merchandise, property and equipment as well as hedging operations. These also include control accounts used for the internal control of assets, management information or future financial situations. On the other hand, there are fiscal memoranda accounts used to post differences between the accounting figures and figures used for tax purposes.

Materiality

Transactions are recorded and presented according to their relative importance.

A transaction is considered material when, due to its nature or value, or whether it is known or unknown, bearing in mind the circumstances of such, it could significantly effect the decisions made by those using such information.

Upon preparing the financial statements, including the notes to such, the relative importance for reporting purposes, was calculated on the basis of 5% on current and non-current assets, current and non-current liabilities, shareholders' equity, the results for the period and on each general ledger account, considered on an individual basis.

Reclassifications in the Financial Statements

Certain items contained in the financial statements for 2007 were reclassified for comparative purposes.

Administrative and accounting internal controls

There were no significant changes to the Company's administrative and accounting internal controls in 2008 and 2007.

Note 3

TRANSACTIONS IN FOREIGN CURRENCY

Basic rules and regulations in Colombia allow foreign currency to be freely negotiated through banks and other financial institutions at freely determined exchange rates. However, in the Company's case, the majority of transactions in foreign currency still require official approval.

Operations and balances in foreign currency are converted using the representative market exchange rate, as certified by the Colombian Superintendency of Finance, and was used to prepare the financial statements at December 31st, 2008 and 2007. The representative market exchange rate at December 31st, 2008 came to $2,243.59* (2007 - $2,014.76*).per US dollar.

(*) In Colombian pesos

The Company held the following assets and liabilities in foreign currency, posted at their equivalent value in millions of pesos at December 31:

	2008		2007	
	In US$	Equivalent in million of Colombian pesos	In US$	Equivalent in million of Colombian pesos
Accounts receivable	1,926,556	4,322	215,469	434
Banks	157,713	354	409,534	825
Negotiable investments(1)	115,536	259	135,560,893	273,123
Cash in foreign currency	95,250	214	114,399	230
Total current assets	**2,295,055**	**5,149**	**136,300,295**	**274,612**
Investments in Cativen (2)	72,300,646	162,213	72,300,646	145,669
Total non-current assets	**72,300,646**	**162,213**	**72,300,646**	**145,669**
Total assets	**74,595,701**	**167,362**	**208,600,941**	**420,281**
Foreign financial obligations (3)	162,250,000	364,022	-	-
Foreign suppliers	19,203,412	43,085	14,326,563	28,865
Accounts payable	7,580,722	17,008	14,515,110	29,244
Financial obligations - letters of credit	-	-	2,286,392	4,607
Total current liabilities	**189,034,134**	**424,115**	**31,128,065**	**62,716**
Foreign financial obligations (3)	195,375,000	438,341	363,875,000	733,121
Total non-current liabilities	**195,375,000**	**438,341**	**363,875,000**	**733,121**
Total liabilities	**384,409,134**	**862,456**	**395,003,065**	**795,837**
Net liability monetary position (4)	**(309,813,433)**	**(695,094)**	**(186,402,124)**	**(375,556)**

(1) 2007's figure includes US$131 million, corresponding to investment funds set up with part of the cash funds received from the issue of Global Depositary Shares (GDS's) abroad.

(2) In 2008, net income on the exchange difference came to $16,544 (2007 a expense of $16,198) this corresponding to adjustments based on the exchange difference on investments held in Cativen S.A.

(3) The figure for 2007and 2008 includes a syndicated loan for a total of US$300 million (See note 15)

(4) The Company's hedging operations come to US$357.6 million, corresponding to SWAPs with Bancolombia and Citibank.

Exchange differences for the year were posted in the following accounts:

	2008	2007
Financial revenue	262,565	188,139
Operacional income duly hedge (*)	69,509	(14,023)
Financial expense	(324,729)	(163,720)
Net financial income	**7,345**	**10,396**

(*) Corresponding to the effect of hedging operations carried out to cover investments and financial obligations in foreign currency.

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Adjustments for the exchange difference applicable on investment in Cativén S.A.:

	2008	2007
Non-operating income	45,575	23,457
Non-operating expenses	(29,031)	(39,655)
Income (expense) net	**16,544**	**(16,198)**

Note 4

CASH AND BANKS

The balance of the Company's Cash and Banks account at December 31, is as follows:

	2008	2007
Banks and corporations	102,156	127,132
Cash	79,369	34,475
Total	**181,525**	**161,607**

In 2008, the Company posted returns obtained from savings accounts held with banks and corporations for a total value of $1,932 (2007 - $837).

Note 5

NEGOTIABLE INVESTMENTS

The Negotiable Investment account at December 31, is broken down as follows:

	2008	Interest rates	2007
CDTs (1)	102,652	5.5% - 8% Effective	-
Funding (1)	59,560	3.92% - 7.00% Nominal	24,733
Fiduciary Rights (1)	58,057	9.48% - 10.08% Effective	38,168
Investments in foreign currency (2) (see note 3)	259	1.57% - 3.41% Effective	273,123
Solidarity (Peace) Bonds (3)	-	110% Value PAAG	5,903
Total	**220,528**		**341,927**

(1) The balance recorded at December 31, 2008, included funding that partially consisted of the proceeds received from the sale of real estate property, namely the Calima Distribution Center and the EXITO Unicentro store located in Cali as well as the EXITO Unicentro store in Medellín. The Parent Company received $85,600 from the sale of these assets

(2) 2007's figure includes US$131 million, corresponding to investment funds set up with part of the cash funds received from the issue of Global Depositary Shares (GDS's) abroad.

(3) In 2008, these were redeemed, with accrued interest totaling $448.

In 2008, the Company recorded returns from negotiable investments totaling $4,653 (2007 - $12,023).

None of these investments bear restrictions or encumbrances which could limit their negotiability or realization

Note 6

ACCOUNTS RECEIVABLE

The balance of the Accounts Receivable account at December 31, is broken down as follows:

	2008	2007
CURRENT:		
Customers	51,773	53,652
Advance payments on tax receivable (See note 19)	49,409	42,197
Provision - customers	(3,531)	(1,497)
Subtotal	**97,651**	**94,352**
Miscellaneous receivables:		
Insurance claims (1)	36,930	86,245
Other receivables (2)	27,394	18,599
On sale of fixed assets – real estate (3)	20,614	6,334
Sufinanciamiento – Exito Store Card business (4)	20,411	772
Employee cooperative	16,520	13,659
Accounts receivable to related companies (5)	10,943	70,012
Franchisees	7,541	6,610
Cativén S.A.	4,458	3,585
Advance payments to contractors and suppliers	824	1,561
Predios del Sur S.A. (6)	746	1,265
Accrued interest	583	535
Hogar Sacerdotal (formerly Arquidiócesis de Medellín) A church-sponsored home	169	169
Provision for other receivables (7)	(4,458)	(3,585)
Sub-total miscellaneous receivables	**142,675**	**205,761**
Total current receivables	**240,326**	**300,113**
NON-CURRENT RECEIVABLES:		
Employee cooperative	25,595	21,522
Advance payments on purchase of fixed assets (8)	20,486	23,834
On sale of fixed assets – real estate (9)	10,688	13,062
Other miscellaneous receivables	743	732
Total non current receivables	**57,512**	**59,150**

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(1) This receivable corresponds to the balance of claims made for damages incurred with the fires affecting the Exito Fontibón store in Bogotá and Las Vegas Distribution Center in Envigado. It also includes claims for loss of profits up to the time when the Éxito Fontibon store was reopened plus extraordinary expense incurred in reestablishing operations at the Las Vegas Distribution Center in Envigado. Both fires occurred at the end of 2007, and the corresponding claims are being reviewed by the insurance company. The value to be recovered may vary, albeit to no material extent, depending on the findings of the study being conducted by both parties, this based on the opinions of insurance adjusters and experts in the field.

(2) For 2008, other accounts receivable included: $4,762 in promo vouchers, $2,646 in tax claims, $2,519 in legal attachments, $2,415 in bonuses from the Centralized Purchasing Department and expenses refunded by the Casino Group, $2,308 in loans to Packer Cooperatives, $1,690 due from Suramericana on the Seguros Exito insurance business, $821 in corporate sales to the Caja de Compensación del Atlántico and other minor receivables totaling $10,233.

(3) Including a balance of $14,650, due in March 2009, on the sale of the Calima Distribution Center and the Éxito Unicentro store, both located in Cali as well as the Éxito Unicentro store in Medellin all sold to FCPI Colombia Inmobiliaria in December 2008, $2,562 corresponding to the sale of the Ley Pereira Plaza store, $2,375 corresponding to the short-term installment pertaining to the sale of the premises where the Belen Distribution Center is located, these having been sold to Comfenalco Antioquia and $1,027 corresponding to the infrastructure construction works carried out near the Exito Rionegro store. In 2007 included $2,693 corresponding to the sale of the Ley Pereira Plaza store, $2,375 corresponding to the short-term installment pertaining to the sale of the premises where the Belen Distribution Center is located, these having been sold to Comfenalco Antioquia and $1,027 corresponding to the infrastructure construction works carried out near the Exito Rionegro store, and other $239.

(4) The receivable due from Sufinanciamiento corresponds to items relating to the Exito Store Card business, including royalties, reimbursed shared expense and coupon collection fees, which are scheduled to be paid in January and February of 2009.

(5) Receivables due from related companies include $72 from Casino, $2,611 from Dideetexco and $8,260 from Carulla Vivero S.A. (Please refer to Note 8).

(6) In 1996 the Company sold property to Predios del Sur S.A. for a total value of $4,557, of which, $1,496 were capitalized in said company and the remaining $3,061, was converted into a receivable with an initial due date in 2004. This term was then extended by means of a public deed until June 2008 with the remaining installments being postponed until February 2009, at the request of the Board of Directors of Predios del Sur with the Company's approval. In 2008 the Company received partial payments totaling $519.

(7) Corresponding to a provision for a receivable due from Cativen S.A.

(8) Corresponding to advance payments made to contractors for the purchase of real estate and retrofitting stores. Said payments were made based on the corresponding construction inspection certificates and/or public deeds drawn up in 2009, however these are classified as long-term receivables based on their end purpose of acquiring fixed assets.

(9) Corresponding to a receivable for the sale of the premises where the Belen Distribution Center was located in Medellin. This was sold to Comfenalco Antioquia at an interest rate equivalent to the DTF benchmark rate + 1 point on a half-yearly in arrears basis.

In 2008, the Company wrote off receivables for $75 (2006 – $80) and included new provisions for $2,982 (2007 – $1,899).

None of these investments bear restrictions or encumbrances which could limit their negotiability or realization.

The value recoverable per year with regard to long-term receivables at December 31, 2008 is as follows

	Receivables – Almacenes Exito S.A. Employees´ Cooperative	Other miscellaneous receivables and proceeds from sale of fixed assets (*)
year	Value	Value
2010	3,495	2,375
2011	3,008	2,375
2012	3,008	2,375
2013	2,912	2,375
2014	2,432	1,188
2015 on forward	10,740	743
Total	**25,595**	**11,431**

(*) The interest rate applicable to other miscellaneous receivables is comprised of the benchmark DTF rate + 1 point half-yearly in arrears on the receivable due from Comfenalco corresponding to the sale of the Belen Distribution Center in Medellin.

Note 7

INVENTORIES

The value of inventories of merchandise at december 31 is as follows:

	2008	2007
Merchandise for sale	886,770	719,018
Inventories in transit	30,827	21,731
Materials, spare parts and accessories	14,701	7,641
Provision for inventories	(19,279)	(16,422)
Total	**913,019**	**731,968**

The value of inventories of merchandise for sale at the close of 2008 showed an increase with regard to 2007. This was due mainly to having incorporated the Carulla Vivero S.A. operations, with those of Almacenes Exito S.A.

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Note 8

TRANSACTIONS WITH RELATED PARTIES

Balances and transactions with related parties at December 31 are broken oken down as follows:

Operations with Controlled companies	Type and Conditions in which operations were carried out			Effect on income accounts revenues (expense)	
		2008	2007	2008	2007
Didetexco S.A.	Current accounts payable	75	141	-	-
	Suppliers Term 2008: 8, 15, 30 and 60 days Term 2007: 10, 30 and 75 days	759	6,509	-	-
	Accounts receivable	2,611	6	-	-
	Purchases of merchandise	129,176	128,784	129,176	128,784
	Purchase of supplies	1,729	3,280	1,729	3,280
	Shared publicity	-	(18)	-	(18)
	Recovered amounts from claims	-	66	-	66
	Recovered amounts from public utility services	92	72	92	72
	Leasing expense	1,641	(534)	1,641	(534)
	Transport reimbursement	11	14	11	14
	Other income	2,271	1,834	2,271	1,834
	Miscellaneous expense	(10)	(10)	(10)	(10)
Carulla Vivero S.A.	Current accounts payable	119,313	55,327	-	-
	Suppliers Term 2008: 8, 30, 40, 60 and 90 days Term 2007: 8, 30, 40, 60 and 90 days	99,609	40,097	-	-
	Accounts receivable – loan DTF + 2.75% Quarterly in arreas (1)	-	66,020	-	-
	Labor receivables – loan (2)	-	2,438	-	-
	Other receivables	8,260	1,525	-	-
	Purchases of merchandise	137,036	120,875	137,036	120,875
	Industrial purchases	67,391	3,443	67,391	3,443
	Purchase of supplies	4,523	23	4,523	23
	Purchase of fixed assets (3)	82,599	79,012	82,599	79,012
	Sales	4,834		4,834	
	Financial revenue (1)	483	1,487	483	1,487
	Shared publicity	339	-	339	-
	Recovered amounts from public utility services	293	-	293	-
	Customer loyalty revenues	782	-	782	-
	Goodwill	-	(1,750)	-	(1,750)
	Personnel expense	(15,661)	(420)	(15,661)	(420)
	Administrative and leasing expense – real estate	(17,013)	(2,089)	(17,013)	(2,089)
	Transport expense and logistic charges	(6,330)	(301)	(6,330)	(301)
	Publicity expenses	(3,145)	(2,027)	(3,145)	(2,027)
	Packing material expenses	(1,731)		(1,731)	
	Royalty expense	(35,968)	(3,784)	(35,968)	(3,784)
	Interest expense on intangibles	(3,529)	-	(3,529)	-
	Insurance expense	(269)	-	(269)	-
	Public utility expense	-	(184)	-	(184)
	Other income	2,011	3,662	2,011	3,662
	Other expenses	(1,482)	(9,652)	(1,482)	(9,652)
Operations with other types of related parties, as provided for by Circular No 2 issued January 28, 1998 by the Colombian Superintendency of Finance: (2) Internacional de Llantas S.A.	Suppliers Term 2008: 8 and 30 days/ Term 2007: 15and 30 days	409	423	-	-
	Accounts receivable	-	41	-	-
	Purchases of merchandise	2,303	2,852	2,303	2,852
	Other income	59	56	59	56
Agora Corporate Consultants Ltda	Suppliers Term 2008: 8 days	14	-	-	-
	Purchases of merchandise	84	-	84	-

(1) Corresponding to loans granted to Carulla Vivero S.A. for paying off short-term loans to various financial institutions. Interest for this loan is the equivalent of DTF plus 2.75% quarterly in advance With regard to this item, the Company posted financial income totaling $1,487 for 2007.

(2) Corresponding to accounts receivable in the name of Carulla Vivero S.A. and corresponding to employment benefits owing to employees when Almacenes Exito S.A. took over as their new employer.

(3) In 2008 corresponding to purchases of fixed moveable assets and deferred charges for 27 Surtimax, 18 Merquefácil, 53 Carulla and 6 Home Mart stores that were converted to the Exito brand.

In 2007 corresponding to purchases of fixed moveable assets and deferred charges for 18 Vivero stores that were converted to the Exito brand

In 2008 and 2007, the Company did not carry out any operations with members of its Board of Directors, Legal Representatives and Senior Executives other than those herein reported.

All operations regarding investments in related companies have been disclosed in Note 10 "Investments with subsidiary companies".

In 2008 and 2007, there were no transactions carried out between the company and its related companies that included the following:

1. Operations different from those carried out with third parties at prices that are different from normal market prices charged for similar operations.

2. Interest-free loans or loans that do not require payment of consideration.

3. Free services or advisory assistance.

4. Transactions involving other items except for payments inherent to the direct work relationship of members of the Board of Directors, Legal Representatives and Executives.

5. With regard to their administrative handling, Almacenes Exito S.A. exercises full control over Didetexco S.A., Carulla Vivero S.A. and Faro de Caucasia S.A. The Company maintains complete independence with all other related parties with whom it carries out operations.

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Note 9

PERMANENT INVESTMENTS

The balance of the Permanent Investment account at December 31 is broken down as follows:

					2008				2007
Economic entity	Valuation method	Date of intrinsic or market value	Book value	Book value	Valuation	Devaluation	Provision	Realizable value	Dividends received
1. Variable-income investments in non-controlled companies, voluntary and participative									
Cadena de Tiendas Venezolanas – Cativén S.A.	Market		162,213	-	-	87,275	74,938	-	145,668
Comercial Inmobiliaria Internacional S.A. "subject to winding up proceedings", formerly Makro de Colombia S.A. (1)	Intrinsic	November	70,206	-	-	31,758	38,448	-	70,206
Makro Supermayorista S.A., formerly Makro de Colombia S.A. (1)	Intrinsic	November	396	-	-	7	389	-	396
Cadenalco "75th Anniversary" trust fund (2)	Intrinsic	December	8,612	7,481	-	-	16,093	-	8,799
Sufinanciamiento Bond (3)			49,500	-	-	-	49,500	-	39,500
Predios del Sur S.A.	Intrinsic	November	3,451	-	-	1,340	2,111	-	3,451
Suramericana de Inversiones S.A. (4)	Market	December	-	-	-	-	-	25	910
C.I. Promotora de Manufacturas para la Exportación S.A.	Intrinsic	February	-	-	-	-	-	-	634
Promotora de Proyectos S.A.	Intrinsic	November	196	-	137	-	59	-	157
Reforestadora El Guásimo S.A.	Intrinsic	November	37	6	-	-	43	4	33
Central de Abastos del Caribe S.A.	Intrinsic	November	26	39	-	-	65	-	26
Servicauca y Almacenes Exito S.A. (5)	Intrinsic	December	-	-	-	-	-	-	5,008
Servi-OIL DTC S.A. (5)	Intrinsic	December	313	-	-	-	313	-	
Other minor investments			439	-	-	-	439	-	418
2. Variable-income investments in non-controlled companies, obligatory and non-participative									
Solidarity (Peace) Bonds (6)			1,375	-	-	-	1,375	-	1,375
Variable –income investments – sub-total			**296,764**	**7,526**	**137**	**120,380**	**183,773**	**29**	**276,581**
3. Investments in subsidiary companies (See Note 10)			**528,508**	**2,452**	**-**	**-**	**530,960**	**-**	**437,238**
Subtotal permanent investments			**825,272**	**9,978**	**137**	**120,380**	**714,733**	**29**	**713,819**
Provisions for investment protection			(120,380)	-	-	-	-	-	(80,095)
Total permanent investments			**704,892**	**9,978**	**137**	**120,380**	**594,353**	**29**	**633,724**

(1) In 2008, the Company signed a Memorandum of Understanding with Orkam Holding Colombia N.V. governing the sale of shares in Comercial Inmobiliaria Internacional S.A. "Currently Being Wound Up", formerly known as Makro de Colombia S.A and Makro Supermayorista S.A., formerly Makro de Colombia S.A. In the light of this sale, a provision for $31,765 was recorded in books in 2008.

(2) The Cadenalco 75th Anniversary trust corresponds to the securitization of property where the Exito San Diego store is located in Medellin as well as the Exito Salitre store in Bogota. At a meeting held on october 18, 2006 by the Cadenalco 75th Anniversary trust, it was decided to extend the lease agreements by another 10 years. These securitization certificates shall therefore mature in 2017. A total of 13,812 certificates were sold in 2008, producing a profit of $162 million. No securitization certificates were sold in 2007.

(3) Bonds issued by Sufinanciamiento S.A. as part of a shared publicity agreement entered into by the Company with regard to the EXITO store card, for a nominal value of $49,500 (2007 - $39,500) for a total term of 10 years, and at a rate of return equivalent to CPI+ 2% plus the percentage of profits stipulated in said agreement.

(4) In 2008 sold of the Suramericana de Inversiones S.A. shares, producing a profit of $646.

(5) In 2008 the Company Servicauca was spun off and Almacenes Exito S.A. created two new companies: Faro de Caucasia S.A. and Servi-OIL DTC S.A., in which the Parent Company holds stakes of 94.07% and 5.93% respectively

(6) Peace Bonds are bearer bond certificates issued by the State for a term of 7 years and producing an annual rate of return of 110% of the Fiscal Year Adjustment Percentage. These produced a total of $554 (2007 - $689) in 2008. The balance of these bonds corresponds to an investment made in 2007 for a total of $1,375, maturing in 2014.

The Company's permanent investments do not bear any restrictions or encumbrances which restrict their negotiability or realization, except for the investment which the Company has in the form of Sufinanciamiento bonds which were issued as part of a shared publicity agreement for the Exito card by Sufinanciamiento S.A.

The following is additional information regarding permanent investments:

Type of investment according to economic entity	Economic activity	Type of share	No. of shares		% stake in subscribed capital	
			2008	2007	2008	2007
Variable-income investments in non-controlled companies, voluntary and participative						
Cadena de Tiendas Venezolanas - Cativén S.A.	Commerce	Ordinarias	15.249.340	15.249.340	28.62	28.62
Predios del Sur S.A.	Construction	Ordinarias	1.496.328.719	1.496.328.719	19.47	19.47
Comercial Inmobiliaria Internacional S.A. "En liquidación", antes Makro de Colombia S.A.	Commerce	Ordinarias	2.473.906.756	2.473.906.756	13.88	13.88
Makro Supermayorista S.A. antes Makro de Colombia S.A.	Commerce	Ordinarias	138.718	138.718	13.88	13.88
C.I. Promotora de Manufacturas para la Exportación S.A.	Exports	Ordinarias	-	1.903.211	-	11.82
Promotora de Proyectos S.A.	Services	Ordinarias	138.631	54.990	5.50	5.52
Central de Abastos del Caribe S.A.	Commerce	Ordinarias	3.430	3.430	0.14	0.14
Reforestadora El Guásimo S.A.	Agriculture	Ordinarias	2.262.513	193.244	0.06	0.06
Suramericana de Inversiones S.A.	Services	Ordinarias	-	109.100	-	0.05
Servicauca y Almacenes Exito S.A.	Investments	Ordinarias	-	77.000	-	10.00
Servi-OIL DTC S.A.	Real State	Ordinarias	41.080	-	5.93	-

The Company does not plan to sell off its investments in other companies in the short-term.

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In the case of all those investments whose intrinsic value was not available at December 31, 2008, the value published at September 30, 2008 or November 30, 2008 was taken and compared with the value recorded in books at December 31, 2007 so as to determine the corresponding valuation or devaluation of such. In the case of shares held in Suramericana de Inversiones S.A. their stock exchange price recorded at the close of the fiscal period was used as a reference.

Investee companies in which the Company holds more than a 10% stake of their total equity

Corporate purpose:

Cadena de Tiendas Venezolanas – Cativén S.A., incorporated in Caracas (Venezuela), in December 1994, it began operating in March, 1995. Its main purpose is to set up and operate commercial businesses or funds for subsequent retail operations through supermarkets, hypermarkets or any form of organization, which import, distribute and sell all kinds of products, goods and merchandise. The Company conducts its activities through the Exito Hypermarkets as well as the CADA supermarkets.

Predios del Sur S.A., incorporated by means of Public Deed Nº 3423, before the Notary Public No. 25 of the Circuit of Medellín, on December 6, 1996, as recorded before the Chamber of Commerce of Medellin in Register 9 of folio 1566. Its main corporate purpose is to build real estate projects in general, in urban or rural areas, for whatever purpose or use, with the view to selling off the property that make up the respective projects.

Makro Supermayorista S.A., incorporated by means of Public Deed Nº 4193 drawn up on December 2, 2005 before the Notary Public No. 63 of the Circuit of Bogotá D.C., and registered on December 12, 2005 under No. 01025587 of Register IX. Its main corporate purpose is to import, export, consign, distribute, purchase, sell and trade in all kinds of foods, clothing apparel, tableware, furniture for the home and office, spare parts and accessories for automobiles, bed linen and table linen in general, books, magazines, flowers, ornaments, cleaning implements for industrial, shop, office and home use, camping and sports articles, hardware, plumbing and electrical supplies, cosmetics and personal hygiene products, sweets, miscellaneous and toys, housewares, desk and garden implements, household appliances and footwear, goods and/or any other activity related directly or indirectly with the running of wholesale or retail supermarkets as its Board of Directors should so decide.

Comercial Inmobiliaria Internacional S.A., "Subject to winding-up proceedings", incorporated by means of Public Deed Nº 4193 drawn up on December 2, 2005 before the Notary Public No. 63 of the Circuit of Bogotá D.C., and registered on December 12, 2005 under No. 01025577 of Register IX. Its main corporate purpose is to import, export, consign, distribute, purchase, sell and trade in all kinds of foods, clothing apparel, tableware, furniture for the home and office, spare parts and accessories for automobiles, bed linen and table linen in general, books, magazines, flowers, ornaments, cleaning implements for industrial, shop, office and home use, camping and sports articles, hardware, plumbing and electrical supplies, cosmetics and personal hygiene products, sweets, miscellaneous and toys, housewares, desk and garden implements, household appliances and footwear, goods and/or any other activity related directly or indirectly with the running of wholesale or retail supermarkets as its Board of Directors should so decide.

With regard to investments held in Makro Supermayorista S.A. the company signed a Memorandum of Understanding for its subsequent sale to Orkam Holding Colombia in December, 2008

Servicauca y Almacenes Exito S.A. ahora BC Oil Colombia S.A., was incorporated by means of Public Deed No. 2311 drawn up on December 29, 2006, before the Notary Public No. 3 of the Circuit of Envigado, and registered before the Aburra Sur Chamber of Commerce on February 9, 2007. On December 15, 2008, the Shareholders of this Company at an extraordinary meeting approved all the points contained in the proposed spin-off; this consisting of transferring, in block form, all its assets, liabilities and shareholders equity in order to create two new companies : Faro de Caucasia S.A. and Servi-OIL DTC S.A.. Consequently, and according to Minutes of Shareholders Meeting N° 9 drawn up December 15, 2008, the Company's stakes in both companies came to 94.07% and 5.93% respectively

Comparative breakdown of the assets, liabilities, equity and profits of all those companies in which permanent investments are held.

The following figures were taken from financial statements, certified pursuant to applicable legislation of all those companies in which permanent investments were held at December 31, 2008 and 2007, with the exception of Predios del Sur S.A., Makro Supermayorista S.A. and Comercial Inmobiliaria Internacional S.A. "Subject to winding up proceedings" since their respective comparative analyses were conducted September 30th for the first one and November 30th, 2008 for the last two.

COMPANY	ASSETS		LIABILITIES		EQUITY		INCOME		NET REVENUES	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Cadena de Tiendas Venezolanas – Cativén S.A. (1)	866,960	580,977	745,927	483,587	121,033	97,403	17,727	15,721	2,436,180	1,796,018
Predios del Sur S.A.	51,629	67,907	40,687	57,427	10,942	10,480	257	519	29,526	22,585
Makro Supermayorista S.A.	187,435	123,238	139,845	87,384	47,590	35,854	8,555	1,158	503,758	455,510
Comercial Inmobiliaria Internacional S.A. "En liquidación"	333,968	304,700	2,929	446	331,039	304,254	(4,146)	(1,716)	6,439	6,092
Totales	**1,439,992**	**1,076,822**	**929,388**	**628,844**	**510,604**	**447,991**	**22,393**	**15,682**	**2,975,903**	**2,280,205**

(1) Figures taken from Cativen S.A. 's financial statements in current bolivars at December 31, 2008 and 2007 were converted to dollars and then from dollars to Colombian pesos at a rate of exchange of de $2,243.59* in 2008 (2007 - $2,014.76*).

Cativen S.A.'s financial statements for the year 2008 have not been audited at the time this report is presented.

(*) In Colombian pesos

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Note 10

INVESTMENTS IN SUBSIDIARY COMPANIES

At December 31, the Company held the following investments in its subsidiary companies:

	2008		2007	
ECONOMIC ENTITY	Book value	Valuation	Book value	Valuation
Variable-income investments, in controlled companies, - voluntary and participative				
Carulla Vivero S.A.	444,720	-	415,269	-
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	78,824	2,452	21,969	2,449
El Faro de Caucasia S.A. (See Note 9)	4,964	-	-	-
Total investment in subsidiary companies	**528,508**	**2,452**	**437,238**	**2,449**

Carulla Vivero S.A. is domiciled in Bogotá D.C. whereas Didetexco S.A. is domiciled in the town of Envigado, Faro de Caucasia . is domiciled in the town of Envigado.

Their corporate purpose is as follows:

Carulla Vivero S.A., a company incorporated in 1905 according to Colombian law, whose corporate purpose is mainly: to purchase, sell, import, export, process, pack, produce and in general market food, medicine, cosmetics, housewares, apparel, household appliances and other similar products, either through its own commercial establishments or those of third parties.

Didetexco S.A., was incorporated on July 13, 1976, and its business purpose consists of acquiring, storing, transforming, manufacturing selling and generally speaking distributing in any manner all types of apparel manufactured at home or abroad, as well as acquiring, renting or leasing any type of real estate property for the purpose of operating stores, shopping centers and other suitable venues for distributing merchandise or selling goods or services.

El Faro de Caucasia S.A., was incorporated December 30, 2008 and its business purpose consists of investing in urban or rural real estate, and acquiring, administrating, leasing, encumbering or disposing of these same, investing its own funds in real estate, bonds, stock market securities and stakes in commercial companies, purchasing, selling, distributing, importing and exporting all types of merchandise, raw materials and/or articles required by the manufacturing, service, capital good, building, transport and retail sectors in general, amongst others.

The following is additional information regarding investments in subsidiary companies:

Type of investment according to economic entity	Economic activity	Type of share	No. of shares		% stake of subscribed capital	
			2008	2007	2008	2007
Variable-income investments in non-controlled companies voluntary and participative Carulla Vivero S.A.	Commercial	Ordinary	27.291.254	27.275.847	77.05%	77.01%
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	Manufacturing	Ordinary	6.163.750	2.820.000	97.16%	94.00%
El Faro de Caucasia S.A.	Real State	Ordinary	651.420	-	94.07%	-

At December 31, 2008 the Company held a stake in Carulla Vivero equal to 77.05% of its total shares outstanding. This corresponds to a direct stake of 53.01% and an indirect stake of 24.04% through SPVs (Special Purpose Vehicles).

The Company held a stake in Didetexco equal to 97.16% of its total share outstanding. This corresponds to a direct stake of 92.43% and an indirect stake of 4.73% through SPVs (Special Purpose Vehicles).

In El Faro de Caucasia S.A. the Company held a direct stake of 94.07%.

The effect of applying the equity method was as follows:

	2008		2007	
	Income	Equity	Income	Equity
Carulla Vivero S.A.	17,481	11,736	13,962	18,566
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A.".	3,671	(316)	356	(351)
El Faro de Caucasia S.A.	-	-	-	-
Total	**21,152**	**11,420**	**14,318**	**18,215**

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Comparative breakdown of the assets, liabilities, equity and profits of all those companies in which permanent investments are held:

The following figures were taken from financial statements, certified pursuant to applicable legislation of all those companies in which permanent investments were held at December 31, 2008 and 2007:

COMPANY	ASSETS		LIABILITIES		EQUITY		INCOME		NET REVENUES	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Carulla Vivero S.A.	906,189	1,096,420	329,021	557,164	577,168	539,256	22,682	16,691	1,429,718	2,239,829
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A.".	124,673	49,243	41,021	23,265	83,652	25,978	4,499	1,678	147,867	142,427
El Faro de Caucasia S.A	5,276	-	-	-	5,276	-	-	-	-	-
Totales	**1,036,138**	**1,145,663**	**370,042**	**580,429**	**666,096**	**565,234**	**27,181**	**18,369**	**1,577,585**	**2,382,256**

Note 11

PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION

The Property, Plant, Equipment and Depreciation account at December 31 was as follows:

	2008			2007		
	Cost	Accumulated Depreciation	Net Cost	Cost	Accumulated Depreciation	Net Cost
Buildings and constructions (1)	1,250,942	(417,894)	833,048	1,118,780	(371,115)	747,665
Land	412,661	-	412,661	373,104	-	373,104
Machinery and equipment	685,719	(364,946)	320,773	560,524	(312,004)	248,520
Office equipment	450,043	(281,169)	168,874	373,714	(246,419)	127,295
Constructions in progress	72,621	-	72,621	41,805	-	41,805
Computer and communication equipment	227,966	(164,414)	63,552	211,446	(153,468)	57,978
Transport equipment	33,721	(23,768)	9,953	34,211	(22,539)	11,672
Security guard weaponry	49	(28)	21	30	(25)	5
Subtotal	**3,133,722**	**(1,252,219)**	**1,881,503**	**2,713,614**	**(1,105,570)**	**1,608,044**
Deferred tax depreciation (2)	-	8,012	8,012	-	9,711	9,711
Subtotal	**3,133,722**	**(1,244,207)**	**1,889,515**	**2,713,614**	**(1,095,859)**	**1,617,755**
Provision for property, plant and equipmen (3)	-	(17,111)	(17,111)	(16,614)	-	(16,614)
Total	**3,133,722**	**(1,261,318)**	**1,872,404**	**2,697,000**	**(1,095,859)**	**1,601,141**

(1) In 2008, the Company sold off the following property

Property	City	Value of Sale	Net Cost	Profits from sale
EXITO Unicentro	Cali	47,308	6,142	41,166
EXITO Unicentro	Medellín	39,350	2,304	37,046
Centro de Distribución Calima	Cali	13,736	1,384	12,352
Totales		**100,394**	**9,830**	**90,564**

(2) For tax purposes only, from 1997 to 2000 the Company applied the balance reduction method on capitalized constructions as of 1995. In order to qualify for this benefit, a reserve was set up equivalent to 70% of the greater value requested for tax depreciation (Please refer to Note 24) which increases with the appropriation of profits for each fiscal year.

(3) The figure for 2008 includes a provision for $612 with an amount recovered of $114 (In 2007, the provision came to $1,215 and the amount recovered $7,280). The majority of these properties included in the provision are located in Medellin.

The Company's property, plant and equipment do not bear any restrictions or encumbrances that limit their realization or negotiability, these being wholly-owned assets.

VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The following breakdown shows valuations and provisions at December 31:

1. With valuation

	2008			2007		
Type	Realization Value	Net Cost	Valuation (see note 14)	Realization Value	Net Cost	Valuation (See Note 14)
Land and buildings	1,876,640	1,192,171	684,469	1,823,002	1,077,221	745,781
Machinery and equipment	110,303	64,238	46,065	137,732	89,615	48,117
Office Equipment	21,505	9,605	11,900	25,296	12,662	12,634
Transport equipment	11,473	6,250	5,223	15,070	10,295	4,775
Total	**2,019,921**	**1,272,264**	**747,657**	**2,001,100**	**1,189,793**	**811,307**

2. With provision

	2008			2007		
Type	Realization Value	Net Cost	Provision	Realization Value	Net Cost	Provision
Land and buildings	47,318	61,550	(14,232)	39,636	53,259	(13,623)
Machinery and equipment	14,259	17,064	(2,805)	17,808	20,611	(2,803)
Transport equipment	534	602	(68)	655	775	(120)
Office Equipment	48	54	(6)	500	568	(68)
Total	**62,159**	**79,270**	**(17,111)**	**58,599**	**75,213**	**(16,614)**

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The Company performed technical appraisals on both its real estate and moveable property at the end of 2006, 2007 and 2008.

Note 12

INTANGIBLES, NET

The Intangibles Account at December 31, is broken down as follows:

	2008			2007		
	Cost	Accumulated Amortization	Net Value	Cost	Accumulated Amortization	Net Value
Goodwill - Carulla Vivero S.A. (1)	690,048	(31,089)	658,959	689,741	(13,072)	676,669
Fiduciary rights on land and attached buildings (2)	90,347	(16,481)	73,866	94,790	(14,243)	80,547
Other rights (3)	12,867	-	12,867	223	-	223
Brands	3,460	(3,374)	86	3,460	(3,092)	368
Share rights	61	-	61	61	-	61
Other rights	8,399	(8,399)	-	8,399	(7,749)	650
Dealers and franchises	685	(685)	-	685	(685)	-
Total	**805,867**	**(60,028)**	**745,839**	**797,359**	**(38,841)**	**758,518**

(1) Goodwill recorded in 2008 represents the equity surplus paid by the Company for the acquisition of Carulla Vivero S.A., totaling $690,048 (2007- 689,741) (including all costs incurred by the Company with the purchase of this company). (See note 29)

The total acquisition value of Carulla Vivero S.A., including expense incurred in the purchase procedure came to $1,073,023. At the close of the fiscal year there were no contingencies that could have modified or accelerated the amortization of the goodwill acquired from Carulla Vivero S.A.

(2) Including the setting up of the BYC EXITO stand-alone trust fund in 2007, by means of which the Exito Villamayor property was transferred to this mercantile trust fund for a value of $85,035 along with other properties totaling $5,312.

(3) Including the sum of $12,644 that was transferred to the City Plaza stand-alone trust fund. in which Almacenes Exito S.A. figures as area beneficiary along with other sums totaling $223.

Note 13

DEFERRED ITEMS, NET

Los diferidos al 31 de diciembre comprendían:

	2008			2007		
	Cost	Accumulated Amortization	Net Value	Cost	Accumulated Amortization	Net Value
Pre-paid expense:						
Insurance	5,537	-	5,537	11,100	-	11,100
Maintenance	1,677	-	1,677	1,207	-	1,207
Advertising	299	-	299	894	-	894
Lease rentals	290	-	290	398	-	398
Other	19	-	19	886	-	886
Premium for option contracts (1)		-	-	20,350	-	20,350
Subtotal - pre-paid expense	**7,822**	**-**	**7,822**	**34,835**	**-**	**34,835**
Deferrred income tax (See Note 19)	47,381	-	47,381	34,374	-	34,374
Subtotal – current deferred expense	**55,203**	**-**	**55,203**	**69,209**	**-**	**69,209**
Deferred charges:						
Improvements to third-party property	195,807	(79,975)	115,832	130,744	(59,960)	70,784
Software (2)	113,271	(71,119)	42,152	88,302	(53,880)	34,422
Lease rentals (3)	10,357	-	10,357	10,368	-	10,368
Deferred monetary correction	19,331	(10,863)	8,468	19,332	(9,809)	9,523
Deferred income tax (See note 19)	8,162	-	8,162	3,641	-	3,641
Subtotal – non current deferred charges	**346,928**	**(161,957)**	**184,971**	**252,387**	**(123,649)**	**128,738**
Total deferred items in assets	**402,131**	**(161,957)**	**240,174**	**321,596**	**(123,649)**	**197,947**
Liabilities:						
Deferred monetary correction	29,480	(16,994)	12,486	29,480	(15,065)	14,415
Deferred income tax (See Note 19)	2,644	-	2,644	31,220	-	31,220
Total non-current items in liabilities	**32,124**	**(16,994)**	**15,130**	**60,700**	**(15,065)**	**45,635**

(1) The figure for 2007 includes the market value of premiums for option contracts PUT and CALL entered into with the following banks:

COLLARS	Nominal value US$	Completed operations	Rate Floor $	Rate Cap $	Value of premium at December 31, 2007	Starting date	Redemption date
Citibank	50,000,000		2,180.00	2,375.00	8,262	23/08/2007	October-December 2008
JP Morgan Chase Bank	105,000,000	24,000,000	2,164.00	2,350.00	12,088	23/08/2007	December 2007, March-August 2008
	155,000,000	**24,000,000**			**20,350**		

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(2) In 2008, the Company acquired software for its expansion program for $24,969.

(3) In 2008 including prepayment on lease contracts for premises where the Pomona San Lucas store operates in Medellin for $1,420 and the Exito San Martin store in Bogotá for $8,937.

Note 14

APPRAISALS

The following breakdown shows a summary of appraisals at December 31:

	2008			2007		
	Appraisal value	Devaluation	Net Valuation	Appraisal value	Devaluation	Net Valuation
Constructions and buildings	684,469	-	684,469	745,781	-	745,781
Moveable property (Note 11)	63,188	-	63,188	65,526	-	65,526
Investments	9,977	(137)	9,840	15,503	(28,134)	(12,631)
Fiduciary Rights	3,610	-	3,610	1,300	-	1,300
Derivatives (*)	-	-	-	30,302	-	30,302
Total	**761,244**	**(137)**	**761,107**	**858,412**	**(28,134)**	**830,278**

(*) Corresponding to the recordal of the resulting appreciation in value upon comparing the SWAPs held by the Company to hedge its commitments in dollars with their market value at December 31, 2007. The corresponding balancing entry was recorded as an equity appraisal surplus.

Note 15

FINANCIAL OBLIGATIONS

The balance of this account at December 31, is broken down as follows:

		2008				2007		
	Fin Institution	Book value	Accrued Interest payable	Interest rate	Maturity Date	Guarantee	Book value	Interest rate
SHORT TERM								
Letters of credit	Bancolombia	-	-				2,706	Libor + 0.90
	Banco de Bogotá	-	-				1,901	
Total Letters of credit		-	-				**4,607**	
Credit cards		1,194	-				1,974	
Total Credit cards		**1,194**	**-**				**1,974**	
Factoring con proveedores	Citibank	278	-			Promissory Note	-	
Total- factoring con proveedores		**278**	**-**				**-**	
Loans in local currency	Banco de Bogotá	-	-				5,020	
	BBVA	40,000	994	DTF + 2.5% AER	July 2009	Promissory Note		
		30,000	736	DTF + 2.5% AER	July 2009	Promissory Note		
		10,000	147	DTF+3.15% Quarterly in arrears	May 2009	Promissory Note		
	Citibank	8,591	414	8.95% half-yearly in arrears	September 2009	Promissory Note	8,591	8.95% half-yearly in arrears
Subtotal- Loans in local currency		**88,591**	**2,291**				**13,611**	
Loans in foreign currency	Citibank	14,022	43	Libor180+0.70	December 2009	Promissory Note	13,992	Libor 180+0.70
	JP Morgan	269,231	579	Libor 90 + 1.50	December 2009	Promissory Note		
	JP Morgan	80,769	927	Libor 90+ 1.75	December 2009	Promissory Note		
Subtotal- Loans in foreign currency		**364,022**	**1,549**				**13,992**	
Hedging Operation SWAP	Citibank (1)	1,657	120				1,695	
	Citibank (1)	17,159	123				-	
	Citibank (1)	3,557	1,767				-	
Subtotal- Hedging Operation SWAP		**22,373**	**3,010**				**1,695**	
Total – loans in foreign currency		**386,395**	**4,559**				**15,687**	
Total short term		**476,458**	**6,850**				**35,879**	
LONG TERM Loans in local currency	BBVA						40,000 30,000 10,000	DTF + 2.5% AE DTF + 2.5% AE DTF + 3.15%
	Citibank	8,591	-	8.95% HYIA	September 2010	Promissory Note	17,183	8.95% HYIA
Subtotal Loans in local currency		**8,591**	**-**				**97,183**	
Loans in foreign currency	Citibank	21,034	-	Libor180+0.70	June 2011	Promissory Note	34,981	Libor180+0.70
	JP Morgan	323,077	-	Libor 90+ 1.75	December 2011	Promissory Note	362,657	Libor 90+ 1.75
	JP Morgan	-	-				241,771	Libor 90+ 1.50
	Bancolombia	94,230	309	Libor 180+0.70	May 2011	Promissory Note	94,029	Libor 180 + 0.70
Subtotal - Loans in foreign currency		438,341	309				733,438	
Hedging Operation SWAP	Citibank (1)	2,499	-				4,238	
	Citibank (1)	20,566	-				66,898	
	Citibank (1)	-	-				44,599	
	Bancolombia (1)	7,510	690				8,934	
Subtotal Hedging Operation SWAP		**30,575**	690				**124,669**	
Total- loan in foreign currency		**468,916**	**999**				**858,107**	
Total long.term		**477,507**	**999**				**955,290**	
Total short and long term financial obligations		**953,965**	**7,549**				**991,169**	

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(1) Derivatives – SWAPs.

In January 2007, the Company received the funds corresponding to a syndicated loan from J.P.Morgan Chase Bank for US$300 million for the purpose of acquiring Carulla Vivero S.A.. This loan was divided up into two tranches: one totaling US$120 million with a three year term and one single repayment at maturity and the second for US$180 million with a five year term and five separate repayments on a half-yearly basis beginning in the third year.

In addition to this credit, the Company has two more credits in foreign currency, one with Bancolombia for US$ 42 million with re-payment maturity in May, 2011 and one with Citibank with a balance of US$16 million as of December, 2008 with a maturity date in June, 2011.

At December 31 2008 the Company had four interest rate and currency SWAPs in force, as shown in the following table:

Fin Institution	Nominal value US$	SWAP rate in $	Starting date	Expiry Date	Payments made at December 31, 2008 US$	Fixed interest rate (obligation)	Interest rate (credit right)
Citibank (*)	120,000,000	2,386.42	January 2007	December 2009	-	10.19% half yearly in arrears	Libor 90 + 1.50
Citibank (*)	180,000,000	2,386.42	January 2007	December 2011	-	10.75% half yearly in arrears	Libor 90 + 1.75
Bancolombia	42,000,000	2,451.50	May 2006	May 2011	-	9.70% half yearly in arrears	Libor 180 + 0.70
Citibank	25,000,000	2,510.00	June 2006	June 2011	9,375,000	9.95% half yearly in arrears	Libor 180 + 0.70

(*) In June, 2007, the Parent Company performed a novation operation on these contracts with Citibank NA.

In 2008 the result of the valuation of these instruments, in accordance with Financial Superintendency rules on hedge accounting, it was recorded in the company´s equity $2,797.

The syndicated loan participant banks at December 31, 2008 are as follows:

JP Morgan Chase Bank, N.A.
ABN AMRO Bank N.V.
Banco de Bogotá, S.A. Panamá
Banco de Crédito del Perú - Miami Agency
Banco de Crédito Helm Financial Services (Panamá) S.A.
Bancolombia S.A
Banco Bilbao Vizcaya Argentaria, S.A.
Banco de Bogotá S.A., Miami Agency
Banco Latinoamericano de Exportaciones, S.A.
Israel Discount Bank of New York
Natixis
Standard Chartered Bank
West LB AG, New York Branch
Banco Security
Citibank N.A., Nassau Bahamas Branch

To maintain the credit terms, the Parent Company acquired commitments which include:

Interest Coverage	No less than 3.25 for year 2008 and 3.50 for 2009 and following
Debt /EBITDA	Less than 3.0 for year 2008 and 2.75 for 2009 and following
Assets sales limit	USD $200 millions per year

At December 31, 2008 the Company shows the following indicators:

EBITDA/interest	5.79
Financial Debt/EBITDA	2.25
Assets sales	$102,711

The Company does not expect to restructure their borrowings. The Parent Company amortizes their financial obligations on their respective due dates. None of said financial obligations are in arrears.

Note 16

SUPPLIERS

The balance of the Suppliers account at December 31, is broken down as follows:

	2008	2007
Local suppliers	923,055	648,712
Foreign suppliers	43,085	28,864
Total (*)	**966,140**	**677,576**

(*) 2008's total shows an increase with regard to 2007. This was due mainly to having incorporated Carulla Vivero stores whose operations were fully integrated with those of Almacenes Exito S.A. (Please refer to Note 29).

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Note 17

SHORT-TERM ACCOUNTS PAYABLE

The Short-Term Accounts Payable account at December 31, is broken down as follows:

	2008	2007
Related parties (1)	**119,388**	**55,468**
Dividends payable (2)	**17,568**	**595**
Miscellaneous creditors:		
Costs and expense payable	134,476	131,489
Contractors	21,079	23,016
Merchandise withdrawal orders to be used	17,663	16,950
Withholding tax payable	16,988	14,150
Contribution - Social Security Law (4)	5,720	4,647
Account payable hedging obligations (3)	3,700	3,064
Other miscellaneous creditors	2,480	2,253
Subtotal – miscellaneous creditors	**202,106**	**195,569**
Total short-term accounts payable	**339,062**	**251,632**

(1) The figure for 2008 includes operations carried out with Carulla Vivero S.A. for the purchase of fixed assets, goodwill and deferred charges (improvements to third-party property) for a value of $67,529 (2007 - $48,273), product of integrating the Carulla, Surtimax and Home Mart store operations with those of Almacenes Exito S.A. (See Note 29).

(2) The General Assembly of Shareholders of the Parent Company at an ordinary meeting held March 14th, 2008, decreed a dividend of $60 (*) per quarter, payable during a term of five business days of each month (1 April, 1 July, 1 October and 2 January, 2009)

(3) The figure corresponds to interest payable on SWAP hedging operations, as follows: Citibank, year 2008 $3,010 (2007 - $2,506), y Bancolombia for year 2008 $690 (2007 -$558).

(4) Including amounts payable for items concerning the Social Security Law at December 31, 2008 and 2007. At December 31, 2008 and 2007, the Parent Company satisfactorily complied with all rules and regulations applicable to contributions covered by the Social Security Law.

(*) In Colombian pesos.

The Company does not have any accounts payable whose residual term is greater than five years.

Note 18

BONDS

The total value of the bonds at December 31 was as follows:

	2008	2007
Bonds	105,000	105,000

By means of Resolution No. 0414 issued in March 2006 by the Colombian Superintendency of Finance, the Parent Company, Almacenes Exito S.A.. was authorized to issue bonds with the following characteristics:

Amount authorized:	$200,000
Amount placed at December 31, 2006:	$105,000
Nominal value:	$1
Form of payment:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A.

The placement prospectus for Almacenes Exito S.A.'s issue of ordinary bonds placed in 2006, stipulates the following general guarantee for said bonds:

"To guarantee its obligations with all those holders of Ordinary Bonds using all of its assets in the form of general collateral for all of its creditors, in compliance with all those obligations acquired as a result of this issue of Ordinary Bonds".

At December 31, 2008, the following securities had been issued:

Date of Issue	Value $	Maturity Date	Term	Interest Rate
26.04.2006	30,350	26.04.2011	5 years	IPC + 4.98% half yearly in arrears
26.04.2006	74,650	26.04.2013	7 years	IPC + 5.45% half yearly in arrears
Total	**105,000**			

In 2008 interest on these bonds, totaling $11,864 (2007 - $11,102). At December 31, 2008 accrued interest payables for $2,500 (2007 - $1,960).

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Note 19

TAXES, DUTIES AND RATES

Advance payments and balances in favor with regard to taxes, duties and rates at December 31, are broken down as follows:

	2008	2007
Income and complementary tax	(42,374)	(34,314)
Sales tax payable	26,042	16,727
Land and Industry and Commerce tax	18,269	19,189
Development quotas	119	66
Advance payments on Land and Industry and Commerce tax	(3,023)	(6,897)
Sales tax receivable corresponding to the fifth two-month period in 2008	(2,840)	-
Industry and Commerce withholding tax	(1,172)	(985)
Equity tax payable	-	10,686
Net Total (1)	**(4,979)**	**4,472**

(1) Included on the Company's balance sheet as follows:

	2008	2007
Current assets		
Advanced receivable tax (See note 6)	(49,409)	(42,197)
Current liabilities		
Taxes, duties and rates	44,430	46,669
Total	**(4,979)**	**4,472**

The estimated current liability for income and complementary tax at December 31 was as follows:

	2008	2007
Liability – Provision for the year	**25,595**	**29,162**
Less: - Withholding tax and advance payments	(67,969)	(52,379)
- Greater tax on payment of deferred tax debit on provision for investments in Cativen S.A. and others	-	(11,097)
Total income and complementary tax payable (receivable)	**(42,374)**	**(34,314)**

Deferred income tax during the year was as follows:

	2008	2007
Balance at beginning of the year	**(6,795)**	**(28,869)**
Net adjustment to deferred tax from prior years	**(25,403)**	**11,097**
Deferred income tax for the year due to the effect of:		
Provisioned expense (1)	(24,770)	(10,723)
Adjustment expensed depreciation on tax-book differences	(647)	(91)
Reimbursed deferred depreciation	(368)	(379)
Provisioned expense	4,683	(5,219)
Provisiones assets non deductible	401	(1,037)
Income on unpaid insurance indemnities (2)	-	28,426
Net activity for the year	**(20,701)**	**10,977**
Balance at year-end (3) (See Note 13)	**(52,899)**	**(6,795)**

(1) The figure for 2008 included 33% of surplus presumptive income on the Company ordinary net income of $75,062

(2) In 2007 Corresponding to the Parent Company's deferred tax payable, generated by income accrued on insurance indemnities for the fires that broke out at the Exito Fontibon store in Bogotá and the Las Vegas Distribution Center in Envigado for a total of $86,140

(3) Included on the balance sheet as follows:

	2008	2007
Current assets		
Deferred items (See Note 13)	(47,381)	(34,374)
Non-current assets		
Deferred items, net (See Note 13)	(8,162)	(3,641)
Non-current liabilities		
Deferred items (See Note 13)	2,644	31,220
Total	**(52,899)**	**(6,795)**

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The reconciliation between book profits and taxable income for tax purposes is as follows:

	2008	2007
Book profits before income tax	158,216	171,131
Plus:		
Non-deductible expense on limit of net income	60,108	-
Provision for investments (1)	40,920	-
Non-deductible expense on provisioned liabilities	35,617	54,142
Provision for unknown shrinkage	19,279	16,422
Expensed non-deductible amortization of goodwill in the case of Carulla	18,017	13,072
Expensed provision for industry and commerce, land and stamp tax	14,871	12,291
Non-deductible expense	13,652	7,471
Adjustment expensed depreciation on tax/book differences	1,962	941
Financial transaction tax	1,887	5,088
Reimbursed deferred depreciation	1,114	1,771
Provision for other assets	612	592
Refunded deduction on investment in productive fixed assets	114	13,425
Less:		
40% deduction on investment in income-producing assets	(136,980)	(65,046)
Difference between book and tax cost of fixed assets sold off for tax disencumbrance purposes	(87,953)	(40,088)
Other non-taxable income (2)	(51,937)	(4,325)
Provision for liabilities from prior years, deductible in current year	(51,562)	(35,011)
Revenues from applying equity method to income	(21,155)	(14,318)
Provision for inventories from prior years, deductible in current year	(16,423)	(12,893)
Provision for industry and commerce and land from prior years, deductible in current year	(12,489)	(8,941)
Adjustments for the exchange difference applicable on the investment in Cativen S.A.	(8,901)	8,715
Income not subject to income or capital gains tax	(3,111)	(712)
Recovery of provision for assets from prior periods	(1,963)	(15,993)
Income on unpaid insurance indemnities	-	(86,140)
Total net ordinary lost	**(26,105)**	**21,594**

(1) In 2008 the Parent Company posted a total of $8,899 recovered from the provision for Cativen S,.A. (2007 recovery of $8,715) and a provision for Comercial Inmobiliaria S.A. and Madro Supermayorista S.A. of $31,758 (In 2007 no provision was registered) and other of $263

(2) In 2008 this figure corresponds, among others, to the recovery by the Parent Company of provisioned recovered liabilities for $22,107.

The current income tax liability was calculated as follows:

	2008	2007
Net equity at December 31 of the prior year	2,760,608	1,826,354
Less net equity to be excluded	(258,552)	(55,241)
Net equity basis for presumptive income	**2,502,056**	**1,771,113**
Presumptive income on net equity	75,062	53,133
Taxable net income	**75,062**	**53,133**
Total net ordinary income (loss)	(26,105)	21,594
Total net ordinary income	**75,062**	**53,133**
Income tax before capital gains (2008- 33% and 2007 34%)	**24,770**	**18,065**
Capital gains tax	825	-
Tax on dismantling the deferred tax debit with regard to provision for investments in the case of Cativen S.A. and others	-	11,097
Total current income tax liability	**25,595**	**29,162**
Expensed current income tax	**25,595**	**29,162**
Net movement of deferred taxes	(20,701)	10,977
Expensed income tax	**4,894**	**40,139**

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The reconciliation between book and tax equity is as follows:

	2008	2007
Book equity at December 31	3,393,967	3,385,041
Plus:		
- Disencumbrance of net fixed assets	141,541	246,354
- Estimated liabilities for expenses	46,142	57,226
- Provision for fixed assets	19,279	16,423
- Provision for fixed assets	17,111	16,614
- Provision for receivables	8,899	5,082
Elimination of accumulated depreciation on difference between book and tax useful lives	8,074	6,112
- Greater equity value of short term investments	7,481	7,268
- Deferred tax payable	2,644	31,220
- Provision for Industry and Commerce tax	2,236	5,236
- Tax readjustments on fixed assets and investments	257	259
- Greater value of intangibles and deferred items	-	2,065
Less:		
Valuations on fixed assets and fiduciary rights	(758,748)	(848,759)
Expense non-deductible amortization of goodwill in the case of Carulla	(81,733)	(77,178)
- Deferred tax receivable	(55,544)	(38,015)
- Elimination of Equity Method (previously applied on Carulla)	(31,444)	(32,528)
- Elimination of Equity Method (previously applied on Didetexco)	(15,240)	(11,883)
- Surplus between tax and book depreciation	(8,013)	(9,712)
- Difference between book and fiscal income tax	-	(217)
Total net equity	**2,696,909**	**2,760,608**

Income and complementary tax on remittances

Current tax provisions applicable to the Parent Company stipulate that:

a. As of 2008, taxable income shall be subject to a tax rate of 33%, in 2007 this was subject to a tax rate of 34%.

b. The basis for determining income tax cannot be lower than 3% of the net equity recorded on the last day of the immediately preceding fiscal year.

c. Beginning in the fiscal year of 2007 all adjustments for inflation for tax purposes were eliminated and a capital gains tax was revived in the case of corporate persons, which is calculated on the total amount of income received in the form of capital gains during the fiscal year in question.

d. The annual readjustment percentage applicable to the cost of all real estate and movable property that is classified as fixed assets for 2008 is 7.75%, (2007 -5.15%) and shall affect fiscal equity only.

e. As of the fiscal year of 2007, the deduction on cash investments in real productive fixed assets was set at 40% and its application does not give rise to taxable earnings for either shareholders or partners.

Taxpayers who acquire productive fixed assets that are depreciable as of January 1, 2007 and who use the above deduction, may only depreciate said assets applying the straight-line method and shall not be entitled to exercise their right to an audit, even if they comply with the parameters established for such according to current tax legislation. Prior to January 1, 2007, this deduction was applied to investments in productive fixed assets without having to depreciate these same using the straight-line method. In the event that the assets, on which the abovementioned discount benefit accrued, cease to be used for income-producing activities or are sold off or otherwise transferred, the portion of this discount corresponding to their remaining useful life when they are sold off or otherwise withdrawn, constitute income to be taxed at the current rates.

f. At December 31, 2008, the Parent Company and its subsidiaries posted a fiscal loss of $26,105 to be subsequently offset, together with a surplus of presumptive income of $88,517 According to current tax legislation, as of the fiscal year of 2007, companies may offset their tax losses, duly readjusted on a tax basis, at any time and without these being subject to any percentage restrictions, with ordinary net income without prejudice to the presumptive income recorded for the corresponding fiscal year. Any surpluses in presumptive income with regard to ordinary income obtained as of the fiscal year of 2007 may be offset with ordinary net income determined within a term of the following five (5) years, these to be duly readjusted on a tax basis. Losses sustained by companies may not be transferred to shareholders or partners. Tax losses arising from revenues that do not constitute income or capital gains or from costs and deductions that are not caused by the generation of taxable income may in no event be offset by the taxpayer's net income.

Pursuant to that stipulated in Articles 188 and 189 of the Colombian Tax Statute, for the fiscal years of 2008 and 2007, the Company recorded their income tax liability using the presumptive income system.

Law 963, passed July 8, 2005, provided for legal stability agreements to be drawn up with investors in Colombia. The Parent Company signed a legal stability agreement with the Government for a term of ten years beginning in August, 2007.

All tax returns for the years 2006, 2007 and 2008 as well as wealth tax returns for these same years remain subject to review on the part of the Colombian tax authorities. Both Company Management and its tax advisors consider that there will be no extra taxes to be paid by the Parent Company and its subsidiary companies, other than those that have been provisioned up to December 31, 2008.

Wealth tax

Pursuant to Law 1111 of 2006, a wealth tax was created for corporate and natural persons, de facto corporations and taxpayers declaring income tax for the fiscal years of 2007, 2008, 2009 and 2010. For the purpose of this tax, the concept of wealth is equivalent to the taxpayer's entire net equity, when this is equal or higher than three thousand million Colombian pesos.

This tax is calculated on the basis of net equity at January 1, 2007 at a rate of 1.2%.

Wealth tax for the fiscal year of 2008, came to $21,372 (2007 - $21,371) which was recorded by the Company as a lower value in the equity revaluation account

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Note 20

LABOR LIABILITIES

The balance of the Labor Liabilities account at December 31 is broken down as follows:

	2008		2007	
	Current Value	Non-Current Value	Current Value	Non-Current Value
Severance Law 50	13,189	-	10,355	-
Vacations and vacation bonuses payable	11,905	-	9,507	-
Retirement pensions (See Note 21)	3,014	-	3,488	-
Interest on severance payable	1,641	-	1,287	-
Salaries and employment benefits payable	1,110	-	8,173	-
Consolidated severance – previous system	451	510	277	366
Total	**31,310**	**510**	**33,087**	**366**

Note 21

ESTIMATED RETIREMENT PENSION LIABILITY

The value of the Company's liability with regard to retirement pensions has been calculated based on actuarial studies, in accordance with that provided for in Decree 2783 issued December 20, 2001, which introduced modifications to the technical basis used for making said calculations.

The Company is responsible for paying retirement pensions to all those employees who fulfill the following requirements:

- Employees completing more than 20 years of service at January 1, 1967 (full liability)

- Employees and former employees completing between 10 and 20 years of service at January 1, 1967 (partial liability)

In the case of all other employees, the Colombian Institute of Social Security or the authorized pension funds are responsible for paying these pensions.

Actuarial calculations and the amounts posted in books are as follows:

	2008	2007
Actuarial calculation of the liability (100% amortized)	12,480	13,359
Less: Current portion (See Note 20)	(3,014)	(3,488)
Non-current portion	**9,466**	**9,871**

At December 31, 2008, actuarial calculations included 184 persons (2007 - 227)

The benefits covered correspond to monthly retirement pensions, pension readjustments pursuant to legal regulations, surviving beneficiary income, burial benefits and bonuses in June and December, as legally provided

The deferred cost of retirement pensions was amortized pursuant to tax regulations. The Parent Company's net balance at December 31, 2008 and December 31 2007 represent 100% of the actuarial calculations made on the total contingent liability for the years ended on said dates.

Note 22

ESTIMATED LIABILITIES AND PROVISIONS

The balance of the Estimated Liability and Provisions account at December 31 is broken down as follows:

	2008	2007
Other provisions (1)	36,389	40,822
Provision for customer loyalty program (2)	9,753	16,404
Total	**46,142**	**57,226**

(1) Including provisions for 2008 for the following items: restructuring process $11,500, integration process Carulla Vivero S.A. $12,161 legal stability agreement $4,235, labor suits $1,604, litigation and claims $4,781 and other $2,108. Including provisions for 2007 for the following items : restructuring process Carulla Vivero S.A. $27,739, legal stability agreement $5,280 labor suits $2,046, litigation and claims $3,532 and other $2,225.

(2) Liability for customer loyalty program named "Puntos EXITO" and "Tarjeta EXITO".

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Note 23

OTHER LIABILITIES

The balance of the Other Liabilities account at December 31 is broken down as follows:

	2008	2007
Amounts collected for third parties	7,342	3,424
Retained as security	3,018	7,506
Installments received – "Plan Reservalo"	2,090	1,934
Others	1,350	522
Subtotal – other current liabilities	**13,800**	**13,386**
Other non-current liabilities (*)	18,689	-
Total	**32,489**	**13,386**

(*) In 2008, the Parent Company entered into a Business Collaboration agreement with EASY Colombia, the purpose of which was for Almacenes Exito S.A. to hand over the tenancy pertaining to certain retail premises for EASY to subsequently set up and initiate operations.

EASY Colombia, for its part, is obliged to build and retrofit said premises as tenant, amortizing the improvements made over a period of 20 years, when it shall be released from any liability regarding the construction and improvement work. The value of building these premises came to $18,689.

Note 24

EQUITY

24.1 Share Capital

The Company's authorized capital corresponds to 400,000,000 ordinary shares each with a face value of $10 (*). The Company's subscribed and paid-in capital totals $2,843 (2007 - $2,843) and the number of shares outstanding comes to 283,627,168 and the number of treasury shares is a 635,865 each year.

(*) In Colombian pesos

24.2 Share placement premium

The share placement premium represents the higher value paid out over and above the shares' face value. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

24.3 Reserves

Except for the restricted reserve, set up with 70% of the deferred depreciation (see Note 11) and the reserve for share repurchases, the other reserves were set up with retained earnings and remain freely available for distribution by the General Assembly of Shareholders.

The Company is required to set up this reserve appropriating 10% of their net annual profits until the balance of this reserve reaches 50% of its subscribed capital The reserve cannot be distributed prior to the Company being wound up, but must be used to absorb or reduce losses. Appropriations in excess of the aforementioned 50% remain freely available for distribution by the General Assembly of Shareholders.

24.4 Equity Revaluation

Inflation adjustments on balances of shareholders' equity accounts up to December 31, 2006, excluding the reappraisal surplus, have been posted to this account, and charged to the income statement. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

The Colombian Government eliminated inflation adjustments for tax purposes by means of Law 1111 passed December 27, 2006. These were subsequently eliminated from books, as of January 1, 2007 by means of Decree 1536 issued May 7, 2007.

During the year 2008, Company Management in accordance with the aforementioned provisions, posted the sum of $21,371 (2007-$21,371) as a lower value of the equity revaluation account.

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Note 25

MEMORANDA ACCOUNTS, DEBIT AND CREDIT

The balance of the Memoranda Accounts at December 31, is broken down as follows:

	2008	2007
Hedging operations (1)	802,364	997,054
Subtotal - Contingent rights	**802,364**	**997,054**
Tax receivable	787,060	672,576
Subtotal Tax receivable	**787,060**	**672,576**
Unused credit	680,673	629,306
Property, plant and equipment, fully depreciated	511,135	317,992
Inflation adjustments on non-monetary assets	375,877	410,678
Goods handed over under fiduciary arrangements (2)	104,695	96,872
Litigations and lawsuits (3)	29,283	28,839
Unused letters of credit	7,860	12,381
Post– dated checks	5,827	5,418
Merchandise in consignment	13	135
Subtotal – control receivables	**1,715,363**	**1,501,621**
Hedging operations	858,107	873,795
Other contingent liabilities (4)	358,060	5,815
Other litigations and lawsuits (5)	12,144	13,065
Labor suits and litigations	3,991	3,422
Goods and securities received for safekeeping	355	548
Subtotal – contingent liabilities	**1,232,658**	**896,645**
Tax payable	333,043	267,186
Subtotal Tax payable	**333,043**	**267,186**
Inflation adjustments on equity	570,377	591,748
Subtotal – control payables	**570,376**	**591,748**
Total – Memoranda accounts, debit and credit	**5,440,864**	**4,926,830**

(1) In order to minimize the impact of variations in the interest rate, the Company has carried out hedging operations, paid in by means of SWAPs. These operations include a syndicated loan and two loans in dollars.

(2) Including property such as: the EXITO Villamayor store in Bogotá and the EXITO Armenia store in the city of the same name, together with premises belonging to the Vizcaya Shopping Mall in Medellín and City Plaza – Escobero in Envigado, all of which have been handed over under trust arrangements.

(3) 2008's figure included the following legal proceedings:

- **a.** Unfair competition suits originating in comparative publicity for the "Guaranteed Lowest Price" campaign for an approximate value of $25,000 (2007- $25,000).
- **b.** Various customs proceedings with the Colombian Tax Authorities amounting to $1,790 in 2008, (2007 - $1,241).
- **c.** Other proceedings with municipal authorities and other third parties for an approximate value of $2,493 for 2008 (2007 -$2,598).

(4) 2008 includes a contingent liability originating in an Exit Agreement entered into with remaining shareholders of Carulla Vivero S.A. which came to $352,548 in 2008 and $5,512 for buying contingencies to President Choise, a foreing supplier.

(5) Including the following legal proceedings:

a. Tort liability suits for an approximate value of $7,833 for 2008 (2007 - $4,342).

b. Other proceedings with municipal authorities and other third parties for an approximate value of $ 4,311 for 2008 (2007 - $8,723). In this regard, the Parent Company recorded a provision of $2,945 in 2008 (2007 - $3,532).

c. With regard to a law suit filed against the Parent Company with regard to the land on which the Exito San Antonio store was built in Medellin, a ruling was given in favor of the Parent Company in 2008.

Note 26

NET REVENUES

The Net Revenues Account at December 31 is broken down as follows:

	2008	2007
Net sales (1)	**5,664,821**	**4,706,866**
Special display negotiations	126,230	95,773
Revenue from concession arrangements	51,295	45,661
Revenues from discount sales – royalty program	24,832	-
Other Revenues (2)	22,446	4,916
Services	13,892	9,687
Revenues from royalty Exito-SUFI alliance	10,755	-
Revenues from events	8,367	8,798
Lease rentals	5,875	3,509
Revenues from employee cafeteria sales	2,167	3,076
Subtotal other operating revenue	**265,859**	**171,420**
Total	**5,930,680**	**4,878,286**

(1) Discounts granted in 2008 total a $132,923 (2007 - $96,086).

(2) Other Revenues include billboards $642 (2007 - $722), miscellaneous benefits $13,255 (2007 - $1,739), premium paid by retail premises $4,562 (2007 - $530), income from events $834 (2007 - $127) and other revenues totaling $3,153 (2007 - $1,798).

Sales returns are posted as a lower value of sales, bearing in mind that it is the policy of the Parent Company and its subsidiary companies to exchange merchandise. When the customer returns an article, he or she is given an exchange receipt to be used in payment of other items.

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Note 27

SELLING, GENERAL & ADMINISTRATIVE EXPENSE

The Selling, General & Administrative Expense Account at December 31 is broken down as follows

	2008			2007		
	Administrative	Sales	Total Operating Expense	Administrative	Sales	Total Operating Expense
Personnel expense	60,347	323,784	384,131	58,106	273,883	331,989
Services	5,421	250,660	256,081	4,065	174,182	178,247
Depreciation	11,496	157,015	168,511	9,501	135,847	145,348
Miscellaneous (*)	9,192	146,948	156,140	7,447	96,363	103,810
Lease rentals	1,424	90,006	91,430	1,702	66,291	67,993
Taxes	20,533	52,886	73,419	17,416	44,940	62,356
Amortization	30,069	25,035	55,104	17,485	24,535	42,020
Maintenance and repairs	4,687	23,543	28,230	3,609	22,161	25,770
Insurance	2,391	15,123	17,514	2,238	8,396	10,634
Fees	7,504	1,099	8,603	5,680	713	6,393
Traveling expense	4,806	3,365	8,171	5,308	3,243	8,551
Retrofittings and installations	290	4,473	4,763	231	3,455	3,686
Legal expenditure	286	2,156	2,442	414	1,558	1,972
Membership fees and contributions	472	238	710	379	174	553
Total	**158,918**	**1,096,331**	**1,255,249**	**133,581**	**855,741**	**989,322**

(*) Miscellaneous expense includes, amongst others, packing and tagging material for $27,446 (2007 - $29,541) plus debit and credit card commissions for $18,533 (2007 - $16,344), store inauguration expense for $20,028 (2007 - $12,948), expense incurred in the EXITO-Sufinanciamiento alliance for $2,532 (2007 - $8,474) and paid royalty expense in the amount of $35,958 (2007 - $3,146) for using and operating the Carulla Vivero S.A. commercial establishments, that Almacenes Exito purchased in 2007 and 2008 and other minor for $51,633 (2007 – 33,357).

Note 28

OTHER NON-OPERATING INCOME AND EXPENSE

	2008	2007
Non-operating income		
Profits from sale of property, plant and equipment plus investments (1)	90,662	44,062
Amounts recovered from provisions (2)	54,409	11.451
Revenue from exchange difference applicable on the investment in Cativen S.A. (3)	45,575	23,457
Insurance indemnities (4)	13,395	90,817
Amortization of deferred monetary correction credit upon dismantling inflation adjustments	1,929	1,376
Other non-operating income	1,879	2,294
Profits from sale of investments (5)	808	-
Recovered costs and expense	713	1,102
Other sales	-	111
Amounts recovered from provision for investment in Cativen S.A.	-	8,715
Total non-operating income	**209,370**	**183.385**
Non-operating expense		
Amortizations, bonuses and indemnities (6)	(42,998)	(4,783)
Provision for investments (7)	(40,920)	-
Expense on exchange difference on investment held in Cativen S.A. (3)	(29,031)	(39,655)
Provision for Carulla Vivero S.A. structuring costs	(16,000)	(30,000)
Cost of claims (4)	(14,585)	(87,434)
Other non-operating expense (8)	(13,464)	(26,503)
Royalty expenses Sufinanciamiento	(4,284)	-
Other provisions	(4,077)	-
Financial transaction tax ("4 x 1000" tax)	(2,517)	(6,784)
Retirement pensions	(1,577)	(1,673)
Donations	(1,398)	(1,736)
Legal proceedings and costs	(1,004)	(2,067)
Loss on sale/withdrawal of assets	(760)	(386)
Loss sustained on winding up companies	(634)	-
Provision for property, plant and equipment	(611)	(1,215)
Total non-operating expense	**(173,860)**	**(202,236)**
Total Other Non-Operating income and (Expense), net	**35,510**	**(18,851)**

(1) The figure for 2008 includes mainly the sale of the following property belonging to the Parent Company: premises and land belonging to the Calima Distribution Center in Cali, the property belonging to the Exito Unicentro store in Cali and the property belonging to the Exito Unicentro store in Medellin (Please refer to Note 11).

The figure for 2007 includes mainly the sale of the following property belonging to the ent Company. premises and land where the Avenida 68 Distribution Center was located in Bogotá, land and buildings where the EXITO Poblado store is located in Medellín, property where the Ley Gemelo Norte store operated in Cali along with premises Nos. 107, 107A, 108 and 109 belonging to the Sabana Shopping Center in Villavicencio. With respect to the subsidiary Carulla Vivero S.A. a plot of land (El Limonar) was sold along with fixed assets corresponding to the Pomona Hacienda Santa Bárbara store and the Ley Siete de Agosto store in Bogotá to Supertiendas y Droguerías Olímpica S.A.; this in compliance with conditions set by the Colombian Superintendency of Industry and Commerce in Article 7.2 of Resolution 30904 issued December 18, 2006

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(2) Corresponding to amounts recovered from the provision in Carulla Vivero for $$24,368, recovered amounts from the income tax provision corresponding to 2007 for $26,445, recovered amounts from the provision for litigation and lawsuits for $2,962, recovered amounts from the provision for the winding up of C.I. Promotora de Manufactura for $634.

The figure for 2007 corresponds mainly to the recovery of provisions set up due to appraisals of land and buildings for $7,500, recovery of deferred income tax for $3,686 and other provisions recovered for $265.

(3) Corresponding to adjustments for the net exchange difference on the Company's investment in Cativén S.A, for $16,544 (2007 - $16,197).

(4) Corresponding mainly to estimated revenues from insurance claims as a result of fires breaking out in the EXITO Fontibón store in Bogotá in November 2007 and at the Las Vegas Distribution Center in Envigado in December, 2007. The realization of these revenues and the corresponding receivable shall depend on the results of the procedure that the insurance company is conducting with regard to this claim, which is being currently reviewed by claims adjusters.
(Please refer to Note 6)

(5) In 2008, shares held in Suramericana de Inversiones S.A. were sold off, recording a profit of $646, other shares were also sold off for $162.

(6) The figure for 2008 corresponds to personnel compensation: $24,368 in the case of Carulla Vivero S.A. and $18,630 for Almacenes Exito S.A.

(7) Corresponding to the provision set up on the investment in Makro Supermayorista S.A. for a total of $31,766, as well as provisions of $8,899 and $255.for investments in Cativén S.A. and Predios del Sur respectively.

(8) The figure for 2008 includes the amortization of deferred monetary correction – debit given the dismantling of adjustments for inflation totaling $1,054, assumed taxes for $731, institutional and association membership contributions for $1,243, fines, sanctions and litigation costs for $2,855, maintenance and security guard expense on non-operating real estate for $397 as well as other expense for $7,184.

The figure for 2007 included the recordal of expense incurred with fines, sanctions and litigation costs for $1,315, maintenance and security guard services $228, amortization o deferred monetary correction – debit due to the dismantling of adjustments for inflation for a total value of $899, assumed taxes $763, provision for doubtful accounts $1,290, provisions for legal proceedings with the Colombian Tax Authorities for $657, notary expense on the purchase and sale of property for $1,828, labor and legal suits for $3,677 deferred charges on standardizing accounting procedures with Carulla Vivero S.A. for $4,459 and other expense totaling $11,387.

Note 29

ADDITIONAL REPORTING INFORMATION

Year 2008

Integrating the Carulla Vivero S.A. store operations with those of Almacenes Exito S.A.

For the purpose of making the operations of Almacenes Exito S.A. and Carulla Vivero S.A. much more robust and efficient as well as to take full advantage of the synergies existing between these two companies, in 2008, the operations and retail management of the Carulla, Surtimax, Merquefacil and Home Mart stores belonging to Carulla Vivero S.A. were taken over by the Parent Company with the latter receiving in exchange a monetary consideration.

In order to operate these retail establishments, Almacenes Exito S.A. shall pay Carulla Vivero S.A., an annual sum of $148,400 plus a variable component, which was established based on lease rentals that Carulla Vivero S.A. was obliged to pay third parties. Likewise, by means of this operation, Carulla Vivero S.A. sold the assets and inventories located at these stores to Almacenes Exito S.A.

83 Carulla stores, 26 Surtimax stores, 18 Merquefácil stores and 7 Home Mart stores were duly incorporated into the Parent Company's operations.

ADDITIONAL REPORTING INFORMATION

Year 2007

PURCHASE OF SHARES IN CARULLA VIVERO S.A.

Strategic Acquisition

Almacenes Exito S.A. acquired a 77.01% stake in Carulla Vivero S.A.'s share capital for approximately US$433 million, that is to say fifteen point seven nine two US dollars (US$15.792) per share, as a result of a selection process for which various offers were received from both Colombian and foreign parties. This process finalized with Almacenes Exito S.A. being chosen as Carulla Vivero S.A.'s strategic partner.

For this acquisition, Almacenes Exito S.A. carried out two IPOs, one voluntary and the other mandatory.

At December 31, 2007, Almacenes Exito S.A.'s stake in Carulla Vivero was equal to 77.01% of its total shares outstanding. This corresponds to a direct stake of 52.96% and an indirect stake of 24.04% through SPVs (Special Purpose Vehicles).

Financing

In order to finance this operation, Almacenes Exito S.A. carried out the following financing operations:

1. A primary issue of 24.700.000 ordinary shares for a total of $259,350

2. A syndicated loan for US$300 million.

3. Sale of fixed real estate assets for $64,646

A Notice of No Objection on the part of the Colombian Superintendency of Industry and Commerce

On December 18, 2006, Almacenes Exito S.A. received a notice of no objection from the Colombian Superintendency of Industry and Commerce with regard to the merger with Carulla Vivero S.A., ordering the parties

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to fully comply with the commitments and conditions placed on them with a view to ensuring the competitive balance of the Colombian retail sector, as well to protect the rights on the part of the Colombian consumers.

As a result of this notice of no objection on the part of the Colombian Superintendency of Industry and Commerce with regard to the merger between Carulla Vivero S.A. and Almacenes Exito S.A., Carulla Vivero S.A. duly notified the firm Ripley Corp. The Memorandum of Understanding that it had signed to set up a Commercial Financing Company in Colombia was duly terminated and Carulla Vivero S.A. was free to look for another strategic partner to set up a private brand of credit card and to use its market in conjunction with another partner or partners to grant consumer credit.

In compliance with that ordered by the Colombian Superintendency of Industry and Commerce with regard to the sale of eleven (11) stores belonging to Carulla Vivero S.A y Almacenes Exito S.A., a sales contract was signed by these two companies as sellers, on the one hand and, on the other, by Supertiendas and Droguerías Olímpica S.A. as the purchasers. The retail establishments offered by Almacenes Exito S.A. were: the Pomona Hacienda Santa Bárbara and the Ley 7 de Agosto stores, located in Bogotá. Carulla Vivero S.A., for its part, offered the following comercial establishments: Its Carulla Iserra 100 and Carulla Cedritos stores in Bogotá, Carulla San Lucas, Carulla Villa Nueva, Merquefácil Colombia and Merquefácil Carabobo stores in Medellín and the Carulla Buenos Aires, Merquefácil Blas de Lezo and Merquefácil Centro stores in Cartagena.

IIntegrating the Carulla Vivero S.A. store operations with those of Almacenes Exito S.A.

For the purpose of consolidating operations between Almacenes Exito S.A. and Carulla Vivero S.A. enhancing efficiency and taking full advantage of inherent synergies, a Memorandum of Understanding was drawn up in September, which established the general principles and conditions governing the manner in which Almacenes Exito S.A. was to run the Almacenes Vivero chain belonging to Carulla Vivero S.A., the latter receiving consideration in exchange for this arrangement.

In order to operate these retail establishments, Almacenes Exito S.A. shall pay Carulla Vivero S.A., in the form of royalties, an annual sum of $13,820 plus a variable component, which was established based on lease rentals that Carulla Vivero S.A. was obliged to pay third parties. Likewise, by means of this operation, Carulla Vivero S.A. sold the assets and inventories located at these stores to Almacenes Exito S.A.

Operations corresponding to a total of 18 stores were integrated with those of Almacenes Exito, 7 of which had been converted to the Exito Hypermarket format at December 31, 2007.

LEGAL STABILITY AGREEMENT

Law 963, passed July 8, 2005, provided for legal stability agreements to be drawn up with investors in Colombia. The Parent Company signed a legal stability agreement with the Colombian Government for a term of ten years beginning in August, 2007.

INSURANCE CLAIMS FILED IN 2007

Fire at the Las Vegas Distribution Center

On Monday December 24, 2007, fire broke out at Almacenes Exito´s Las Vegas Distribution Center in Envigado, causing the loss of two thirds of these premises.

Las Vegas Distribution Center was duly covered by the insurance policies in place and therefore did not produce any significant effect on the Company's financial statements.

Thanks to protocols in place for this type of emergency, Almacenes Exito S.A. was able to guarantee its customers the normal functioning of all of its stores across the country, operating both the unaffected part of Las Vegas Distribution Center as well as other distribution centers nationwide.

The Las Vegas Distribution Center is a warehouse measuring 55.000 square meters built in Envigado, Antioquia. It was inaugurated on March 17, 2006.

Material losses caused by this fire totaled approximately $74,000 million pesos.

Fire at the Exito Fontibon Hypermarket

On Saturday November 17, 2007, fire broke out at the Exito Fontibon hypermarket located in Cundinamarca, causing the total loss of its premises.

This store was inaugurated October 1, 2004 and measured 4.500 square meters.

Material losses caused by this fire totaled approximately $16,000 million pesos.

Financial Indicators

AT DECEMBER 31, 2008 AND 2007

	2008	2007
1. LIQUIDITY RATIOS		
Current ratio	0.84	1.44
Net Working Capital / Net Revenues	(5.17)	10.03
Acid test ratio - inventories	0.37	0.79
Suppliers/ Inventories	1.08	0.94
2. INDEBTEDNESS RATIOS(%)		
Total indebtedness	42.84	39.73
Concentration of short-term borrowings	75.38	49.98
Financial indebtedness	17.83	19.52
Financial leverage	31.20	32.38
Short-term indebtedness	44.99	3.27
Total mid- to long-term indebtedness	55.01	96.73
Total indebtedness in foreign currency	80.77	79.71
Total indebtedness in local currency	19.23	20.29
Net Financial Expense / EBITDA	22.80	7.99
Gross Indebtedness / EBITDA (times)	2.51	2.76
Net Indebtedness / EBITDA (times)	1.56	1.49
Operating income / net financial expense (times)	2.06	6.54
Net revenues / total financial obligations (times)	5.60	4.45
3. PROFITABILITY RATIOS(%)		
Profit margin before non-operating income and expense	3.33	4.25
Net margin	2.59	2.69
Return on assets	2.58	2.33
Return on Equity	4.52	3.87
EBITDA Margin (*)	7.10	8.14
Gross profit / Total net revenues	24.50	24.53
4. OPERATING EFFICIENCY AND TENDENCY RATIOS (TIMES)		
Total asset turnover	1.00	0.87
Inventory turnover	5.52	5.95
Supplier turnover	5.45	6.38
Gross profit / sales expense coverage	1.33	1.40
Fixed asset turnover	3.17	3.05
Administrative expense / gross profit (%)	10.94	11.16
Sales expense / gross profit (%)	75.46	71.51
Personnel expense / net revenues	6.48	6.81

(*) Earnings before interest, tax, amortization, depreciation and adjustments for inflation.

Since the Company conducts their sales strictly on a cash basis, the "Receivables Turnover" ratio does not apply.

Analysis of the Financial Indicators

For years ending December 31st, 2008 and 2007
(*) In millions of Colombian pesos

LIQUIDITY RATIOS

The Company's working capital at December 31, 2008 came to $306,741 (2007 - $489,369). This year-on-year change is due mainly to the Company's current liabilities, since in 2009 US$156 million shall become due and payable as part of a syndicated loan taken out 2007 for the acquisition of Carulla Vivero S.A.

The Company has a total of $0.84 to cover its short-term borrowings and the supplier-inventory ratio rose to 1.08 in 2008 compared to the 0.94 recorded for the prior year, clearly evidencing our enhanced negotiating capacity with suppliers.

INDEBTEDNESS RATIOS (%)

The Company's total indebtedness increased by 3.11%, going from 39.73% to a 42.84%, financing a large part of these recently-acquired assets with debt. Out of the total amount of indebtedness, the amount financed with financial obligations comes to 17.83%.

The indebtedness concentration ratio for 2008 shows a short-term portion of 75.38%, this due to a syndicated loan taken out in 2007 for the acquisition of Carulla Vivero S.A. US$156 million of which is shortly to become due and payable.

Mid- to long-term indebtedness with the financial sector included a syndicated loan for US$144 million, disbursed in January, 2007, in order to purchase Carulla Vivero S.A.

Net financial expense / EBITDA ratio is a variation of 14.81% going from 7.99% to 22.80% resulting from the interest received in 2007 for short-term investments made with funds from the issuing of GDS's and the profit obtained during the monetization process of dollars to Colombian pesos.

PROFITABILITY INDICATORS

The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin shows the Company's capacity to generate cash from its operations which in 2008 came to 7.10%.

ROA and ROE increased by 0.25 and 0.65 respectively, upon comparing the percentage figures for 2008 with those of 2007, showing a greater return on shareholder investment

The Company in 2008 produced a net margin of 2.59%. Comparing this with a margin obtained before non-operating income and expense of 3.33% reveals that non-operating items represent 0.74% of the Organization's net revenues.

OPERATING EFFICIENCY AND TENDENCY RATIOS

Each peso invested by the Company in assets generated sales by the same value, as evidenced by the Organization´s total asset turnover which decrease with regard to 2007, going from 0.87 to 1.00. The Company purchase inventory which remain an average of 65 days in their possession and which are paid within a term of 66 days.

Supplementary Information

For years ending December 31st, 2008 and 2007
(*) In millions of Colombian pesos

	2008	2007
Total assets (excluding valuations)	5,176,504	4,786,380
Liabilities	2,543,644	2,231,617
Net sales	5,664,821	4,706,866
Ordinary monthly dividend (1)	60	25
Equity value per share (*) (per quater)	11,966	11,935
SHARES		
Nominal value (*)	10	10
Average trading price (*)	11,393.90	15,507
Maximum trading price (*)	17,100	19,020
Minimum trading price (*)	7,360	13,420
Closing trading price (*)	10,160	17,100
Number of shares issued by the Company	284,263,003	284.263.003
Number of repurchased own shares	-	635.835
Number of shares outstanding	283,627,168	283.627.168
BALANCE SHEET		
Current receivables	240,326	300,113
Goods for sale	867,491	702,596
Current assets	1,610,601	1,604,824
Property, plant and equipment , net	1,872,404	1,601,141
Valuations	761,107	830,278
Financial obligations	953,965	991,169
Current liabilities	1,917,342	1,115,455
Labor liabilities	31,820	33,453
Shareholders equity	3,393,967	3,385,041
Memoranda accounts, debit and credit	5,440,864	4,926,830
SHARE CAPITAL		
Authorized	4,000	4,000
Subscribed and paid-in	2,843	2,843
Share placement premium	1,606,980	1,606,980
JOBS		
Employees	22.319	18.193
DIVIDENDS		
Payment date	5 business days as of the 1st day of each quarter	5 business days as of the 20th of each month
Total cash per share	240	300

	2008	2007
TAXES		
Income tax payable (receivable)	(42,374)	(34,314)
Sales tax payable	26,042	16,727
Land and Industry and Commerce tax payable	18,269	19,189
Deferred income tax – activity for the year	(20,701)	10,977
Income tax expense	4,894	40,139
OPERATIONS		
Cost of sales	4,477,872	3,681,607
Salaries and employment benefits	384,131	331,989
Depreciation and amortization expense	223,615	187,368
Other general, administrative and sales expense	647,503	469,965
Financial expense	150,714	181,419
Financial income	54,680	149,703
RESERVES		
Mandatory	16,598	16,598
Occasional	210,710	197,789
PROFITS		
Gross	1,452,808	1,196,679
Operating	197,559	207,357
EBITDA (2)	543,198	529,802
Net Income before income tax	158,216	171,131

(*) In Colombian pesos

(1) In 2008 the value is per quarter

(2) Earnings before interest, tax, amortization, depreciation and adjustments for inflation

Stock Performance

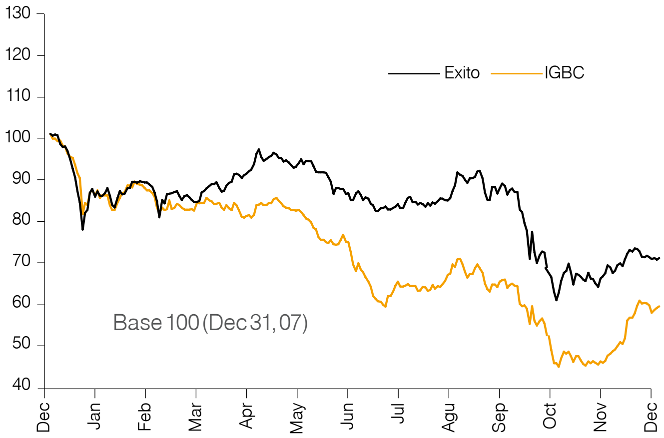
(Colombia Stock Exchange: EXITO)

Stock price performance, (COP$)

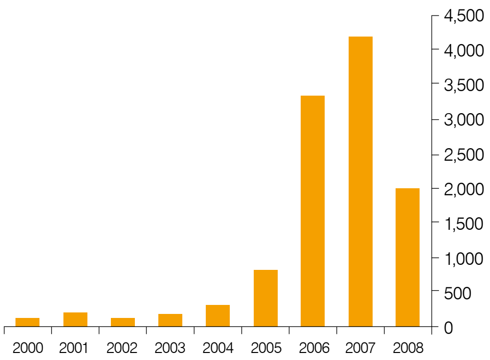
Year	2001	2002	2003	2004	2005	2006	2007	**2008**
High (*)	4,432	3,600	2,660	6,080	8,110	16,060	19,020	17,100
Low (*)	3,250	2,799	2,950	3,399	4,400	7,510	13,420	7,360
Close (*)	3,550	3,500	3,400	4,650	7,610	15,920	17,100	10,160
Average Price (*)	3,948	3,195	3,266	4,354	6,504	11,000	15,507	11,394
Average Volume ($mill)	192	118	148	282	786	3,332	4,192	1,997
Market Cap ($mill)	719,086	708,953	688,697	961,403	1,590,495	3,327,290	4,850,025	2,881,652

Source: Colombia Stock Exchange

Price Performance Exito vs IGBC



Average Daily Volume ($ million)



Ordinary Share information

Year	2001	2002	2003	2004	2005	2006	2007	**2008**
Ordinary dividend ($) (1)	22.0	23.0	23.0	25.0	25.0	25.0	25.0	60.0
Shares ($mill)	202.6	202.6	202.6	209.0	209.0	209.0	283.6	283.6

(1) The dividen payment was quarterly in 2008 and from 2001 to 2007 was monthly.

Social
Report

Almacenes Exito S.A.

CONTENT








About to celebrate its 60th Anniversary, the Exito Group continues, as it has always done, to drive the retail sector in Colombia while at the same time unwaveringly assuming its social and civic responsibility with the country as a whole. All this involves its employees, suppliers, customers, shareholders, investors, the Colombian society in general, the environment, compliance with its obligations with the State as well as the progress of the Nation. The following is a summary of some of the more important achievements obtained in 2008 in the field of social welfare.

EMPLOYEES

Jobs
and Opportunities

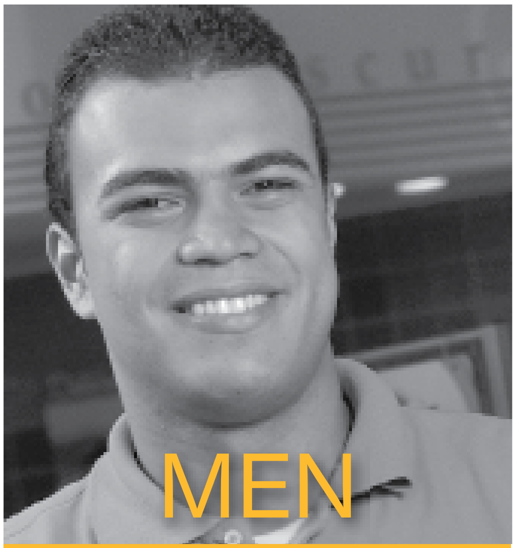
As Colombia´s largest private employer, the Exito Group provides its employees with not only excellent working conditions but also additional guarantees such as welfare, training and communication programs.

IN 2008 THE Exito Group provided jobs for 57,237 people, for a total cost of COP$678,094 million, including wages, salaries, legal and extralegal employment benefits as well as other HR initiatives.

The Group continued to develop welfare, training and communication programs so as to provide its employees with additional guarantees, encouraging facilities such as the "Presente" Employee Cooperative and the "Futuro" Mutual Investment Fund, these aimed at encouraging employee savings as a means of progress towards raising their standards of living.

HR Statistics Summary- 2008.
Almacenes Exito S.A. and Carulla Vivero S.A.

31,848



25,389

WORKING HOURS	No. Employees
Part-time	25,845
Full time	31,392
TOTAL	**57,237**

SENIORITY	No. Employees
Less than 5	43,330
5 to 10	5,274
10 to15	4,509
15 to 20	2,402
20 to 25	996
25 to 30	375
30 or more	351
TOTAL	**57,237**

More than
57,000
people
were employed by the Exito Group in 2008

RESULTS,
Initiatives and Figures

Selection, training and development

>As part of the Exito Group's expansion plan, in 2008 selection and training programs were conducted to fill more than 1,200 new vacancies with another 400 employees being relocated to other jobs. Also, as part of the integration process with Carulla Vivero S.A. a total of 1,712 performance evaluations were conducted amongst the administrative personnel of both companies.

>466 employees were promoted at headquarter, store and distribution center levels, taking full advantage of the inherent talent present within the Organization.

>On the other hand, during the heavier sales seasons it was necessary to select and hire an additional 7,900 employees, under different types of hiring arrangements.

>For the Exito Group training is a fundamental part of its business, and for this reason in 2008 a total of COP$2,519 million was invested in training programs in the areas of customer service, leadership and integration with Carulla Vivero S.A. – these training programs benefited a total of 70.000 participants.

>It must also be noted that in support of learning and development programs for youngsters: a total of 720 youngsters were hired (533 apprentices from the Colombian Apprentice Institute (Sena) and another 127 university interns).

>The Company's training area staged the following programs:

- o "Gente con EXITO" (a HR initiative for store personnel) (covering 13,000 store personnel from 34 EXITO stores nationwide)

- Leadership for greater retail competitiveness (1.486 leaders from the EXITO, Ley and POMONA stores nationwide)
- Training for the integration process with Carulla Vivero S.A. (11,552 employees from the Carulla, Vivero, Surtimax and Home Mart stores).

>Also specialized training programs were carried out such as:

- The Perishables School (918 employees)
- Textiles School in conjunction with Inexmoda (659 persons received training in this regard)
- Cosmetics convention (235 employees in Medellín, Bogotá and Cali received specialized technical training in this important area)
- Food handling (4,614 employees obtained food handling certificates and were updated on new food handling techniques)
- Preparing for a new competitive environment (902 employees)
- Product knowledge (6,424 employees from different areas were benefited by this program).

Welfare: Housing, education and living standards

>As part of the Mi Casa comprehensive housing plan, in which both the Company and the "Presente" Employee Cooperative takes part, in 2008 more than COP$11,500 million was provided to 800 employees so that they could buy, build or remodel their own homes. In addition to this, Colombian family welfare institutions paid out 197 subsidies equivalent to COP$756 million.

>With a view to raising the living standards of our employees and their families, the Exito Group and its "Presente" Employee cooperative provided education to a total of 11,451 people through the Mi Estudio Study program. More than COP$377 million in scholarships were awarded to employees for pre-graduate and post-graduate studies; COP$330 million in university scholarships for the children of the Group's employees and almost COP$2,000 million in educational scholarships for the school-aged children of employees.

800 employees received more than

COP$ 11,500 million

to purchase, build or reform their own homes.

>Culture, recreation and sports were important aspects in which the Company also invested, these being ideal tools for guaranteeing employee welfare. It is important to mention the National Artists Exhibition Hall as well as the Art Festival which drew more than 12,449 visitors. COP$182 million was allocated to sports programs, benefited 17,508 people, with another COP$396 million to education and recreational programs benefiting a total of 30,000 people.

>The Training School, an activity that is being carried out in conjunction with the "Presente" Employee Cooperative and the "Futuro" Mutual Investment Fund, benefiting a total of 202 people, who then were responsible for continuing to replicate these important employee well-being initiatives offered by the Company to its employees and their families

>In addition to all those benefits and guarantees covered by Colombian legislation, the Exito Group provided:

- COP$208 million in eyewear subsidies
- COP$252 million in maternity benefits
- COP$134 million in wedding bonuses
- COP$135 million in funeral subsidies.

Trade Union Relations

>In 2008, relations with the Company's trade union, Sintracadenalco, were conducted in a constructive manner based on mutual collaboration. 661 employees holding direct employment contracts with Carulla Vivero S.A. were incorporated within the Company's collective trade union agreement.

The *"Presente"* Employee Cooperative

>In 2008 the *"PRESENTE"* Employee Cooperative provided benefits to 22,379 employees and their families, representing a demographic of 93,000 people.

>2008 was a particularly special year for the consolidation of the *PRESENTE* Employee Cooperative. This was driven by the inclusion of Coopecavi (Carulla Vivero's own employee cooperative in Barranquilla), the approved inclusion of the Occidente Employee Cooperative (Cali) and the direct measures taken with Carulla's own employees whose employment contracts were taken over by Almacenes Exito S.A. which entailed the cooperative's membership being extended to another 6.000 people.

The *"PRESENTE"* Employee Cooperative benefited more than

93,000 employees,

including their family units.

>From an economic standpoint the *PRESENTE* Employee Cooperative obtained very good results: assets came to COP$117,439 million –showing a year-on-year increase of 15.60% and liabilities totaled COP$85,659 million, that is to say 11.76% higher than the previous year. The Cooperative's equity came to a total of COP$31,780 million (posting an increase of 27.39%) with a year-end surplus of COP$4,330 million.

>The *PRESENTE* Employee Cooperative extended its recreational facilities in 2008 with the new Serranía de San Jerónimo Vacation Center (located in the western part of Antioquia). In this way, a total of 352 people per day can be attended at these seven vacation centers, which hosted more than 11,800 employees and their families during the different holiday seasons in 2008

>The Cooperative began to offer new financial services in 2008 including loans that do not require a co-debtor as well as the line of Free Investment Purchases with terms of five years for purchasing external portfolios. These services, together with all those that have been traditionally offered by the Cooperative, represent loans of COP$72,000 million (averaging out at COP$6,000 million per month).

>Once again the employees demonstrated their confidence in the Cooperative with the amount of savings deposited: COP$ 27,450 million in voluntary savings and COP$ 24,054 million in obligatory savings. It is also important to mention that employees received COP$3,195 million in interest.

>As part of its social undertakings, the *PRESENTE* Employee Cooperative invested almost COP$1,629 million in subsidies and activities for education, health, community work, recreation, culture, sports, housing and vacation centers that enabled thousands of employees nationwide to solve their needs and receive support to get ahead in life. In 2008 the *PRESENTE* Employee Fund continued to consolidate its comprehensive protection portfolio, with specialized healthcare, insurance and funeral programs.

The *FUTURO* Mutual Investment Fund

>The *FUTURO* Mutual Investment Fund continued to drive employee awareness of the importance of long-term savings: 14,066 of these enjoyed the benefits offered by this fund in 2008. This represents an increase of 2,000 members, that is to say 79.43% of the Fund's total membership, which is a substantial level upon comparing this with other mutual funds in Colombia.

>Thanks to this fund, 418 members were able to purchase their own homes with 90% of their savings, for a total value of COP$1,927 million.

>Also, 3.795 members received COP$161 million in December 2008, this corresponding to the Perseverance Fund, (24% more than in 2007).

>So as to be able to extend its services to other parts of the country, in September 2008, the first alternate headquarters were inaugurated at the Carulla Casa Central facilities in Bogotá.

Effective communications

>For the company, it is of vital importance to maintain a seamless flow of information with its employees. To ensure the effectiveness of its communications, in 2008, the Company continued with its internal news media, including the Al Detalle magazine, the newsletter "This Week" and a radio news program called "Ten Minutes".

>Also the internal portal Infox records 1,100 visits per day, thereby converting into the most immediate means of information for all our employees.

>Face-to-face communication continues to be equally important, and bimonthly guides are provided to administrative personal for them to organize talks for their primary groups at stores and distribution centers, alike.

JOBS

For the more vulnerable segments of the population

Providing job opportunities for the more vulnerable segments of the population (demobilized ex-combatants, the disabled, and rural workers who have been displaced from their land by armed conflict), is one of the ways in which the Exito Group helps to overcome some of the problems facing our country.

SINCE 2006, the Exito Group has been implementing a work program for the more vulnerable segments of the population – demobilized ex-combatants, the disabled, and rural workers who have been displaced from their land by armed conflict -, providing jobs with the permanent advisory services and assistance of specialized entities.

It is important to mention that in 2008, the Company was awarded the “Star of Hope” prize by the CIREC Foundation, that works with the disabled. This award was given in the Corporate Category, in recognition of the job opportunities that the Exito Group has given to 150 disabled people.

386 people

belonging to the more vulnerable segments of society received help from the Exito Group in 2008

RESULTS

In 2008, a total of 386 persons pertaining to the more vulnerable segments of the community were given jobs, as shown in the following break-down:

DEMOBILIZED EX-COMBATTANTS	
Holding apprentice contracts	79
Directly hired	13
Indirectly hired (Sodexho)	18
TOTAL	110

DISABLED	
Directly hired	163
Hired through third parties	42
TOTAL	205

DISPLACED AND UNDERPRIVILEGED PERSONS	
Holding apprentice contracts in different specialties	71

Cooperatives:
opinion leaders for youngsters in work and education related issues

In 2008 the cooperatives celebrated their 10th anniversary, having providing job opportunties within the Exito Group for a total of 20,000 young colombian students.

THE EXITO GROUP continues to offer job opportunities to youngsters who are members of the following work cooperatives NACER (Central Colombia); CRESER (Antioquia and the Coast) y FUTURO (Southwestern and Central Coffee-Growing Regions). These include 3.360 youngsters under the age of 23.

These have found in the Company, besides a place to work that adapts to their study schedules, an opportunity to be the owners of their own cooperatives, through the services they provide.

3,360 members

received a coverage of 100% of their social security contributions, for a total of COP$6,125 million.

Results

- >As part of the packing service payment model, involving the Exito Group and its customers, the members of these cooperatives received COP$14,000 million from Almacenes Exito S.A. and Carulla Vivero S.A. and another COP$16,000 million in customer tips during 2008.

- >Revenues of COP$18,240 million were obtained from the services provided to the Exito Group , assets totaled COP$10,300 million with an equity belonging to the youngsters of COP$2,500 million, these are the figures obtained by the cooperatives at the end of 2008.

- >The three cooperatives were certified by DANSOCIAL, a firm responsible for directing cooperative community organizations so as to provide education and community training with an emphasis on community work.

SUPPLIERS

Commercial partners
In winning the hearts of our customers

The efforts carried out jointly with our suppliers have allowed us to offer the best possible alternatives to our customers thereby meeting each of their needs.

RESULTS

- The Exito Group continued to design and stage seasonal sales and promo events in conjunction with its suppliers. These included:
  - The "Combinación Ganadora" (Winning Combination) –in which 76 suppliers took part and more than COP$3,000 million was distributed in the form of prizes amongst customers
  - Expovinos Wine Fair Event: attracting 23 thousand visitors, more than 70 connoisseurs and 60 exhibitors from 10 countries, including vineyards, wine cellars and manufacturers of accessories and related items.
  - "Revela tu interior" (Reveal your interior): coinciding with Valentine´s day,

this event launched various new and exclusive designs of lingerie.
- Christmas season– offering special seasonal products made by 82 micro-businesses that receive support from the Promotora de Comercio Social, an entity that sponsors community commerce.
- "La Mega Prima" (The Mega Bonus) event held for the first time at the EXITO and Ley stores and that surpassed all initial projections.
- "Mi Vida es Colombia" (Colombia is My Life) – in which 120 craftspeople participated-.

> For the Exito Group the support it provides for social causes is of vital importance and some productive initiatives were sponsored to this end in 2008. An example of this was the support given to the sale of fruit produced in the Amazon by some Carulla stores in Bogotá as well as Anorí chocolates by certain EXITO and POMONA stores in Medellín, both initiatives provided important work opportunities for more than 450 families that previously earned a living from growing illicit crops.

> Also the Group continued to provide its support to the indigenous fishing industry on the Caribbean Coast. After signing an agreement with the Institute for Rural Development – Incoder -, the number of families benefiting from this program grew to 300.

> With the inauguration of a new store in Buenaventura, a program was set up benefiting 150 families of fishermen of the region, who received training in health and hygiene, the adequate handling of fish as well as logistics; also an average of 5 tons of 28 species of top-quality fresh fish was purchased from these families and sold in 80 EXITO and POMONA stores nationwide.

In 2008, the Exito Group sold produce sourced from small-scale suppliers in more than **140** towns nationwide.

More than **350** SMEs produce our own private labels.

> In response to the current wellness tendency and the increased demand for wholesome, nutritious organic food, in October 2008 we launched our new private label Taeq covering more than one hundred SKUs (jam, sauces, vegetables, organic coffee, low-calorie chocolate, amongst others) 90% of which is produced by 90% local suppliers, including 23 SMEs.

> 20 apparel manufacturing workshops employing single working mothers were responsible for the capsule collection specially designed for the Arkitect label by Silvia Tcherassi, and launched last December. In this way, besides providing our customers with the latest fashions though our innovative private label business, we are providing support to the Colombian apparel industry.

> As part of the Casino Group´s corporate philosophy to encourage economic development in all those countries where it is present, more than 1,200 tons of shrimp were exported from the Colombian Company C.I. Oceanos, a subsidiary of the Manuelita Group. In addition to shrimp, the Casino Group also consolidated export arrangements with other Colombian SMEs for limes, oranges, onions, yams, pumpkins, cantaloupe melons and watermelons, corresponding to cargos of 760 tons between 2007 and 2008 for a total value of USD 676,000.

ENVIRONMENT

A corporate philosophy going beyond a specific set of measures

Environment conservation has been an ongoing concern on the part of the Exito Group. We were pioneers in the use of biodegradable bags and we continue to implement environmental measures that benefit the whole planet.

THE EXITO GROUP is committed to preserving the environment. For this reason it is carrying out a series of ongoing initiatives and practices to reduce further erosion to the environment. These include: in-store recycling, the use of biodegradable bags and reusable shopping bags, the rational use of resources and training in environmental issues, these being just some of the many environmental initiatives implemented by the Exito Group.

In recognition of this work, our EXITO Bello store in Antioquia obtained its own environmental certification. For the sixth year running, the Colombian Technical Standards Institute (Icontec) reissued this store with the ISO 14.001 certification, thanks to the work carried out in the areas of responsible water management and energy consumption, separating waste, recycling materials, controlling waste water, visual contamination and noise pollution.

The launching of the EXITO reusable shopping bag attended by the Minister of the Environment, Juan Lozano.

RESULTS

The Exito Group managed to recover

15,716

tons of recyclable material in 2008.

>As part of a worldwide festival simultaneously staged in 40 countries in celebration of Colombia (Festival Mundial de la Tierra Colombia), the EXITO and Carulla chains launched their reusable shopping bags in 2008: this bearing the slogan "For your children's children" and part of the Mi Sangre Foundation´s new collection. The purpose of this reusable shopping bag, endorsed by the Colombian Ministry of the Environment, Housing and Territorial Development, is to create awareness of the importance of caring for the environment and the rational use of plastic. It must be noted, that besides benefiting the planet, for the purchase of each bag, the Exito Group donated COP$500 to this Foundation.

>In 2008 more than 250 million pesos was invested in biodegradable bags as part of the packing system at the Carulla supermarkets. This system –which reduces the time it takes for a bag to degrade from one hundred years to just two – had already been implemented at 119 stores belonging to the EXITO, Ley and POMONA store brands.

>The Exito Group managed to recover a total of 15,716 tons of recyclable material, thereby avoiding the felling of 213,739 trees, and saving 377,185,872 liters of water and 47,148 m3 of landfill area. It is important to point out that the funds obtained from the recycling program are transferred to the Exito Foundation in order to extend its social programs to a greater number of beneficiaries.

>As part of its environmental initiatives, the Exito Group showcased at some of its stores the Green Groceries program sponsored by the Colombian Ministry of the Environment, Housing and Territorial Development.

>Pursuant to new legislation in Colombia, EXITO joined forces with the Colombian Ministry of the Environment, Housing and Territorial Development to replace more than 10.000 old CFC-generating refrigerators for new ones in Bogotá.

COMMUNITIES, THE GOVERNMENT AND THE COUNTRY AT LARGE

Contributing with responsibility

and transparency to the overall development of Colombia

The prompt payment of its tax obligations, investments in infrastructure and transparent reporting practices are all clear indicators of the Company's interaction with the community, the Government and the country at large

THE EXITO GROUP is well aware of the importance for the country's social development, of fully complying with its tax obligations, providing its support for democratic, social and philanthropic initiatives and the transparent and fluid disclosure of information to the media.

It also believes that it is vital to contribute to the development of all those cities and towns where it has established a presence for the first time, this by means of its respectful involvement with the local communities, and providing urban infrastructure to enhance their standard of living.

Results

>The Group´s tax obligations were faithfully complied with, and a total of COP$276,782 million was paid out in state as well as municipal taxes, these latter where the Company has established a presence.

>With regard to infrastructure, in 2008 10 new stores were built. These included the EXITO Robledo store in Medellín, around which certain infrastructure projects were built to benefit the local community for a total investment of COP$2,400 million. These included:

- A retaining wall to protect nearby housing
- A Culvert Box for the La Gómez stream
- Public and private roads.

>Also at the EXITO Bosa store in Bogotá, a new road with sidewalks and traffic lights was built at a total cost of COP$580 million

>Another road complete with sidewalks was built near the EXITO Caucasia store at a total cost of COP$300 million.

>On the other hand 20 store conversions were carried out throughout the country, as well as 21 store renovations, enhancing both the in-store areas as well as surrounding zones. More than 4 thousand jobs were provided in this construction and renovation work.

>The Company's Human Resource Department works tirelessly to guarantee safety issues and prevent any disasters from occurring in all those towns and cities where it is present. In 2008, eight instructors belonging to the Company and specialized in seeking and rescuing victims in collapsed buildings received certificates from the OFDA- USAID (Office for Foreign Disaster Assistance – United States Agency for International Development); our fire brigades also participated in various rescue drills staged in different parts of the country and a Special Fire Group was created at the Las Vegas and Envigado Distribution Centers, amongst others.

>For the Company it is fundamental to maintain open and transparent communications with the different media. That is why – thanks to the continuous publishing of newsletters and press releases - a total of 5,584 items of information regarding Almacenes Exito S.A., was placed in the public domain, this representing an increase of 11% with regard to 2007.

STATE AND LOCAL TAXES

(In millions of Colombian pesos)

	Almacenes Exito S.A.	Carulla Vivero S.A.	Didetexco	Total
VAT	COP$115,865	COP$46,375	-	COP$162,240
Wealth tax	COP$21,372	COP$4,422	COP$307	COP$26,101
Road tax	COP$ 13	COP$7	-	COP$20
Land tax	COP$11,192	COP$2,713	-	COP$13,905
Industry and Commerce tax	COP$45,090	COP$9,046	COP$680	COP$54,816
Income tax	COP$4,894	COP$14,806	-	COP$19,700
Total	COP$198,426	COP$77,369	COP$987	COP$276,782

BREAKDOWN OF LOCAL TAXES (INDUSTRY AND COMMERCE + LAND TAX)

In millions of Colombian Pesos

	Almacenes Exito S.A.	Carulla Vivero S.A.	Didetexco	Total
Bogotá	17,827	6,361		24,188
Medellín	9,136	953		10,089
Envigado	5,424	82	680	6,186
Barranquilla	3,187	1,811		4,998
Cali	3,873	354		4,227
Bello	1,913	78		1,991
Cartagena	1,316	657		1,973
Bucaramanga	1,556	123		1,679
Valledupar	921	116		1,037
Cúcuta	846	166		1,012
Villavicencio	969	3		972
Pereira	822			822
Santa Marta	680	107		787
Neiva	676	44		720
Pasto	693			693
Itagüí	544	30		574
Sincelejo	565			565
Popayán	525	35		560
Montería	513	6		519
Ibagué	394	55		449
Rionegro	339	56		395
Fusagasugá	386			386
Tunja	289	51		340
Chía	72	255		327
Soledad	294	7		301
Facatativá	268	27		295
Apartadó	242			242
Sabaneta	196	41		237
Manizales	201	28		229
Caucasia	226			226
Buenaventura	214			214
Sogamoso	180			180
Floridablanca	146			146
Armenia	145			145
Funza	94	22		116
Buga	63	41		104
Other payment less than COP 100 million	547	250		797
TOTAL	**56,282**	**11,759**	**680**	**68,721**

THE EXITO FOUNDATION

ensuring a better future for the under 6s

The Company firmly believes in providing support for child nutrition in order to ensure the basis for a happier life with more opportunities.

IF WE FEED OUR CHILDREN today, we are guaranteeing the future of Colombia. For this reason the Exito Group has worked tirelessly through its Exito Foundation to support the physical, cognitive, emotional and social development of children under six years of age.

Results
and initiatives

>In 2008, the Exito Foundation channeled a total of COP$13,148 million, representing the product of its own resources as well as contributions from its shareholders, customers, employees and suppliers. Of this total amount, 72% was invested in nutrition programs for the under 6s, corresponding to daily meals provided to 48,757 children and 828 pregnant and nursing mothers throughout the year, through 200 institutions.

>So as to guarantee a supply of food for the underprivileged, the Foundation supported 25 food banks that sponsor 1.791 institutions and a total of 255,000 end beneficiaries. Throughout the year, a total of 2,313 tons of food worth COP$1,850 million were donated and the Group gave its full support to creating the National Network of Food Banks.

>Thank to the support of our customers who purchased our Goticas® donation certificates, a total of COP$4,008 million was collected (75.22% for nutrition, 0.4% for education, 3.38% for the homeless and 21% for Christmas gifts for underprivileged children), representing an 11.6% increase compared with 2007. Furthermore, the check-out piggy banks accounted for another COP$76 million and the Aportar program – sponsored by 10,487 employees, who voluntarily donated a percentage of their salaries or wages– represented an additional COP$402,9 million. It is also important to note that suppliers contributed COP$440 million to the Foundation's programs.

>So as to obtain greater support for its nutrition program, the Exito Foundation joined forces with the private and public sectors, namely with institutions such as the Organization of Ibero-American States, Unicef and the World Food Program.

>In 2008, the Exito Foundation staged the following two campaigns in alliance with the country's top media organizations.

- **The "Make a Child Smile" campaign:** Thanks to the support received from customers in the form of the Goticas donation certificates and contributions from the Foundation, a total of 305.236 toys were given in the form of Christmas gifts to underprivileged children.

- **Second Hand Textbook Exchange Program:** this campaign was staged in conjunction with 11 employee welfare institutes throughout the country, and consisted of exchanging 32,130 textbooks, representing savings of COP$963,9 million for the beneficiary families.

>The Foundation also gave its support for the poorer segments of the population in the more remote areas of the country. This included those left homeless by devastating rainfall, for which a specific in-store program was staged at check-out level where customers could make their donations. This program, sponsored by 10 media organizations, collected a total of COP$679 million for the Red Cross, groceries and cooking implements, this in alliance with the Colombian Disaster Prevention and Emergency Services authorities.

>Once again the Exito Foundation's Child Nutrition Prize was awarded. For the fifth year running, as part of the Child Nutrition Week, an event sponsored by 16 suppliers who donated 1% of their sales for that week (COP$47 million). Also the top businessmen and opinion leaders of the country met with Government representatives to discuss malnutrition issues and ways to solve this problem.

48,757
children benefited
from the Exito Foundation's nutrition program in 2008

SHAREHOLDERS AND INVESTORS

Transparency, communication and good governance

The application of good governance practices is one of the daily goals of Exito Group.

THE EXITO GROUP considers it of vital importance to maintain fluid and continuous communication with its shareholders and investors. Transparency, good governance practices and permanent contact ensure maximum confidence in the Company on the part of customers, suppliers, authorities, the public and the securities market alike.

In 2008, the Company's Investor Relations Department continued with its task in implementing polices to ensure the transparency of corporate management and opportunely disclosing all reporting information to shareholders, investors and the market in general.

The publication of the Group's quarterly results by means of teleconferences streamed live on the Company's website: (www.almacenesexito.com/inversionistas/home.html), as well as "Investor News" emails, and a schedule of conferences and meetings form part of the Company's strategies and good governance practices.

It must also be noted that the Exito Group took part in the Country Code Best Corporate Practices Survey (for the period January to December 2007) that was conducted by the Colombian Superintendency of Finance. This survey, aimed at revealing the good governance practices implemented by Colombian issuers together with the Country Code recommendations adopted by these same, contained 80 questions regarding country code recommendations governing shareholders, Board of Directors, financial and non-financial reporting and conflict resolution.

In this regard, Almacenes Exito S.A. was ranked in second place with regard to corporate transparency according to a study conducted by the brokerage firm, Interbolsa. This report was based on information gathered for the period August to December 2008 amongst 18 companies nationwide. The findings placed the Exito Group amongst the top six places in all categories with an average score of 78.5 out of a total of 100 points.

CUSTOMERS

Capturing the satisfaction of our customers: OUR DAILY CHALLENGE

For the Exito Group satisfying our customers requires a fluid and opportune stream of communication from all areas within the Company.

BESIDES MERELY providing customer service, this being understood as a friendly attitude and an opportune and efficient response to customer needs, it is fundamental for the Exito Group to remain in permanent communication with those who visit our stores, providing them with the very best we have to offer. For this reason we have designed and implemented in-store communication channels, customer loyalty programs, special promos and retail events including, fashion, savings, education and amusement, amongst others.

All this is supplemented by permanent training for our staff, improving their service mindset and encouraging them to continually improve on their service skills so as to establish a true service culture throughout the Organization.

RESULTS

>The OCR (Opportune Customer Response) tool allows us to channel and respond to customer enquiries. This played an important part in 2008 in being able to prioritize communication and service. Our EXITO stores, for example, provided satisfactory responses to a total of 86,347 comments and requests received.

>In 2008, different events were staged to increase staff awareness of the importance of customer service as well as product knowledge as a value-added

brand feature; these included: the cultural transformation program, the store staff program "Gente con Exito" together with other activities such as the service leadership program at the Ley stores and the "Reach for an Apple" program at the Pomona supermarkets.

>In providing a more enhanced and complete customer service, the Company established alliances with other entities. In the case of Carulla, we joined forces with the Comfama Employee Welfare Institute in Antioquia to create Member Mondays, where Comfama members obtain special discounts on selected product categories. We also developed a program with El Tiempo´s Subscribers´ Club, consisting of offering Carulla's weekly treats during one single day: the third Wednesday of every month.

>Our stores also celebrated special occasions such as Mother's Day, Halloween and Christmas with special recreational events and Christmas nativity services, specifically at the Bodega Surtimax stores. In the case of the Exito stores, almost 127,500 customers took part in our "Moments of Service" events.

>On the other hand POMONA continued to offer its customers gourmet cooking classes given by well-known chefs. In 2008, a total of 272 cooking classes were given, attracting 5.440 customers, that is to say, 172% more than in 2007. Also Home Mart gave workshop training in cooking, etiquette and home decoration, with product demonstrations being given by local experts.

>Exito´s Super Bingo in Bogotá attracted 122,441 visitors with the winners obtaining prizes worth more than COP$500 million. With this we broke our previous

Guinness Record (and the only one that Colombia had ever obtained), this for the largest bingo ever to be staged. Also in Barranquilla and at the Bodega Surtimax stores, bingos were staged with excellent turn-outs.

>The Group also staged different promos and special sales campaigns during 2008, including: "La Mega Prima" (Mega Bonus) event (Ley and EXITO stores), "La Combinación Ganadora" (the Winning Combo) – staged in all the Company's stores -, "Ahorrar con Exito está de moda" a new proposal that makes customers feel good saving with Exito's fashion offer, "5 portions a day" a new initiative to encourage the consumption of fruit and vegetables. the Pomona Fair, Diamond Wednesdays and Relaxing Nights at Home at Carulla, and the "'4 x 10" promo at the Merquefácil and Surtimax stores, offering a 10% discount 4 days a week.

>To celebrate the 10th anniversary of Exito´s on-line store, we changed its image and browsing architecture. Our virtual store can now be accessed at www.exito.com and we have introduced new features for our users (on-line service chats) and staged various promo activities.

AWARDS RECEIVED DURING THE YEAR

Order of Civic Merit for the Exito Foundation

In recognition of its 26 years of service to the community, especially children under the age of 6, the Colombo-American Chamber of Commerce awarded the Exito Foundation the Order of Civic Merit.

Award for providing job opportunities for the more vulnerable segments of the population

The Departmental Assembly in conjunction with the Governor's office of Antioquia, decorated the Organization for having provided more than 150 job opportunities for the disabled, allowing these to earn a living with dignity.

The Distinguished Retailer Award - FENALCO

It was a great honor for the EXITO Ibagué store to receive the "Distinguished Retailer" Award from the Tolima Chapter of the National Federation of Retailers.

The Orchid Prize for community work

The Exito Foundation was awarded the Orchid Prize by the Medellin City Council in recognition of its outstanding community work basically with child development, pregnant and nursing mothers, children's dining halls, malnutrition treatment, food banks and training courses

The "Star of Hope" Prize: in recognition of the support given to the disabled

Our Company was also given the "Star of Hope" prize by the CIREC Foundation for the disabled. This award was given in the Corporate Category, in recognition of the job opportunities that the Exito Group has given to 150 disabled people.

BRAND AND ADVERTISING CAMPAIGN AWARDS

The "top of the mind" brand in Colombia

Exito´s level of brand recordal is increasing, according to a survey carried out by the magazine, Dinero, and the polling firm, Invamer Gallup. The findings of this survey showed that the Exito brand has the greatest level of recordal amongst Colombian consumers in the retail chain category, much higher than those of our competitors, thereby reaffirming the loyalty and affection of our customers.

The Silver Effie Award for Carulla

The Carulla chain of supermarkets was given the Silver Effie Award in the Relationship Marketing category for its Diamond Wednesday campaign, the purpose of which was to increase sales and ticket values by specifically recognizing the loyalty shown by its customers one day a week.

Casino Group´s banner promo

"La Combinación Ganadora" (The Winning Combo) event staged by Almacenes Exito was selected as the Casino Group´s banner promo. Runners-up included 47 proposals from 17 brands originating from a total of 7 countries.

The Andigraf "Best of the Year" Award for Colombian Graphic Production - 2008

The Company's Management Report for 2007 won the "Andigraf "Best of the Year" prize for Colombian graphic production in 2008; this in the "Annual Reports "category . The panel of judges consisted of experts from Brazil, Argentina and Germany who made special mention of its "Concept, quality of artwork, design, functionality and creativity".

AFTER MORE THAN one hundred years in the Colombian retail business and 60 years since it first came into being as the first ever Exito store, today the Exito Group is renewing its commitment to the country, a responsibility that goes beyond the frontiers of its roots in providing jobs, retail opportunities to suppliers, a stimulating shopping experience for its customers, a rate of return for its shareholders and investors, nutrition programs for the underprivileged, support for the environment and, generally speaking, the heartfelt need to help and assist the Colombian people at all times.

Almacenes Exito S.A.