The fruit that we harvest

Annual Report

• 2011 •

grupo éxito®


éxito
súper

"For Grupo Éxito,
2011 was a year full of
challenges, innovation
and activities across
all segments
of Colombian society.
We continued to earn
our clients' preference".

CEO Gonzalo Restrepo López


éxito

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Management Report from the CEO and the Board of Directors

Dear Shareholders:

It is a pleasure to share with you this management report which contains the positive results obtained in 2011, marked by a successful stock issuance, the internationalization of our operations, the Company´s expansion plan with special focus on medium-sized cities, a clear consolidation of strategies for our retail banners, strengthened convenience store formats, several innovative commercial proposals and finally the growth of our real estate and other complementary businesses.

Considering last year´s international economic turmoil and market volatility, the Colombian economy performed in a positive manner, with a GDP growth of 7.7% as of the third quarter of the year, compared to the same quarter in 2010. In terms of the monetary policy, the Colombian Central Bank monitored the intervention rate and kept inflation rate under control at 3.73% in 2011.

Despite the harsh winter that Colombia suffered, industrial production and the use of installed capacity augmented. Exports also increased beyond established objectives. Likewise, in 2011 flows of Foreign Direct Investment exceeded the foreseen goal of USD $12,000 million, motivated to a good extent by the investment grade recognition given by major international rating agencies such as Fitch Ratings, Moody´s and Standard and Poor's and also by the approval of a Free Trade Agreement with Canada and with the United States.

All of the above events generated heightened consumer trust and made commerce more dynamic in Colombia, which clearly had a positive impact on our business and helped us build the results that we present to you today.

2011 Financial Results

The Company attained sales of COP$8,105,601 million, which represented a two-digit growth of 13.3%, and in real terms a growth of 9.22%, that is, more than twice the inflation rate.

Gross profit showed COP$2,124,650 million, representing 24.8% of Net Revenues, with an increase of 15% as compared to the year before. Selling, Administrative and Operating expenses totaled COP$1,725,633 million, increasing 12.5%.

EBITDA was COP$705,645 million, represented 8.3% as percentage of Net Revenues with an increase of 23 basis points year over year.

As a result of debt payments, cash from the issuance, and proper financial resource management, the Company presented a Net Financial Income of COP$6,715 million.

During the year investments worth COP$1,782,413 million were made, including the acquisition of Spice Investments Mercosur.

Net Income reached COP$389,455 million, a growth of 52.8%. Net Income represented 4.6% as percentage of Net Revenues compared to 3.4% obtained in 2010.

Financial Debt rose to COP$294,603 million, including long-term credit payments of COP$311,228 million. Total Assets totaled COP$9,500,907 million, a growth of 43.1%; and Liabilities COP$2,259,681 million, a 1.6% increase. Equity increased 63.9%, reaching COP$7,241,226 million, which includes COP$2,555,019 million from the stock issuance last September 2011.

This year we continue working hard developing projects, such as excess inventory reduction, stock optimization, stock-out control and supply frequency. The outcome of these projects was an increase in working capital and an important contribution to cash available which prepares the Company for further investment opportunities.

The Fitch Ratings Colombia Technical Rating Committee maintained our “AAA (Col)” rating with a stable outlook for both the bonds issued by Almacenes Éxito S.A. and Carulla Vivero S.A., as a result of the Companies´ merger.

Brand Consolidation

Today, Grupo Éxito feels satisfied with the decision made about focusing our commercial strategy on brand strengthening and offering formats suitable to each environment.

The Éxito brand, with its hyper, vecino, super, techno and express store formats, and with its successful strategy of entering medium-sized cities, enjoyed outstanding commercial performance and profitability.

Upon implementing the concept Carulla 3000, a proposal that concentrated on spaces and products tailor-made to its target audience’s needs, the Carulla brand was reinvented, thus augmenting its commercial dynamics.

Surtimax attained its commercial consolidation with the emblematic day strategy. According to Nielsen, today, one out of every four homes in Bogotá buys its groceries at a Surtimax store.

It is also important to highlight the increase in sales of our on-line platform éxito.com, which increased 1.7 times compared to last year and gained recognition as the Retail e-commerce Leader in Colombia. The channel is consolidating itself as a key driver of innovation and differentiation.

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27%

sales increase in Viajes Éxito in 2011

Expansión

In 2011, Grupo Éxito opened 64 stores, converted 36 stores into other brands, arrived at 10 municipalities where the Company had no prior presence, and generated 1,473 new jobs.

64 Store Openings: The small formats enabled the Company to enter neighborhoods, areas, and even municipalities where consumers required proposals better fit to their needs. The Company opened 32 Éxito Express stores mainly in Bogotá. Grupo Éxito opened 22 Surtimax stores for the first time in towns such as Sopó, Tocancipá, Cajicá (Cundinamarca) and in El Carmen de Viboral and Marinilla (Antioquia). The Company opened 3 new Carulla supermarkets in the cities of Envigado, Cartagena, and Barranquilla; and 7 Éxito stores mostly in medium-sized cities such as Yopal, Ocaña, Calarcá, Magangué, and Pitalito.

Twelve of the mentioned store openings were made through acquisitions of local small players, which enable expediting and optimizing growth. These acquisitions were made after obtaining Superintendence of Industry and commerce approval.

52 Stores in Uruguay: In 2011 Grupo Éxito celebrated its arrival in this South American country, through the acquisition of 52 stores of Disco, Devoto, and Géant brands, leaders of the retail in Uruguay with over 40% market share and a competitive edge nearly two times greater than that of the nearest competitor.

36 Store Conversions: The Company continued its brand and format consolidation strategy and made 36 conversions that represented an average 12% growth in sales. In 2011, the Company converted 24 Ley, Cafam and Carulla stores into various Éxito formats. 12 additional stores were transformed into 6 Surtimax stores and 6 Carulla supermarkets. We can thus say that, at the end of 2011, solely the conversion of one Ley store and two Cafam stores were pending, the reconversion of which has already been projected for 2012.

It is important to mention that the alliance with Cafam culminated in a satisfactory integration, with profitability levels as forecasted.

Businesses That Consolidate

The initiatives that complement the customers' buying experience by offering them everything in one store now represent near 30% of the Company´s EBIT. Viajes Éxito ended 2011 with 62 travel agencies, increasing its sales by 27% with more than 250,000 customers who made their dream of traveling a reality. This business consolidated with the launching of its on-line platform www.viajesexito.com. The Insurance Business "Seguros Éxito", reached 62 sales points and more than 580,000 clients insured.

Furthermore, the Éxito card completed 2011 having issued more than 1.5 million cards. The credit card "Origen" was launched for individuals without any credit but purchasing history in our stores, for them to enjoy the possibility of finan-

The positive economic performance in Colombia and its investment grade recognition increased **consumer trust** and made commerce more dynamic throughout the country; that had a positive impact on our business and helped us build the results that we present today.

cing their purchases through installments. The gas service station business continued growing, ending 2011 with 15 sales points in eight cities.

The real estate development business launched its new "Viva" shopping center brand. Under this new strategy, the construction of two shopping centers was initiated, one using the Éxito Laureles store as its hub and the other using the Éxito Envigado store as its core. The real estate development project is planned to continue in the cities of Sincelejo and Villavicencio.

Actions to Get the Client Back

In 2011 the Company officially presented Grupo Éxito´s mission: "Work hard to get client back". As part of the mass dissemination activity to make our mission known, we shared four new values that guided our actions during the year and will continue to do so in the years to come. We are proud to present below the results obtained in the context of each one of those values:

Amaze with innovation.

- As Colombian market leaders, Grupo Éxito has the great responsibility to innovate. To illustrate, in 2011 we sponsored a concert tour never before seen in Colombia thanks to an alliance with Colombian singer Fonseca. The launching of his CD *Ilusión* was promoted through 17 appearances in our stores located in 14 Colombian cities.

- Under new formats, the Company launched Éxito Techno Lisboa in Bogotá; it is a store specialized in technology and entertainment products, which offers a high-tech assessment component and post-sales service.

- In the area of product innovation, the Company partnered up with Coca-Cola for the exclusive sale of its home and textile brand products; it made an alliance with Spanish artist and designer Paola Dominguín for the development and sale of home decor products; it had exclusive sale rights for a CD by Julio Iglesias and for one by Lady Gaga; and launched the Company's new private label product for children, Troop X.

- To approach our clients with new experiences, in Bogotá the Company launched the first coffee and cheese fairs, "Colombia es café" ("Colombia is Coffee") and "Salón del Queso-Carulla" ("Carulla Cheese Showcase") and celebrated the sixth consecutive edition of Expovinos, its wine exhibit event.

- The Company renovated Éxito and Carulla sales points in several cities. The Éxito Unicentro store in Bogotá began to open 24 hours every day, thus becoming the first hypermarket in Colombia to offer such a service. We launched Compra Fiado (Financed Purchases) and Giros Éxito (Éxito Money Orders) and unify our Éxito and Carulla loyalty programs into one sole program.

By being fair employers, we are able to offer the best service.

Grupo Éxito not only enhances its clients' buying experience but also invests in its employees, for them to have reasons for providing the best service. In 2011 it brought on board 6,600 direct hires among packagers and operating personnel who had already been working with the Company indirectly.

It granted 600 housing loans to employees and offered well-being programs that benefited 92,432 individuals among employees and their family members. As part of the Company´s objective to develop our employees and to encourage job performance, we offered training and education in specialized schools for handling fruits, vegetables and meat products, and the cash register. Human talent development programs were implemented, such as leader training, Virtual Classroom, and the possibility of career planning and working abroad with our strategic partner Casino.

According to the results of the study conducted by Great Place to Work, all of the above initiatives helped us obtain a working environment index of 80.6 out of a possible 100, an outstanding score, considering that the proposed goal for 2011 had been 74. The Hewitt survey on mid management's level of commitment had excellent results, 98%, as compared to the retail average of 70%. And the Quality Service Audit (QSA) conducted among the customers resulted in a score of 4.43, higher than the result obtained the year before, 4.39.

Collaboration and team work differentiate us.
Grupo Éxito is aware that it can only succeed if working as a team. And the team is comprised of our employees, suppliers, and customers along with the authorities, foundations, and the society at large, and, of course, the environment to which belongs.

Here I would like to highlight some activities, such as Éxito Successful Suppliers (Proveedores de Éxito) award ceremony. The event is an acknowledgement that the Company makes to its commercial partners, service providers, and real estate allies who excel at their work. In 2011 the Company celebrated the third edition of this event and granted ten awards.

It is important to mention that in 2011 Grupo Éxito signed the United Nations Global Compact. That initiative is considered the largest corporate citizen plan worldwide and it boasts companies from more than 100 countries, including the Casino Group from France, the controlling shareholder of Grupo Éxito.

I would like to recommend that you read the fourth Sustainability Report that we handed out at the past General Shareholders Assembly. It includes our first Communication on Progress (COP), that is to say, the first report that we have made after signing the Global Compact. In the Sustainability Report, we have gathered our actions under five pillars that denote our sustainable development management. The pillars are: Being a Responsible, Committed Employer; Being a Responsible Merchant regarding Suppliers; Being a Responsible Merchant regarding Customers; Actions against Climate Change and Reducing the Environmental Impact; and Actions Aimed at Local Development and Solidarity.

Here, it is important to underpin the actions of Fundación Éxito which seeks the total early childhood care with an emphasis on nutrition. In 2011, that entity accomplished its objective of sensitizing the government to the topic; indeed, we were pleased to attend the launching of the public policy to support early childhood "De cero a siempre" ("From Never to Always"), which has started to be disseminated with more force on several fronts.

In its labor to create more awareness of early childhood problems, Fundación Éxito sponsored the visit of former Brazilian ex-President Luiz Inácio Lula da Silva to Colombia. He was the special guest of honor at the eighth edition of Fundación Éxito Award for Early Childhood Nutrition (Premio Fundación Éxito por la Nutrición Infantil).

In 2011 **we celebrated our arrival in Uruguay** with the acquisition of 52 stores of Disco, Devoto, and Géant brands, the retail market leaders in the country.

Simplicity for Effectiveness.
Grupo Éxito has understood that keeping things simple can help it be more competitive because it ensures timely, correct decisions that benefit its stakeholders.

At this point, I would like to highlight the opening of the new Caribe Distribution Center located in Malambo, Atlántico. As the distribution center is near the stores in that area of the country, it enables us to offer very fresh products as needed, for the benefit of our clients.

Another 2011 achievement was consolidating Servicios Éxito (Éxito Back Office Services) area. That initiative seeks to improve internal services, create more transparent contracting policies, and do cost rationalization, to generate savings that favorably impact financial results.

Grupo Éxito and Its Operations with Its Subordinated Companies

During the year 2011, Grupo Éxito was comprised of the Colombian parent company Almacenes Éxito S.A. and of its Colombian affiliates, Distribuidora de Textiles y Confecciones S.A. - Didetexco S.A. and Almacenes Éxito Inversiones S.A.S. Besides, it includes its foreign affiliates Carulla Vivero Holding Inc., with business domicile in the Virgin Islands, and Spice Investments Mercosur (called “Spice”) with business domicile in the Republic of Uruguay, the last one acquired in September 2011.

With its united strategic direction and business purpose, Grupo Éxito has ample projection, guided by a strategic concept that transcends the retail activities that the parent company originated, to start-up new businesses with multiple commercial formats and brands targeting specific clients segments. .

As of December 31, 2011 Grupo Éxito’s consolidated Net Revenues were COP$8,844,710 million; its Operating Income was COP$423,322 million, and its Net Income was COP$389,455 million.

Due to the above results and under the provisions in 1995 Law 222, we hereby inform you that the main transaction that Grupo Éxito performed with its affiliates was the acquisition made when it purchased from the parent company Casino Guichard Perrachon 100% of the shares of Spice Investments Mercosur (hereinafter called “Spice”), a holding company that owns 96.5% of the shares of the company Lanin S.A. and 62.5% of the shares of the company Grupo Disco de Uruguay S.A., who in turn are the direct and indirect owners of the supermarket chains run under the brands Disco, Devoto, and Géant in the Republic of Uruguay. The acquisition was registered in the amount of USD $746 million. Thus, Grupo Éxito broadened its retail activities by entering international markets.

In 2011, the textile affiliate Didetexco S.A. made sales to the parent company for a value of COP$166,612 million, and under leasing it invoiced the sum of COP$7,912 million.

More than 92,000

people, among employees and family members, made the best of the Company well-being programs.

6,600

individuals, former packager and operating personnel indirect hires, are now on the Company payroll.

We wish to clarify that in 2011 the Company did not make any other transactions with its domestic or foreign affiliates worth mentioning in this report.

As Company Legal Representative, I hereby certify that no important material transactions were conducted or important material decisions made or not made, under the influence of the subordinated companies, which should have been disclosed herein.

Corporate Governance

Below Grupo Éxito lists some practices that propitiate an environment of credibility and stability among all market participants:

- Three out of the nine members of Almacenes Éxito S.A. Board of Directors are independent members, pursuant to Colombian law. To optimize its management, the Board enjoys the support of three specialized committees that periodically meet with it; they are the Audit Committee, the Good Governance Code Assessment, Follow-up and Compensation Committee, and the Expansion Committee.
- The Good Governance Code Assessment, Follow-up and Compensation Committee conducts effective, responsible follow-up on the Good Governance Code enforced in 2003; the Code has been updated to espouse recent bylaw reforms, international directives, and effective Colombian laws and regulations.
- The Board of Directors is governed by a regulation that may be consulted at the Company Web site.
- News, accomplishments, designations, store openings and, in general, all important information of interest relating to Almacenes Éxito S.A. are published both in Spanish and in English at www.grupoexito.com.co and are updated on a regular basis.
- To guarantee transparence, the quarterly and annual individual and consolidated results of the Business Group are remitted to the Colombian Financial Superintendence, shared with shareholders and investors as well as with the communications media, and disclosed as important market information.
- In April 2011 the survey Corporate Best Practices “Country Code” (Mejores Prácticas Corporativas “Código País”) was conducted and published. It disclosed the good government practices implemented by the organization.

Control Systems and Financial Information Disclosure Reports

Every two months the Company´s management presents the financial statements to the Board of Directors members along with other indicators or reports that it deems relevant to its management and also submits such documents to the consideration of the Audit Committee. So, on February 20, 2012 the Audit Committee reviewed the individual and consolidated financial statements, along with their annexes and other documents required by law on the December 31, 2011 cutoff. Afterwards, the information was presented to the Board of Directors members who granted their approval.

In turn, upon performing his duties, the statutory auditor certified that the Company financial statements and operations ending on December 31, 2011 did not contain defects, inaccuracies or errors that would impede knowing the Company’s true situation regarding its equity.

The Real Estate business launched its new brand **"Viva"** for shopping centers. To do so, the Company started the construction of two shopping complexes, Viva Laureles and Viva Envigado around existing and mature Éxito stores as anchors.

In 2011 the Almacenes Éxito S.A. Internal Control System did not have any deficiencies that would have impeded proper recording, processing, summarizing, and presentation of the Company financial information; there were no situations of fraud that would have affected its quality, nor were there any information assessment methodology changes.

Below we highlight the main internal control activities carried out during the 2011 period.

- The control environment was strengthened, by integrating the Ethics and Conduct Code with its principles of integrity, decency, equity, and transparency; the Conflict of Interests and Use of Confidential Information Manual was communicated to the employees and their job performance was assessed taking its contents into account; the Transparency Program was structured as were the working climate assessment schemes and the equipment and employee job performance assessment schemes.

- New Company risk management improvement initiatives were implemented, by structuring a new area named Total Risk and Insurance Management.

- The Company's shared services were structured with special focus on the efficiency, productivity, excellence, optimization, formalization, and control of the organization's processes. A governance scheme was consolidated for the area of Information Technology, which includes, among others, Governance Committees, the Project Management Office (PMO), and advances in the Disaster Recovery Plan, to improve the levels of availability of systems critical to the business.

- Formal communication mechanisms flowed throughout the organization; they enabled properly identifying, capturing, and exchanging the information relevant to each stakeholder.

- The Self-control Program covered the most critical risks, indicating corresponding key controls.

During 2011 the Controller's Office Directorate independently and objectively carried out the audit processes stipulated in the annual plan and answered consultations concerning organizational requirements aimed at improving the governance, risk, and control processes. The outcome of such assessments enabled the Directorate to draw the conclusion that no material or significant deficiencies had been identified which would place the effectiveness of the Internal Control System at risk. Moreover, it certified that it had not been limited in its access to the records and information that it required to carry out its internal audit activities.

The Audit Committee is independent within the organization. Meeting periodically, it follows up on the financial information presented by the Finance and Administration Vice-Presidency; on the Statutory Auditor's activities; and on Internal Auditing functions by monitoring the Annual Plan, the scope and focus of business activities, the reports on obtained results, and following up on defined action plans.

Due to the above, as Legal Representative, I hereby certify that the financial information control and disclosure systems established in the Company were checked on a timely basis and that they were sufficient and adequate; consequently, they were in compliance with effective laws and regulations and ensured that the information at the December 31, 2011 cutoff delivered to our shareholders was appropriate and accurate.

Total Asset Laundry and Terrorism Financing Prevention and Control System

During 2011 Almacenes Éxito continued strengthening its asset laundering and terrorism financing prevention and control policies.

Our 35.639 direct employees make Grupo Éxito's success possible in the hearts and minds of clients in 67 cities where the Company operates.

Among our efforts to mitigate such risks, Company employees were given training; reports were presented to the Board of Directors; the various required reports were remitted to the Colombian Financial Information and Analysis Unit (UIAF); and the guidelines and directives in the Sipla Manual set forth by the Board of Directors were applied. Also, we continued with our policy of verifying that potential suppliers are not on the national and international lists of Colombian suppliers involved in asset laundering or related offenses. If they should appear, the decision is made to not contract them and the Board of Directors and the Administration are so informed.

Legal Perspective

Compliance with the Conditions Derived from the Alliance Entered into with Caja de Compensación Familiar Cafam ("Cafam")

In February 2011, the Company sold 3 commercial establishments to Supertiendas y Droguerías Olímpica S.A., in compliance with the Superintendence of Industry and Commerce requirement derived from the conditions set forth in the alliance entered into between Éxito and Cafam. The value corresponding to the sale of these stores was COP$1,700 million.

Sale of Company´s stake in Cadena de Tiendas Venezolanas S.A. ("Cativen S.A.")

In November 2010 the Company sold its stake in Cadena de Tiendas Venezolanas S.A. (Cativen). We report that to date USD $72.4 million has been received; meaning that, as December 31, 2011 of, there is a receivable balance of USD $18.1 million, projected to be paid at the end of the year 2012.

Company Capital increase

At its extraordinary meeting held on July 6, 2011, the General Shareholders Meeting approved an increase in the Company's authorized capital. As a result, the company capital is now worth COP$5,300 million, divided into five hundred thirty million (530,000,000) shares with a par value of COP$10 each.

Stock Issuance

In October 2011 the Company's stock issuance and placement process was completed with excellent results. A total number of 114,270,684 shares were offered and awarded at a price per share of COP$21,900. The market demand was 196,046,248 shares which was 1.7 times the issued amount. The value of the awarded shares was COP$2,502,527 million. The product of the issuance was employed to acquire Disco and Devoto in Uruguay and the Company expects to use the remaining obtained funds to continue the execution of the Company's expansion and growth plan in Colombia and to develop its internationalization plans in Latin America.

Significant Agreements

In December 2011 the Company entered into an agreement with its parent company Casino Guichard Perrachon ("Casino") that regulates the conditions whereby Casino would have the option of selling to Éxito and Éxito would have the option of purchasing from Casino any share of the Uruguayan companies Grupo Disco S.A. ("Disco") and Lanin S.A. ("Devoto"), which Casino may come to acquire as a result of the current minority shareholders of those companies exercising their sales option. In the event that the above-mentioned options are exercised, Éxito could acquire 29% of Disco and 3.5% of Devoto.

In compliance with 2000 Law 603, we hereby inform you that the Company was in full compliance with the effective laws and regulations on intellectual property. Likewise, the Company Administration wishes to inform you that the Company is the holder of the brands, trade names, logotypes, slogans, and distinctive symbols that it uses on its products and services or is authorized to use them by virtue of a licensing contract. The use of software products obeyed all effective applicable legislation

Donations and Social Campaigns

During the 2011-2012 fiscal period, the Company made donations in the amount of COP$2,500 million to individuals, entities or common benefit social programs and it made contributions to individuals or legal corporate entities to help strengthen democratic practices in Colombia.

Post-closing events

So far in 2012 there have been no post-closing events that deserve any attention herein.

Our Plan for 2012

We are proud to start 2012 strengthened and prepared to consolidate important plans such as our internationalization plan and our intense, profitable expansion plan emphasizing medium-sized citiess, as well as to concentrate on the growth of other complementary businesses such as e-commerce. Likewise, we will continue seeking excellent commercial performance based on our complementary businesses and on the innovative and exclusive nature of the products that we offer our customers, and we will also work to ensure operating excellence, with a deep interest in developing our human talent and in advancing in important topics related to sustainable development.

Acknowledgements

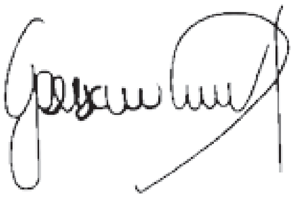
As you may well appreciate, not only our sales have grown. Also, our commitment to our country, Colombia, to the millions of Colombians who we are happy to boast as clients, to the children whom we benefit through our Foundation, to the environment that we are devoted to protecting, and to our 35,639 direct employees who make Grupo Éxito's success possible because we are in the hearts and minds of the inhabitants of the 67 municipalities where we are present. To all of you, a heartfelt thanks!

Signed by
The Board of Directors
Arnaud Strasser
Nicanor Restrepo Santamaría
Luis Carlos Uribe Jaramillo
Jean Louis Bourgier
Yves Desjacques
Jean Duboc

Felipe Ayerbe Muñoz
(Independent Member)

Guillermo Valencia Jaramillo
(Independent Member)

Jaime Humberto López Mesa
(Independent Member)



And by
CEO Gonzalo Restrepo López

Consolidated Financial Statements

Éxito Colina, Bogotá.

grupo éxito

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Statutory Auditor's Report

To the Shareholders of
Almacenes Exito S.A. and Subsidiary companies

I have audited the accompanying consolidated financial statements of Almacenes Exito S.A. and its subsidiary companies, which comprise the consolidated balance sheets as at December 31, 2011 and 2010 and the related consolidated statements of income, changes in equity, changes in financial position and cash flows for the years then ended, and the summary of significant accounting policies and other explanatory notes.

The Company's administration is responsible for the preparation and fair presentation of the financial statements, in accordance with accounting principles generally accepted in Colombia. This responsibility includes 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 audits. 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 examining, on a test basis, 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 audits provide a reasonable basis for my audit opinion.

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Almacenes Éxito S.A. and its subsidiary companies as of December 31, 2011 and 2010, the consolidated results of its operations, the consolidated changes in its financial position and the consolidated cash flows for the years then ended, in accordance with accounting principles generally accepted in Colombia, issued by the Colombian Government, consistently applied.

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

Medellín, Colombia
February 21, 2012

Financial Statements Certification

General Shareholders' Meeting of Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED, LEGAL REPRESENTATIVE AND PUBLIC ACCOUNTANT OF THE HOME OFFICE OF ALMACENES ÉXITO S.A., EACH WITHIN HIS/HER COMPETENCE

CERTIFY:
That we have previously verified the assertions contained in the financial statements of the home office and its subsidiary companies at December 31, 2011 and 2010, in conformity with the regulations, and that they have been correctly taken from the books.

Based on the above, in connection with the referred to financial statements, we state the following:

1. The assets and liabilities of the home office and its subsidiary companies exist and the transactions recorded have been made in the corresponding year.
2. All economic facts realized have been recognized.
3. Assets represent rights obtained and liabilities represent obligations of the home office and its subsidiary companies.
4. All elements have been recognized for the appropriate amounts.
5. Economic facts have been correctly classified, described, and disclosed.

The above to comply with article 37 of Law 222 of 1995.

In testimony whereof, this certification is signed on February 21, 2012.

Gonzalo Restrepo López
Legal Representative of Almacenes Éxito S.A.

Claudia Patricia Alvarez

Claudia Patricia Álvarez Agudelo
Public Accountant of Almacenes Éxito S.A.
Professional Card 69447-T

Financial Statements Certification Law 964 of 2005

General Shareholders' Meeting Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE OF THE HOME OFFICE ALMACENES ÉXITO S.A.

CERTIFIES:
That the financial statements and the operations of the home office and its subsidiary companies at December 31, 2011 and 2010, do not contain defects, inaccuracies or errors that impede the recognition of the true equity position thereof.

The above for purposes of complying with article 46 of Law 964 of 2005.

In testimony whereof, this certification is signed on February 21, 2012.

Gonzalo Restrepo López
Legal Representative of Almacenes Éxito S.A.

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Consolidated Balance Sheet

AT DECEMBER 31, 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

Assets	Notas	2011	2010
CURRENT ASSETS			
Cash	4	1,487,540	516,325
Marketable investments	5	786,142	280,733
Debtors, net	6	327,700	341,541
Inventories, net	7	994,501	840,909
Deferred charges, net	11	51,401	41,747
TOTAL CURRENT ASSETS		**3,647,284**	**2,021,255**
NON CURRENT ASSETS			
Debtors, net	6	37,401	51,745
Permanent investments	8	84,154	62,702
Property, plant and equipment, net	9	2,265,785	2,149,780
Intangibles, net	10	2,099,133	1,004,933
Deferred charges, net	11	343,459	231,268
Other assets		285	285
Valuations	12	1,330,894	1,118,480
TOTAL NON CURRENT ASSETS		**6,161,111**	**4,619,193**
TOTAL ASSETS		**9,808,395**	**6,640,448**
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	23	**4,512,991**	**4,638,809**

Gonzalo Restrepo López
Legal Representative of Almacenes Éxito S.A.
(See attached certification)

Claudia Patricia Álvarez

Claudia Patricia Álvarez Agudelo
Public Accountant of Almacenes Éxito S.A.
Professional Card 69447-T
(See attached certification)

AT DECEMBER 31, 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

Liabilities and Shareholders' Equity

	Notas	2011	2010
CURRENT LIABILITIES			
Financial obligations	13	73,030	357,325
Suppliers	14	1,443,809	1,089,877
Accounts payable	15	351,462	273,897
Taxes, duties and rates	17	116,406	61,850
Labor obligations	18	84,575	50,841
Estimated liabilities and provisions	20	44,182	42,522
Deferred charges, net	11	311	-
Bonds	16	-	30,350
Other liabilities	21	23,388	18,330
TOTAL CURRENT LIABILITIES		**2,137,163**	**1,924,992**
NON CURRENT LIABILITIES			
Taxes, duties and rates	17	96,965	-
Labor obligations	18	558	575
Retirement pensions estimated liability	19	17,720	16,844
Bonds	16	224,650	224,650
Deferred charges, net	11	21,980	15,168
Other liabilities	21	62,118	42,795
TOTAL NON CURRENT LIABILITIES		**423,991**	**300,032**
TOTAL LIABILITIES		**2,561,154**	**2,225,024**
MINORITY INTEREST		**9,517**	**2,576**
SHAREHOLDERS' EQUITY, SEE ATTACHED STATEMENT	12 and 22	**7,237,724**	**4,412,848**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9,808,395**	**6,640,448**
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	23	**4,512,991**	**4,638,809**

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

Luz Elena Rodríguez
Statutory Auditor of Almacenes Éxito S.A.
Professional Card 25820-T
Designated by Ernst & Young Audit Ltda. TR-530
(See my report of February 21, 2012)

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Consolidated Income Statement

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	Notas	2011	2010
NET REVENUES			
Sales		8,390,801	7,154,028
Other operating		453,909	356,051
TOTAL NET REVENUES	24	**8,844,710**	**7,510,079**
COST OF SALES		**(6,610,665)**	**(5,646,083)**
GROSS PROFIT		**2,234,045**	**1,863,996**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE			
Salaries and fringe benefits		(669,037)	(548,367)
Other operating administrative and selling expenses		(822,024)	(705,233)
Depreciation and amortization		(319,662)	(291,932)
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	25	**(1,810,723)**	**(1,545,532)**
OPERATING INCOME		**423,322**	**318,464**
NON OPERATING INCOME AND EXPENSES			
Financial income		164,537	83,204
Dividends and participations		933	473
Financial expenses		(157,771)	(124,913)
Other non operating income (expenses), net	26	(7,553)	9,575
TOTAL NON OPERATING INCOME AND EXPENSES, NET		**146**	**(31,661)**
INCOME BEFORE TAXES AND MINORITY INTEREST		**423,468**	**286,803**
MINORITY INTEREST PARTICIPATION		**(566)**	**(81)**
INCOME BEFORE TAXES		**422,902**	**286,722**
INCOME TAX			
Current		(32,786)	(48,780)
Deferred		(661)	16,892
TOTAL INCOME TAX	17	**(33,447)**	**(31,888)**
NET INCOME		**389,455**	**254,834**
NET INCOME PER SHARE	2	**870.09***	**764.50***

(*) Expressed in Colombian pesos

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

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Consolidated Statement of Changes in Equity

FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010
(Amounts expressed in millions of Colombian pesos)

				Reserves										
	Notes	Capital	Capital surplus	Legal	Occasional Future expansion and improvements	Reacquisition of shares	Tax depreciation	Future dividends	Total reserves	Equity revaluation	Retained earnings	Unappropriated earnings	Valuation surplus	Total
BALANCE AT DECEMBER 31, 2009		**3,338**	**2,254,019**	**7,857**	**325,276**	**19,266**	**8,741**	**1,419**	**362,559**	**539,546**	**147,302**	**15,795**	**836,268**	**4,158,827**
Appropriations made by the General Shareholders' Meeting: Dividend in cash of $60 (*) per share and quarter, from April 2010 to March 2011 on 333.174,004 outstanding shares of Almacenes Éxito S.A.											(79,961)			(79,961)
Transfer of earnings without appropriating to reserve for future expansion and improvements					67,341				67,341		(67,341)			-
Issue of shares on merger	22	2	2,921											2,923
Share premium			(1,546)											(1,546)
Decrease of valuation of derivative financial instruments			22,451											22,451
Net effect of consolidation adjustments												(1,928)		(1,928)
Equity tax										(26,101)				(26,101)
Elimination entries upon merger										(191,718)		(6,887)	181,950	(16,655)
Increase in valuation surplus													100,004	100,004
Net profit at December 31, 2010	2										254,834			254,834
BALANCE AT DECEMBER 31, 2010		**3,340**	**2,277,845**	**7,857**	**392,617**	**19,266**	**8,741**	**1,419**	**429,900**	**321,727**	**254,834**	**6,980**	**1,118,222**	**4,412,848**
Appropriations made by the General Shareholders' Meeting: Dividend in cash of $75 (*) per share and quarter, from April 2011 to March 2012 on 333.333.632 outstanding shares of Almacenes Éxito S.A.											(100,000)			(100,000)
Transfer of earnings without appropriation and tax reserves to reserve for future expansion and improvements					163,575		(8,741)		154,834		(154,834)			-
Exchange difference foreign investment	22		11,648											11,648
Issue of shares	22	1,142												1,142
Share premium	22		2,553,877											2,553,877
Decrease of valuation of derivate financial instruments			11,743											11,743
Net effect of consolidation adjustments												639		639
Equity tax										(193,930)				(193,930)
Increase in valuation surplus													150,302	150,302
Net profit at December 31, 2011	2										389,455			389,455
BALANCE AT DECEMBER 31, 2011		**4,482**	**4,855,113**	**7,857**	**556,192**	**19,266**	**-**	**1,419**	**584,734**	**127,797**	**389,455**	**7,619**	**1,268,524**	**7,237,724**

(*) Expressed n Colombian pesos

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

Gonzalo Restrepo López
Legal Representative of Almacenes Éxito S.A.
(See attached certification)

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Consolidated Statement of Changes in Financial Position

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	Notas	2011	2010
FINANCIAL RESOURCES PROVIDED BY:			
Net Income		389,455	254,834
Plus (less) charges (credits) to operations not affecting working capital:			
Depreciation of property, plant and equipment	9	213,342	206,844
Amortization of deferred charges		63,855	50,678
Amortization of intangibles		46,527	34,410
Profit on sale of property, plant and equipment, net		(13,139)	(10,663)
Profit on sale of intangibles		(297)	(7,808)
Increase (decrease) in long-term deferred tax		2,379	(10,206)
Decrease (increase) of provisions for property, plant and equipment, net		(2,599)	317
Increase of amortization of long-term actuarial calculation	19	876	2,759
Decrease of provision for protection of investments, net		(1,311)	(79,468)
Adjustment for exchange difference on foreign investments, net		(25)	11,425
Amortization of prepaid lease		169	201
Profit on sale of investments		-	(34,381)
Loss on sale of investments		995	2
Adjustment of debt reduction securities		(5)	(11)
Amortization of deferred monetary correction		(318)	(502)
Fiduciary rights yield		(7)	(17)
Minority interest		567	81
Trust profits		(3,270)	-
Dividends and participations received		(933)	(473)
Others		2,142	3,627
WORKING CAPITAL PROVIDED BY OPERATIONS		**698,403**	**421,649**
FINANCIAL RESOURCES GENERATED BY OTHER SOURCES:			
Proceeds from sale of property, plant and equipment, net		46,445	29,140
Proceeds from sale of long-term deferred charges		-	114
Sale of investments		165	171,000
Proceeds from sale of intangibles		348	31,097
Decrease in long-term labor obligations	18	(17)	(158)
Issue of shares	22	1,142	1,377
Premium on issue of shares	22	2,553,877	-
Increase in other long-term liabilities	21	19,323	1,065
Redemption of debt reduction securities		129	160
Transfer of assets to deferred charges		-	1,145
Transfer of bonds and commercial paper from long to short term		-	(30,350)
Assignment of contracts		-	5,692
Differences in conversion rates with Uruguay		1,577	-
Working capital Spice Investments Mercosur S.A. at September 30, 2011		66,883	-
TOTAL FINANCIAL RESOURCES PROVIDED		**3,388,275**	**631,931**

Gonzalo Restrepo López
Legal Representative of Almacenes Éxito S.A.
(See attached certification)

Claudia Patricia Alvarez

Claudia Patricia Álvarez Agudelo
Public Accountant of Almacenes Éxito S.A.
Professional Card 69447-T
(See attached certification)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	Notas	2011	2010
FINANCIAL RESOURCES USED IN:			
Acquisition of investments		432,378	6,000
Acquisition of property, plant and equipment, and other assets		229,597	238,496
Increase in intangibles		1,045,889	21,506
Decrease in non current debtors		(15,528)	(7,743)
Increase in non current deferred assets		85,678	60,183
Dividends declared		100,000	79,962
Decrease in financial obligations		-	283,664
Increase in taxes, duties and rates	17	(96,965)	-
Equity tax		193,930	26,101
Transfer of short term debtors to intangibles		11,181	-
Effect of valuation of derivative financial instruments		(11,743)	(22,452)
TOTAL FINANCIAL RESOURCES USED		**1,974,417**	**685,717**
INCREASE (DECREASE) IN WORKING CAPITAL		**1,413,858**	**(53,786)**
ANALYSIS OF CHANGES IN WORKING CAPITAL			
INCREASE (DECREASE) IN CURRENT ASSETS			
Cash		971,215	120,215
Marketable investments		505,409	34,269
Debtors		(13,841)	110,717
Inventories	7	153,592	34,626
Deferred charges	11	9,654	12,187
TOTAL INCREASE IN CURRENT ASSETS		**1,626,029**	**312,014**
(INCREASE) DECREASE IN CURRENT LIABILITIES			
Financial obligations	13	284,295	(125,379)
Suppliers	14	(353,932)	(117,067)
Accounts payable	15	(77,565)	(94,760)
Taxes, duties and rates		(54,556)	26,268
Other liabilities	21	(5,058)	(2,933)
Labor obligations	18	(33,734)	(13,747)
Estimated liabilities		(1,660)	(7,832)
Commercial paper and short-term bonds		30,350	(30,350)
Deferred		(311)	-
TOTAL INCREASE IN CURRENT LIABILITIES		**(212,171)**	**(365,800)**
INCREASE (DECREASE) IN WORKING CAPITAL		**1,413,858**	**(53,786)**

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

Luz Elena Rodríguez
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(See my report of February 21, 2012)

grupo éxito

Consolidated Statement of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 11 AND 2010
(Amounts expressed in million of Colombian pesos)

	2011	2010
CASH RECEIVED FROM SALE OF GOODS, SERVICES AND OTHERS:		
Goods, services and others	9,974,407	8,423,829
Paid to suppliers	(7,239,996)	(6,240,543)
Paid for wages, salaries and fringe benefits	(675,585)	(532,310)
Paid for administrative expenses	(79,055)	(71,253)
Paid for selling expenses	(806,186)	(661,809)
Paid for sales tax	(178,386)	(156,207)
Paid income tax	(105,645)	(117,957)
SUBTOTAL CASH GENERATED BY THE OPERATION	**889,554**	**643,750**
Acquisition of property, plant and equipment, net	(202,066)	(194,466)
Acquisition of deferred charges	(84,389)	(60,293)
Income from sale of property, plant and equipment, net	56,612	21,030
Acquisition of investments	(433,179)	(5,200)
Acquisition of intangibles	(1,045,821)	(12,114)
Income from sale of intangibles	348	14,845
SUBTOTAL NET CASH USED IN CAPITAL ASSETS	**(1,708,495)**	**(236,198)**
Purchases of marketable investments	(423,340)	(34,269)
Income from sale of permanent investments	107,700	34,228
Interest received	72,204	81,271
Dividends and participations received	933	473
SUBTOTAL NET CASH USED IN (GENERATED) BY OTHER INVESTMENTS	**(242,503)**	**81,703**
TOTAL NET CASH USED IN INVESTING ACTIVITIES	**(1,950,998)**	**(154,495)**
Loans received	2,319,697	70,430
Payment of installments of loan capital	(2,539,022)	(206,104)
Dividends declared and paid	(119,814)	(65,862)
Issue of shares	2,553,877	1,377
Interest paid on loans and bonds	(137,741)	(128,109)
Payment of bonds and commercial paper	(30,350)	-
SUBTOTAL NET CASH GENERATED BY (USED) IN FINANCING ACTIVITY	**2,046,647**	**(328,268)**
Cash received from other headings	14,534	64,277
Outflow of cash from payment of equity tax	(50,937)	(26,101)
Outflow of cash from other headings	(48,626)	(78,948)
Cash income of the subsidiary Spice Investments Mercosur S.A.	69,462	-
Effect from translation of operating accounts with the subsidiary Spice Investments	1,579	-
SUBTOTAL NET CASH USED IN OTHER HEADINGS	**(13,988)**	**(40,772)**
TOTAL NET INCREASE OF CASH	**971,215**	**120,215**
INITIAL BALANCE OF EXITO CASH	**516,325**	**396,110**
ENDING BALANCE OF CASH	**1,487,540**	**516,325**

Gonzalo Restrepo López
Legal Representative of Éxito S.A.
(See attached certification)

Claudia Patricia Álvarez

Claudia Patricia Álvarez Agudelo
Public Accountant of Almacenes Éxito S.A.
Professional Card 69447-T
(See attached certification)

FOR THE YEARS ENDED DECEMBER 31, 11 AND 2010
(Amounts expressed in million of Colombian pesos)

	2011	2010
RECONCILIATION OF NET INCOME WITH NET CASH GENERATED BY THE OPERATION		
NET INCOME	**389,455**	**254,834**
Adjustments to reconcile net income with net cash provided by operating activities:		
Amortization of deferred monetary correction	(317)	(501)
Depreciation of property, plant and equipment, net	213,342	206,844
Amortization of deferred charges	63,855	50,678
Amortization of intangibles	46,527	34,410
Amortization of prepaid leases	169	201
Increase of amortization of the actuarial calculation	875	2,759
Adjustment of prepaid expense	(1,349)	-
Profit from sale of property, plant and equipment, net	(13,138)	(10,663)
Decrease of provision for protection of investments, net	(1,350)	(79,467)
Decrease (increase) of provisions for property, plant and equipment, net	(2,599)	317
Adjustment for exchange difference of non controlled foreign investments, net	(25)	11,425
Profit on sale of investments	-	(34,381)
Loss on sale of investments	995	2
Profit on sale of intangibles	(297)	(7,808)
Variations in non operating accounts	6,764	79,077
Accrued expenses	482	102,199
Donations	2,695	2,217
Tax on financial movements	19,326	892
Increase in inventory	(54,456)	(41,502)
Increase in suppliers	191,613	60,759
Increase in labor obligations	(7,664)	13,299
Interest received	(72,147)	(81,270)
Interest paid	137,954	128,109
Dividends and participations received	(933)	(473)
Equity tax	2,333	-
Taxes payable	(33,144)	(57,575)
Minority interest	567	81
Assignment of contracts	-	5,692
Others	21	3,595
NET CASH PROVIFDED BY OPERATIONS	**889,554**	**643,750**

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

Luz Elena Rodríguez
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(See my report of February 21, 2012)

Notes to consolidated financial statements

AT DECEMBER 31, 2011 AND 2010
(Amounts expressed in millions of Colombian pesos and U.S. dollars)

NOTE 1. HOME OFFICE AND ITS SUBSIDIARES

Almacenes Éxito S.A., home office, was incorporated on March 24, 1950 according to Colombian law. Its corporate purpose is to acquire, store, transform and, in general, distribute and sell under any type of commercial arrangement, including the financing thereof, all types of local or foreign goods and products, either wholesale or retail.

The company´s main domicile is located in the municipality of Envigado, Colombia, at the following address: Carrera 48 Nº 32B Sur 139. The legal term of the Company's existence expires on December 31, 2050.

In May 2007, the Casino Group, based in France, acquired the control of the home office and its subsidiaries. At December 31, 2011 it held a participation of 54.77% of the share capital.

Distribuidora de Textiles y Confecciones S.A. "DIDETEXCO S.A.", a subsidiary company, was organized on July 13, 1976 by means of public deed No. 1138 of the Seventh Notary's Office of Medellín. Its corporate purpose consists of acquiring, storing, transforming, manufacturing, selling and in general distributing under any arrangement all type of textiles manufactured locally or abroad and acquiring, giving or taking under lease all types of real estate intended for the establishment of stores, shopping centers or other sites appropriate for the distribution of goods and the sale of goods or services. Its principal domicile is the Municipality of Envigado, Colombia, Carrera 48 No. 32 Sur – 29. The Company's duration expires on July 13, 2026.

Almacenes Éxito Inversiones S.A.S., a subsidiary company, was organized by a private instrument on September 27, 2010. Its corporate purpose is setting up, financing, promoting, investing individually or together with other individuals or legal entities to set up companies, entities or businesses having as their purpose the production or commercialization of assets, goods, items or elements or the rendering of services related with the exploitation of commercial establishments and joining these companies as an associate, by means of contributions of money, assets or services. Promote, invest individually or together with other individual or legal entity to render telecommunication networks, services and added values, particularly all those activities permitted in Colombia and abroad of telecommunications, mobile cellular telephony and value added services. Its principal domicile is located in Envigado, Colombia, carrera 48 Nº 32 Sur – 139. The company's duration is indefinite.

The company Carulla Vivero Holding Inc. was a subsidiary of Carulla Vivero S.A. which based on the merger became a subsidiary of the home office Almacenes Éxito S.A. The company Carulla Vivero Holding Inc. was organized on September 14, 2000 under the laws of the Britain Virgin Islands; its corporate purpose is carrying out business to invest, purchase, own, acquire in any way, sell, assign, administrate any moveable asset or real estate which is not prohibited or regulated under the laws of the British Virgin Islands.

In September 2011, Almacenes Éxito S.A. acquires Spice Investments Mercosur S.A., Uruguayan stock company, closed, with nominative shares. Its main activity is making investments in general, in accordance with article No. 47 or the Uruguayan Law 16.060, being able to develop activities related with investments in the country and abroad.

Spice Investments Mercosur S.A. is owner of shares in the following companies: 62.49% of Grupo Disco del Uruguay S.A., 47.25% of Larenco S.A., 7.10% of Lanin S.A. and 100% of Geant Inversiones S.A. Grupo Disco del Uruguay S.A. is in turn the owner of 100% of Supermercados Disco del Uruguay S.A., 50% of Maostar S.A., 100% of Ameluz S.A. and 100% of Odaler S.A. Larenco S.A. is the owner of 89.45% of Lanin S.A., which is the owner of 100% of the shares of Devoto Hnos. S.A. Geant Inversiones S.A. is owner of 52.75% of the shares of Larenco S.A. Its principal domicile is in Montevideo, Avenida General José María Paz No. 1404.

Merger with Carulla Vivero S.A.

By means of public deed N° 5037 of September 2, 2010, the merger by absorption was formalized between the home office Almacenes ÉXITO S.A. and Carulla Vivero S.A. The merger was registered in Éxito's commercial register managed by the Chamber of Commerce of Aburrá Sur, and was approved by the Financial Superintendent of Colombia per Resolution 1685 of August 20, 2010.

As a result of the merger by absorption, Carulla Vivero S.A. was dissolved without liquidation and its assets, liabilities and equity were integrated to the home office Almacenes Éxito S.A.

NOTE 2. PRINCIPAL ACCOUNTING POLICIES AND PRACTICES

For the preparation of the financial statements used for consolidation, the Home Office and its subsidiaries follow accounting principles generally accepted in Colombia, which are legally prescribed by regulations and instructions of the Financial Superintendent of Colombia, the Superintendent of Corporations and other legal provisions. These principles may differ in certain aspects from those established by other State control entities. Described below are the principal policies and practices the Home Office and its subsidiaries have adopted in accordance thereof.

Consolidation principles:

Global integration is the consolidation method used. All assets, liabilities, equity, and results of operations of the subsidiary companies are incorporated to the home office financial statements, with the previous elimination in the home office of the investment in the subsidiary companies' equity, as well as the intercompany operations and balances existing at the date of the consolidated financial statements'.

In the case of those subsidiaries where the home office has joint or shared control, the home office applied the proportional integration method, in accordance with numeral 6 of the Second Chapter of the First Title of External Circular 002 of 1998.

Thus, the consolidated financial statements appropriately disclose the amount of resources under exclusive control, thereby establishing an approximate factor of the economic level of the home office responsibility.

The consolidated financial statements include the accounts of the home office and of its subsidiary companies. All significant balances and transactions between these companies were eliminated on consolidation.

For the consolidation of the financial statements of Spice Investments Mercosur S.A. the policies and principles of Éxito Group were applied, in accordance with Colombia accounting principles. The principal adjustments made were for the amortization of the goodwill and the valuation of fixed assets.

The balances shown below were taken from the individual financial statements of the home office and its subsidiaries at December 31, certified and with the opinion of the statutory auditor in accordance with current legal provisions:

COMPANY	ASSETS		LIABILITIEST		EQUITY		RESULTS	
	2011	2010	2011	2010	2011	2010	2011	2010
Almacenes Éxito S.A.	9,500,907	6,640,338	2,259,681	2,223,116	7,241,226	4,417,222	389,455	254,834
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A." (1)	167,910	161,997	40,768	47,530	127,142	114,467	3,002	1,354
Almacenes Éxito Inversiones S.A.S. (2)	4,779	4,292	2	-	4,777	4,292	485	(508)
Carulla Holding Inc (3)	198	196	129	126	69	70	-	-
Spice Investments Mercosur S.A.	764,602	-	315,423	-	449,179	-	24,816	-
TOTALES (4)	**10,438,396**	**6,806,823**	**2,616,003**	**2,270,772**	**7,822,393**	**4,536,051**	**417,758**	**255,680**

(1) Didetexco S.A.' sales of 2011 amounted to $168,008 and operating administrative and selling expenses, as a proportion of sales, represented 9.7%; the operating profit for 2011 was of $5,222 and net profit $3,002.

(2) The percentage of participation of Almacenes Éxito S.A. in Almacenes Éxito Inversiones S.A.S. at December 31, 2011 amounted to 100%.

(3) As of 2011, Carulla Vivero Holding Inc. is consolidated in the figures of the subsidiary of Almacenes Éxito S.A.

(4) This corresponds to the sum of individual financial statements without the eliminations of reciprocal operations and balances.

Effects of consolidation on assets, liabilities, equity and results of the Home Office

	Amounts before consolidation		Amounts after consolidation	
	2011	2010	2011	2010
Total assets	9,500,907	6,640,338	9,808,395	6,640,448
Total liabilities	2,259,681	2,223,116	2,561,154	2,225,024
Minority interest	-	-	9,517	2,576
Total equity	7,241,226	4,417,222	7,237,724	4,412,848
Total results	389,455	254,834	389,455	254,834

Reconciliation of the home office profit and the results of its subsidiaries with the consolidated profit:

	2011	2010
Profit of Almacenes Éxito S.A.	389,455	254,834
Profit of Didetexco S.A.	3,002	1,354
Profit (loss) of Almacenes Éxito Inversiones S.A.S.	485	(508)
Profit of Spice Investments Mercosur S.A.	24,816	-
	417,758	**255,680**
Equity method Almacenes Éxito Inversiones S.A.S.	(485)	508
Equity method Didetexco S.A.	(3,694)	(1,194)
Minority interests Didetexco S.A.	(180)	(81)
Unrealized profit in inventories	872	(79)
Equity method Spice Investments Mercosur S.A	(24,816)	-
NET CONSOLIDATED PROFIT	**389,455**	**254,834**

Inflation Adjustments

By means of Law 1111 of December 27, 2006, the Colombian Government eliminated inflation adjustments for tax purposes as of January 1, 2007. These adjustments were eliminated for accounting purposes by means of Decree 1536, issued on May 7, 2007, and retroactively as of January 1, 2007. The inflation adjustments accumulated in the accounts up to December 31, 2006 are not reversed and form part of the balance of their respective accounts for all accounting purposes, until their cancellation, depreciation or amortization. The balance of the equity revaluation account may be reduced on the recognition of equity tax paid, but may not be distributed as profit until such time as the Parent Company and its subsidiaries are liquidated, or its value is capitalized in accordance with current legislation. Once capitalized, it may serve to absorb losses, only when the Parent Company and its subsidiaries fall under dissolution cause, and may not be used to decrease capital. This capitalization represents occasional income for the shareholders which is non taxable.

Translation of financial statements

The financial statements of Spice Investments Mercosur S.A., domiciled in Uruguay, are translated into Colombian pesos at the year closing date for asset and liability accounts, at the monthly average rate for the income statement and at the historical rate for equity.

Foreign Currency Translation

Foreign currency transactions are recorded at the applicable exchange rates prevailing on the date of the transaction. At the end of each period, balances in cash, banks and accounts receivable or payable, financial obligations and investments in foreign currency are adjusted using the applicable period end exchange rate that, since late 1991 is the representative market rate, certified by the Colombian Financial Superintendent. For balances payable, only exchange differences that are not chargeable to costs of acquiring assets are recorded in the income statement accounts as financial expenses. Exchange differences are chargeable to asset acquisition costs while these assets are either being built or installed and until they are in a condition to be used.

With respect to the investment in the Uruguayan company, Spice Investments Mercosur S.A., that country's exchange rate was converted into the U.S. dollar, and the latter in turn into the Colombian peso. The gain or loss was recorded in the Home Office and subsidiaries equity accounts in compliance with Decree 4918 of 2007.

Classification of Assets and Liabilities

Assets and liabilities are classified according to their intended use or the degree of realization, availability, demandability or liquidation, in terms of time and amounts.

For this purpose, current assets are understood to be those amounts that will be realizable or available over a term not to exceed one year. Current liabilities are those amounts that will be payable or settled over a term not to exceed one year.

Cash

Cash represents immediate liquid resources the Home Office and its subsidiaries count upon. Recorded in this heading are cash balances, bank current and savings accounts, as well as balances pending clearance in the banking system.

Accounts receivable

They represent resources that provide authorization to claim from a third party compliance with the right with the inherent right obligation either in cash, goods or services, as agreed upon between the parties, and as a result of any legal arrangement made in connection with credit payments.

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

At the close of the period, recoverability is technically evaluated and a provision is recorded to cover any loss contingency.

Inventories

The inventory of goods not manufactured by the Home Office and its subsidiaries are recorded at cost, which is calculated monthly using the retail method.

Inventories of materials manufactured by the Home Office are recorded at cost, which is calculated using the weighted average method.

Inventories of materials, spare parts and accessories of the Home Office are recorded at cost. Valuation at the close of the year is calculated by the first-in-first-out (FIFO) method, in the event the subsidiary Didetexco S.A. is valued by the weighted average method.

Inventories in transit are valued using the specific value method.

A provision to recognize the market value of inventories is recorded at the close of the year.

Investments

1. Marketable Investments

These are investments represented by readily-disposable securities or instruments on which the investor has the firm intention to sell the incorporated economic right within a period not exceeding three (3) calendar years. These may be either of fixed or variable yield.

a. **Fixed Yield Marketable Investments** are recorded using the cost method and exponentially, based on the internal rate return of calculated on the purchase date. The difference with regard to the market or estimated value at the close of the period is recorded as a higher or lower value of the investment and as a gain or loss in the income statement.

b. **Variable Yield Marketable Investments** are recorded using the cost method; the results of the differences arising from the periodic adjustments of market prices and the last value recorded are entered directly against the value of investments and in the income statement accounts.

2. Permanent Investments

These are the investments the investor has the firm intention to keep until the date of maturity or redemption. They may be in controlled or non-controlled entities.

a. **Permanent investments in controlled entities** are recorded by the equity method, in accordance with the definition of the Financial Superintendent of Colombia whereby investments in subordinated entities in which the economic entity has the power to stipulate that in the following period they transfer to it their profits or surpluses, should be recorded under the equity method, except when they are acquired and maintained exclusively with the intention to be disposed of in the immediate future, in which case they should be considered marketable investments.

Under the equity method, the home office accounts for its investments in its subordinated entities initially at cost adjusted for inflation until December 31, 2006. The investments are adjusted (increased or decreased) for changes in the equity and income statement of the subordinates, as appropriate, in accordance with their percentage of participation. The balancing entry for these adjustments in the financial statements of the home office, is recorded in the income statement and/or the capital surplus account – equity method, as indicated below:

- Changes in equity of the subordinated entities which occurred during the year will be recognized by the home office, increasing or decreasing the investment cost.
- Changes in equity of the subordinated entities arising from the year net results will affect the home office income statement.
- Variations of the subordinated companies' equity not deriving from its income statement will not affect the home office results; rather they will be recorded in the latter's capital surplus.
- The participation dividends of a company in which an investment is held, received in cash, corresponding to periods in which the Company applied the equity method, reduce the investment book value by such amount.

At the year–end close, if the estimated value of controlling entities' is lower than the adjusted cost, a provision for impairment is recorded and charged to results.

b. **Permanent investments in non controlled entities** are recorded at cost, which includes inflation adjustments at December 31, 2006.

According to regulations issued by the Colombian Financial Superintendent, at the end of the period, if the realizable value of investments of non-controlled entities (intrinsic or stock market value, as applicable) is lower than their cost, the difference is recorded as devaluation and as a reduction of equity, in the capital surplus account. For non-controlled companies in dissolution to be subsequently liquidated or with recurring losses, the lower value is recorded in the income statement, based on the Home Office's prudence principle.

Any surplus in the market value or the estimated value at the close of the fiscal period is recorded separately as an increase / decrease the valuation account and credited / debited to the equity valuation surplus, both balance sheet accounts.

Until the date of sale time in 2010, the investment in Cativén S.A. was recorded based on the Company's securities' study prepared in December 2008.

Property, plant and equipment and depreciation

Property, plant and equipment includes all tangible resources controlled by the Home Office, obtained, built or construction in process, and used in the normal course of business for the production of other goods or to provide services intended for internal consumption or for that of third parties, and whose contribution to the generation of income exceeds one calendar year.

Property, plant and equipment is recorded using the cost method, which includes inflation adjustments until December 31, 2006.

The cost of property, plant and equipment includes the value of all items required for start up or to become operational. For this reason, once the asset is in a potential condition to be used, no further related costs are capitalized.

Expenses incurred as a result of the acquisition, installation or construction of the tangible asset, such as engineering, supervision, taxes, interest and monetary correction, can only be treated as part of the cost of the asset until such time as the asset is in a condition to be used. Costs incurred after the date the asset is in a condition to be used are recorded as expense of the period when they are either accrued or disbursed, whichever occurs first.

Repairs and maintenance of these assets are charged to the income statement .

Sales and retirements of such assets are discharged at their respective net cost and the differences between the selling price and net cost are charged or credited to income statement.

Depreciation is calculated on cost by the straight-line method based on the probable useful life of the assets at the following annual rates:

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

The acquisition costs of display fixtures such as gondolas, security tags, self-service shopping carts and sign posting, among others, are depreciated using the straight-line method applying an accelerated depreciation percentage ranging from 25% to 50% for each additional shift.

The useful lives used by foreign subsidiaries will be maintained following internal policies.

For the case of the subsidiary Spice Investments Mercosur S.A., the following useful lives of the assets are used:

- 5% and 10% for construction and buildings
- 10%, 20% and 50% for furniture and fixtures
- 20% and 33% for computers and *software*.
- 10% y 20% for machinery and equipment
- 10% for vehicles

The policy for the home office and its subsidiaries' is that, the residual value of fixed assets established for calculating depreciation is zero (0).

Valuation methods

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

a. **Historical cost or value** is the original value either in cash or cash equivalent incurred at the time of realization of an economic fact.
b. **Current or replacement value** represents the cash value that would be incurred in replacing an asset or that would be required in order to settle an obligation at the current time.
c. **Realization or market value** is the cash value an asset is expected to be converted into, or a liability settled during the normal course of business.
d. **Present or discounted value** , is the present and/ or current value of the net cash inflows or outflows an asset or liability would generate.

Upon considering the attributes that accounting information must have, as contained in Article 4 of Regulatory Decree 2649 issued in 1993, the home office decided that property, plant and equipment be valued by the realizable or the market value method.

For valuation purposes, realizable or market value, is determined in accordance with commercial appraisals which must take place with a maximum frequency of three calendar years. All assets which have an adjusted value lower than twenty (20) basic legal monthly salaries are exempt from the appraisal requirement.

Appraisals are performed by persons who do not having any relationship with the home office and its subsidiaries that could give rise to a conflict of interest. This means that between the appraiser and the subsidiary companies no ties, relations or operations can exist which involve a real or potential interest, that could, in turn, prevent a fair and equitable appraisal.

Where the value of property, plant and equipment is lower than book value the latter is adjusted by means of a provision which affects the home office and its subsidiaries.

Where the value of property, plant and equipment is higher than book value, the latter figure is adjusted through the asset valuation account and the home office and the subsidiaries' equity.

Intangibles

Intangibles represent resources involving binding rights or privileges from third parties the exercise or exploitation of which, may produce economic benefits during various future periods.

Items such as assets received under trust arrangements, brands and goodwill, are classified under this category.

The cost of these assets corresponds to clearly identifiable expenses incurred, and inflation adjustments until December 31, 2006. In order to recognize their contribution to the company's generation of income, they are amortized systematically throughout their useful life.

Goodwill

The additional value paid for the purchase of entities or companies where control is acquired, is recorded as goodwill.

The value of goodwill in the case of acquiring control over other companies is the excess of the acquisition cost over the accounting equity of the acquired entity.

Goodwill acquired is recorded as an intangible and is amortized on a monthly basis affecting the income statement accounts over a term of 20 years.

The determination of the amortization is calculated upon applying the exponential amortization method pursuant to External Circular 034 of 2006 issued by the Colombian Financial Superintendent.

In compliance with the Joint Circular 011 of 2005 of the Financial Superintendent of Colombia, the Carulla goodwill is valued and compared against the book cost to determine the existence or not of a loss of value.

Deferred Charges

Deferred charges correspond to:

1. **Prepaid expenses** represent prepaid sums of money which must be amortized during the period the services are received or costs or expense are accrued, such as interest, insurance, rentals and other expenses incurred to receive services in the future.
2. **Deferred charges** represent goods or services received for which economic benefits are expected in future periods. They include inflation adjustments up to December 31, 2006. Amortization is calculated as follows:
   a. **Leasehold improvements** are amortized over the lower period between the term of the respective agreement (not considering any extensions) and their probable useful life, when their cost is not recoverable.
   b. **Software** is amortized at annual rates of 33% and 20% depending on its acquisition purpose.
3. **Deferred Monetary Correction.** Credit corresponds to the inflation adjustments made to construction in progress and to non-monetary deferred charges in pre-operative stage. Amortization begins on the date revenues are received and over the term established for the respective deferred item. The deferred monetary correction debit corresponds to the proportional part of the adjustment of equity, in respect of the assets that generated the credit in the deferred monetary correction credit account.

   As a result of the elimination of the inflation adjustments for accounting purposes as of January 1, 2007, the balances at December 31, 2006 of the deferred monetary correction debit and the deferred monetary correction credit, will continue to be amortized according to the useful life of the asset generating them, recording an extraordinary non-operating expense or a miscellaneous non-operating revenue, respectively. In the event the asset generating them is disposed of, transferred or written off, the accumulated balances must be eliminated.
4. **Deferred tax.** The effect of temporary differences involving the payment of a higher or lower income tax in the current year must be recorded as a deferred tax asset or liability, respectively calculated at current rates, provided that a reasonable expectation exists that such differences will reverse and that enough taxable income will be generated in the periods such differences reverse.

   The home office did not record deferred tax on the result of the equity method as it is considered as a permanent difference, insofar as there is no expectation of the payment of dividends.

   The deferred tax is amortized in the periods in which the originating temporary differences reverse.

Valuations and devaluations

Asset valuations and devaluations which form a part of equity include:

a. Excess of commercial appraisals of moveable property or real estate over their net book value.
b. Excesses or shortfalls of the intrinsic or stock market value of certain investments, including fiduciary rights, at the end of the period, on their net book value.
c. Investment valuations and devaluations based on regulations issued by the Colombian Financial Superintendent.

Financial obligations

These are obligations incurred by the home office and its subsidiaries with credit or other financial institutions of the country or from abroad; bank overdrafts and hedge operations are also included.

The recorded value corresponds to the principal amount of the obligation, and the financial expenses which do not increase capital are recorded as accumulated expenses payable.

Derivative financial instruments

The home office carried out various derivative-based transactions in order to reduce their exposure to fluctuations of the exchange and interest rates in the market of its obligations. Those instruments correspond to SWAPs and Forwards.

The home office records rights and obligations arising from contracts, and shows them net on its balance sheet, following hedge accounting procedures, as stipulated in External Circulars 025 and 049 issued in 2008 by the Colombian Financial Superintendent.

In evaluating them the home office has applied the following accounting policies:

a. Derivative contracts entered into for commercial purposes are adjusted to their market value at the end of the period and are debited or credited to the income statement accounts, as applicable. The market value is determined based on stock quotes or, in lieu thereof, based on future discounted cash flow techniques or of option models.

b. Derivative contracts entered into for financial liabilities' hedging purposes are also adjusted to their market value in the same way described above, but if the resulting adjustment is positive or negative, they are recorded in the equity account.

Suppliers and accounts payable

These represent obligations payable by the home office and its subsidiary companies originated by goods or services received. The most important obligations, such as to suppliers, creditors and others, are recorded separately. Accounts payable are recorded using the cost method, which, when applicable, is adjusted according to the unit of measure or functional currency agreed upon for their payment.

Taxes, duties and rates

These represent the value of general and mandatory taxes payable by the home office and its subsidiaries to the State calculated based on private liquidations generated in the respective tax period. These include, among others, income, sales and industry and commerce taxes.

The provision for income tax recorded in the income statement includes, in addition to the income tax on taxable income of the period, that applicable to temporary differences arising between commercial profits and net profit.

Labor obligations

These include liabilities payable by the home office and its subsidiaries in favor of its employees or beneficiaries. Global estimates are recorded during the period, which are adjusted at the end of the year, determining the amount payable to each employee in accordance with current legislation and collective labor agreements.

The home office and its subsidiaries make periodic contributions for severance and integral social security: healthcare, professional risks and pensions, to the respective Funds or to the Colombian Social Security Institute which assume these obligations.

Estimated liabilities and provisions

They consist of all current obligations payable by the home office and its subsidiaries, whose ultimate value depends on a future but certain fact and which in complying with the principles of realization, prudence and accrual, require accounting recognition through provisions. The accounting recognition of estimated liabilities is made during the period in which they occur, affecting assets and/or results of the home office and its subsidiaries, as the case may be.

A liability is understood to exist and accounting recognition of its estimated amount is necessary when, as a result of an economic fact, an obligation is generated, its definite value is not known with certainty there are sufficient elements to calculate its value on a reasonable basis.

Retirement pensions

A retirement pension is a special labor benefit provided by the home office and its subsidiaries to its employees as a result of legal or contractual provisions and consist of the payment of a monthly sum of money, that is adjusted according to the indices stipulated by the Colombian Government or the parties, during the lifetime of the holder of the pension right or his or her legal beneficiaries, according to the parameters and procedures established by law or by contractual provisions.

Liability adjustments are made based on actuarial studies pursuant to legislation. Pension payments are recorded directly in the income statement

Recognition of income, costs and expenses

Sales revenues are recognized when the exchange transaction takes place; revenues from leases are recognized in the same month they accrue, and revenues from services are recorded during the term of the contract or when services are provided. Costs and expense are recorded based on the accrual method.

Net profit per share

Net profit per share is calculated on the basis of outstanding subscribed shares of the home office at the end of the year, for 2011 447,604,316 (2010 – 333,333,632).

Debit and credit memorandum accounts

Commitments pending formalization and rights or contingent liabilities, such as guarantees granted, unused documentary credits, assets received under custody or guarantee, and contracts subscribed for the purchase of goods, property and equipment and hedging operations are recorded under debit and credit memorandum accounts. Also included are control accounts used for internal control of assets, management information or future financial situations. Furthermore, tax memorandum accounts are used to record differences between the accounting and tax figures, respectively.

Materiality Concept

The recognition and presentation of economic facts is determined in accordance with their relative importance.

An economic fact is material when due to its nature or amount, and the surrounding circumstances, knowing or not knowing it could significantly alter the economic decisions of information users.

In the preparation of the financial statements, including its notes specific captions are broken down in accordance with legal provisions or on those representing 5% or more of total assets, current assets, total liabilities, current liabilities, working capital, equity and results of operations, as appropriate. Lower amounts are described when they are deemed to contribute to a better interpretation of the financial information.

Reclassifications

Certain items in the financial statements of 2010 have been reclassified only for comparative purposes and do not affect working capital.

Internal Accounting and Administrative Control

There were no significant changes in the home office and its subsidiaries internal accounting and administrative control during 2011 and 2010.

NOTA 3. TRANSACTIONS IN FOREIGN CURRENCY

Existing basic regulations allow the free negotiation of foreign currency through banks and other financial institutions at free rates of exchange. Nevertheless, for the home office and its subsidiaries most transactions in foreign currency still require official approval.

Operations and foreign currency balances are converted at the representative market rate certified by the Financial Superintendent of Colombia, which was used for the preparation of the financial statements at December 31, 2011 and 2010. The representative market exchange rate at December 31, 2011 was of $1,942.70* (2010 - $1,913.98*).

(*) Expressed in Colombian pesos

The financial statements of Spice Investments Mercosur S.A., domiciled in Uruguay, are translated into Colombian pesos at the year closing rate for asset and liability accounts, with the monthly average rate for the income statement and with the historical rate for equity.

The home office and its subsidiaries had the following assets and liabilities in foreign currency, recorded at its equivalent in millions of Colombian pesos at December 31:

	2011		2010	
	In US$	Equivalent in millions of Colombian pesos	In US$	Equivalent in millions of Colombian pesos
ASSETS:				
Foreign currency cash	155,943	303	288,102	551
Banks	24,696,742	47,978	1,263,710	2,419
Marketable investments	22,512,932	43,736	3,227,229	6,177
Debtors	3,252,977	6,320	72,071,054	137,942
TOTAL CURRENT ASSETS	**50,618,594**	**98,337**	**76,850,095**	**147,089**
TOTAL ASSETS	**50,618,594**	**98,337**	**76,850,095**	**147,089**
LIABILITIES:				
Foreign suppliers	52,174,070	101,358	28,436,860	54,427
Foreign financial obligations (*)	37,538,150	72,925	152,833,211	292,520
Accounts payable	21,870,875	42,489	4,353,282	8,332
TOTAL ASSETS	**111,583,095**	**216,772**	**185,623,353**	**355,279**
NET PASSIVE MONETARY POSITION	**(60,964,501)**	**(118,435)**	**(108,773,258)**	**(208,190)**

(*) At December 31, 2011, the home office had no current SWAPs contract; they were paid during the year. In 2010, it Included SWAP hedges for credits of US$114 million and Forward hedges of US$36 million.

Exchange differences incurred in the year were recorded in the following accounts:

	2011	2010
Financial income	122,599	101,835
Financial expenses	(121,598)	(78,069)
Operational expense with hedge (*)	(7,344)	(20,540)
FINANCIAL (EXPENSE) INCOME, NET	**(6,343)**	**3,226**

(*) Effect of hedging operations contracted to cover investments, foreign suppliers and financial obligations in foreign currency.

An adjustment for exchange difference of investments in Carulla Vivero Holding Inc. and Locatel Panamá was recorded as follows:

	2011	2010
Financial income	449	6,390
Financial expenses	(424)	(17,815)
INCOME (EXPENSE) NET	**25**	**(11,425)**

The adjustment for exchange difference of the investment in Spice Investments Mercosur S.A. was recorded as capital surplus for $11,648 million.

NOTA 4. CASH

At December 31, the cash balance comprised:

	2011	2010
Banks and savings entities	1,030,453	451,269
Cash	457,087	65,056
TOTAL CASH	**1,487,540**	**516,325**

During 2011, the home office and its subsidiaries recorded interest from savings accounts in banks and savings entities of $24,489 (2010 - $9,882).

NOTA 5. MARKETABLE INVESTMENTS

Marketable investments at December 31 comprised:

	2011	Interest Rate	2010	Interest Rate
Time deposit certificates	674,201	5.5% Efective	250,609	3.0%-4.0% Efective
Fiduciary rights	28,241	2.7% Efective	17,143	1.5% Efective
Investments in foreign currency	43,736	1.8% Efective	6,177	2.2% Efective
Investment in bonds	27,559	7.9%-9.6% Efective	-	
Investments in local currency	12,405	6.75% Efective	-	
Investment in repos	-	-	6,804	1.5% Efective
TOTAL MARKETABLE INVESTMENTS	**786,142**		**280,733**	

During 2011 the home office recorded interest from marketable investments of $701 (2010 - $2,353).

None of these investments has restrictions or liens that limit their realization or marketability.

NOTA 6. DEBTORS, NET

The balance of debtors at December 31 comprised:

	2011	2010
CURRENT:		
Tax advances receivable (See Note 17)	118,545	61,726
Clients	92,370	65,124
Provision for clients	(5,235)	(3,161)
SUBTOTAL	**205,680**	**123,689**
SUNDRY DEBTORS:		
Geant International (1)	35,163	138,578
Promotional bonds (2)	19,070	15,473
Employees' Fund	18,255	15,672
Concessionaires	16,476	14,148
From sale of fixed assets – real estate (3)	11,974	24,972
Compañía de Financiamiento Tuya S.A. (4)	6,338	36,918
Advances to contractors, suppliers and travel expenses	5,943	1,233
Interests	3,614	629
Home office	72	72
Other debtors (5)	40,278	39,443
Provision for accounts receivable (1)	(35,163)	(69,286)
SUBTOTAL SUNDRY DEBTORS	**122,020**	**217,852**
TOTAL CURRENT DEBTORS	**327,700**	**341,541**
NON CURRENT:		
Employees' fund	21,237	25,230
Advances for purchases of fixed assets and contractors (6)	7,650	17,602
From sale of fixed assets – real estate (7)	6,274	7,872
Other sundry debtors	2,240	1,041
TOTAL NON CURRENT DEBTORS	**37,401**	**51,745**
TOTAL DEBTORS, NET	**365,101**	**393,286**

(1) Final installment of the sale of the investment in Catívén S.A. payable in November 2012. This permitted the reversal of provisions of $32,974 (See note 26) and the accrual only of 100% for the amount of this last installment. During 2011, credits of $101,679 were received, which had provisioned and therefore the corresponding reversal of the provision was made.

(2) This refers to the account receivable regarding agreements with the principal Family Subsidy Entities in the country, as well as with several Employee Funds of public and private sector companies of our economy.

(3) For 2011, it includes $5,688 from the sale of the Marbella lot in Cartagena, $3,461 from the sale of the Simesa lot in Medellín, Ciudad del Río sector, $1,188 from the sale of the local where the Belén Distribution Center operated in Medellín to Comfenalco Antioquia, $520 for the sale of the Floresta local in Bogotá, $284 for the civil work of Éxito Rionegro in Antioquia, $232 for the sale of fiduciary rights of Centro Comercial San Pedro Plaza in Neiva and others for $601.

(4) Headings associated with the business operation of Éxito Card such as royalties, reimbursement of shared expenses and collection of coupons that will be paid in January and February 2012.

(5) For 2011, other debtors consist of: $8,933 from business sales agreements, $3,662 from legal embargoes, $3,567 from tax claims (VAT and customs tariffs from indicative prices in imports), $2,897 from re-exportation, $2,432 from loans to employees, $2,092 from loans to Packaging Cooperatives, $1,697 from advances to pensioners, $906 from leases due to the purchase of Spice in Uruguay, $707 from the operation of utilities collections, $169 Hogar Sacerdotal (formerly Archdiocese of Medellín) and other small items of $13,216 (of which $8,492 were recorded in Spice Invesment Mercosur S.A.).

(6) Advances given to contractors for the purchase of real estate and remodeling of stores, payment of which will be through the validation of work minutes and/or formalization of public deeds during 2012; however, they are classified as long term in accordance with their final purpose which is the acquisition of fixed assets.

(7) Account receivable generated from the sale of the local where the Belén Distribution Center operated in Medellín to Comfenalco Antioquia, at an agreed interest rate of DTF + 1 point semi-annually, which expires in 2014.

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During 2011, the home office and its subsidiaries recorded an accounts receivable write off of $310 and included recovery of $32,049 generated mainly by the provision for accounts receivable of Geant International (2010 - $65,786).

Long-term debtors of the home office and its subsidiaries will be recovered as follows:

Year	Advances for purchases of fixed assets and to contractors	Accounts receivable from Employees Fund of Almacenes Exito S.A.	Sundry debtors from sale of fixed assets – Real Estate	Other sundry debtors	Total
2013	-	3,996	2,375	-	6,371
2014	-	3,516	2,375	-	5,891
2015	-	2,760	1,524	-	4,284
2016	-	1,822	-	-	1,822
2017	-	1,584	-	-	1,584
2018 en adelante	7,650	7,559	-	2,240	17,449
TOTAL	**7,650**	**21,237**	**6,274**	**2,240**	**37,401**

NOTA 7. INVENTORIES, NET

The balance of inventories at December 31 comprised:

	2011	2010
Commercial goods for sale	965,641	802,819
Inventories in transit	27,031	21,185
Finished products	6,025	6,584
Materials, spare parts, accessories and packing	24,189	24,107
Products in process	13,479	10,822
Raw materials	8,441	8,989
Provision for protection of inventories	(50,305)	(33,597)
TOTAL INVENTORIES, NET	**994,501**	**840,909**

NOTA 8. PERMANENT INVESTMENTS

Permanent investments Balances at December 31 comprised:

	2011								2010
Economic Entity	Valuation method	Date of Intrinsic or market value	Book value	Valuation (See Note 12)	Devaluation (See Note 12)	Provisión	Realization Value	Dividends received	Book value
1. Variable yield investments, in non-controlled, voluntary and participative entities									
Bonds - Tuya S.A. (formerly Sufinanciamiento) (1)	-	-	74,500	-	-	-	74,500	-	54,500
Land of Sur S.A."In Liquidation"	Intrinsic	December	-	-	-	-	-	-	3,451
Automercados de la Salud S.A. Panamá	Intrinsic	December	2,370	740	-	-	3,110	801	2,335
Fogansa S.A.	Intrinsic	December	1,000	-	(217)	-	783	-	1,000
Other smaller ones	-	-	327	35	-	(24)	338	-	644
Promotora de Proyectos S.A.	Intrinsic	December	240	-	(196)	-	44	-	240
Central de Abastos del Caribe S.A.	Intrinsic	December	26	46	-	-	72	-	26
Spice Investments Mercosur S.A.	-	-	4,340	-	-	-	4,340	-	-
2. Variable yield investments, in non-controlled, mandatory and non-participative entities									
Peace Solidarity Bonds (2)			1,375	-	-	-	1,375	-	1,375
SUBTOTAL VARIABLE YIELD INVESTMENTS			**84,178**	**821**	**(413)**	**(24)**	**84,562**	**801**	**63,571**
Provision for the protection of investments			(24)	-	-	-	-	-	(869)
TOTAL PERMANENT INVESTMENTS			**84,154**	**821**	**(413)**	**(24)**	**84,562**	**801**	**62,702**

(1) Bonds issued by Compañía de Financiamiento Tuya S.A. (formerly Sufinanciamiento) as part of the shared publicity agreement with the company upon the ÉXITO Card, for a nominal amount of $74,500 for a term of 10 years with a yield of IPC + 2% plus the profit percentage of the agreement.

(2) Peace Solidarity Bonds are securities issued by the State with a term of seven years and yield annually the equivalent of 110% of the PAAG. Yields recorded in 2011 amounted to $52 (2010 - $49). The balance of the bonds corresponds to the investment made in 2007 for $1,375, which expiration will be in 2014.

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Permanent investments do not have restrictions or liens that limit their marketability or realization, except for the investment of the home office in bonds of Tuya S.A. (formerly, Sufinanciamiento), which were issued as part of the publicity agreement shared by the ÉXITO card.

Below is additional information on permanent investments:

Type of investment in accordance with the economic entity	Economic Activity	Type of Share	Number of shares		% of participation on subscribed capital	
			2011	2010	2011	2010
Variable yield investments, in non-controlled, voluntary and participative entities						
Predios del Sur S.A. "In Liquidation"	Construction	Ordinary	-	1.496.328.719	-	19.47
Promotora de Proyectos S.A.	Services	Ordinary	212.169	212.169	5.64	5.64
Central de Abastos del Caribe S.A.	Commerce	Ordinary	3.430	3.430	0.14	0.14
Automercados de la Salud S.A. Panamá	Commerce	Ordinary	20.000	20.000	20.00	20.00
Fogansa S.A.	Cattle raising	Ordinary	500.000	500.000	0.89	0.89
Maostar S.A	Real-state holder	Ordinary	55.000	-	50.00	-
Paynel S.A.	Travel agency	Ordinary	7.000.000	-	50.00	-
Ferosan S.A.	Without activity	Ordinary	90.505	-	100.00	-
Aljuba S.A.	Without activity	Ordinary	95.394	-	100.00	-
Almirez S.A.	Without activity	Ordinary	95.376	-	100.00	-
Deira S.A.	Without activity	Ordinary	110.479	-	100.00	-
Bedal S.A.	Without activity	Ordinary	55.370	-	49.00	-
Falaris S.A.	Without activity	Ordinary	90.400	-	100.00	-

For investment in shares of these companies, the company has no inmediate realization plans scheduled.

For investments where the intrinsic value was not available at December 31, 2011, the data available at November 30, 2011 was taken and compared with the value recorded in the books at December 31, 2011 to determine its valuation or devaluation.

Companies in which the investment is greater than 10% of equity

Corporate purpose:

Predios del Sur S.A. "In liquidation", organized by public deed No. 3423 issued by the 25th Notary's Office of Medellín on December 6, 1996, as evidenced in Book Ninth, Page 1566 of the Chamber of Commerce of Medellín. Its corporate purpose is investing in the construction of real estate projects in general in urban or rural zones, and whatever the destination of the real estate, with the final objective of disposing of the real estate making up the respective projects.

The company's dissolution was approved on December 17, 2009, in book 9 under number Nº 18157 of the 25th Notary's Office of Medellín and it was liquidated in March 2011.

Automercados de la Salud S.A. Panamá, organized by public deed 3380 issued by the 5th Notary's Office of the Circuit of Panamá, on June 9, 2004. Its main corporate purpose is establishing, processing and carrying out the business of an investment Company; to buy, sell, and negotiate all type of consumables, shares, bonds and securities; to buy, sell, rent, acquire or dispose of real estate; to borrow and lend money, with or without guarantee, enter into, extend, comply and execute contracts of any nature; guarantee the realization and compliance with all contracts; and to carry on any business which is not prohibited, etc.

Investments in **Maostar S.A., Paynel S.A., Ferosan S.A., Aljuba S.A., Almirez S.A., Deira S.A., Bedal S.A. and Falaris S.A.,** (the last six inactive), come from the subsidiary of Spice Investments Mercosur S.A. and although the participation exceeds 50% of its equity, no control is exercised since it is shared.

Evolution of assets, liabilities, equity and profit of companies with permanent investments:
The figures shown below were taken from the certified financial statements subject to current legal regulations for permanent investments in excess of 10% at October 31, 2011 and November 30, 2010, respectively:

Company	Assets		Liabilities		Equity		Results		Operating Income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Predios del Sur S.A. "En liquidación"	-	13,280	-	2	-	13,278	-	975	-	4,282
Automercados de la Salud S.A. Panamá	16,667	14,161	1,118	1,043	15,549	13,118	5,780	1,941	424	2,028
TOTAL	**16,667**	**27,441**	**1,118**	**1,045**	**15,549**	**26,396**	**5,780**	**2,916**	**424**	**6,310**

NOTA 9. PROPERTY, PLANT AND EQUIPMENT, NET

At December 31, property, plant and equipment, and depreciation, net comprised::

	2011			2010		
	Cost	Accumulate-Depreciation	Net cost	Cost	Accumulate-Depreciation	Net cost
Construction and buildings (*)	1,800,679	(648,986)	1,151,693	1,602,641	(516,829)	1,085,812
Land	498,915	-	498,915	487,811	-	487,811
Machinery and equipment	832,347	(573,369)	258,978	756,588	(475,004)	281,584
Office equipment	630,045	(439,035)	191,010	497,181	(344,985)	152,196
Construction in progress	123,597	-	123,597	94,106	-	94,106
Computers and communication equipment	250,059	(192,601)	57,458	256,245	(200,696)	55,549
Transportation equipment	39,662	(32,760)	6,902	37,540	(28,710)	8,830
Security armament	58	(44)	14	58	(38)	20
SUBTOTAL	**4,175,362**	**(1,886,795)**	**2,288,567**	**3,732,170**	**(1,566,262)**	**2,165,908**
Provision for property, plant and equipment	-	(22,782)	(22,782)	-	(16,128)	(16,128)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	**4,175,362**	**(1,909,577)**	**2,265,785**	**3,732,170**	**(1,582,390)**	**2,149,780**

(*) During 2011, the home office sold the following real estate:

Real Estate	City	Sales Amount	Net Cost	Profit on sales
Pomona Oviedo	Medellín	11,486	5,458	6,028
Funza land	Funza	4,032	2,356	1,676
Cedi Vía 40	Barranquilla	6,800	5,131	1,669
Simesa land	Medellín	6,923	5,273	1,650
Vivero Centro	Barranquilla	1,500	1,000	500
Land portion Amarillo Crema	Cali	412	240	172
Commercial locals Bulevar Suramérica 102 y 104	Medellín	220	196	24
Marbella land Manzana 11	Cartagena	5,688	5,688	-
Manizales Bavaria land	Manizales	5,374	5,562	(188)
TOTAL (SEE NOTE 26)		**42,435**	**30,904**	**11,531**

Depreciation charged to the income statement during 2011 amounted to $213,342 (2010 – $206,844).

Property, plant and equipment do not have restrictions or liens limiting their realization or marketability and represent fully-owned assets.

The Company's assets are covered by insurance policies.

VALUATION OF PROPERTY, PLANT AND EQUIPMENT

At December 31, the summary of valuations and provisions subject to appraisals in accordance with the policy is as follows:

1. With appraisal

	2011			2010		
Type	Realization Value	Net Cost	Appraisal (See Note 12)	Realization Value	Net Cost	Appraisal (See Note12)
Land and buildings	2,717,977	1,538,995	1,178,982	2,395,121	1,407,125	987,996
Machinery and equipment	211,412	130,683	80,729	261,756	189,177	72,579
Office equipment	106,295	68,205	38,090	101,909	78,703	23,207
Computers	15,594	7,497	8,097	21,863	14,863	7,000
Transportation equipment	5,887	2,611	3,276	8,968	4,514	4,454
TOTAL APPRAISAL	**3,057,165**	**1,747,991**	**1,309,174**	**2,789,617**	**1,694,382**	**1,095,236**

2. With provision

	2011			2010		
Type	Realization Value	Net Cost	Provision	Realization Value	Net Cost	Provision
Land and buildings	61,698	84,179	(22,481)	52,755	68,347	(15,592)
Machinery and equipment	624	873	(249)	3,933	4,419	(486)
Computers	19	50	(31)	-	-	-
Office equipment	552	573	(21)	-	-	-
Transportation equipment	-	-	-	18	68	(50)
TOTAL PROVISIÓN	**62,893**	**85,675**	**(22,782)**	**56,706**	**72,834**	**(16,128)**

Technical appraisals of real estate and movable assets of the company are made every three years in accordance with Article 64 of Decree 2649 of 1993 "Accounting principles generally acepted in Colombia".

For consolidation purposes of real estate of the subsidiary Spice Investments Mercosur S.A. assets were appraised at September 30, 2011, the date of purchase.

NOTA 10. INTANGIBLES, NET

At December 31, the value of intangibles is represented by:

	2011			2010		
	Cost	Accumulated Amortization	Net cost	Cost	Accumulated Amortization	Net cost
Goodwill Spice investments Mercosur S.A. (1)	1,028,061	(6,348)	1,021,713	-	-	-
Goodwill Carulla Vivero S.A. (2)	1,001,940	(108,866)	893,074	1,001,940	(78,643)	923,297
Goodwill Spice Investments Mercosur S.A. (3)	161,449	(68,881)	92,568	-	-	-
Real estate (land) fiduciary rights (4)	50,599	(12,384)	38,215	31,774	(10,624)	21,150
Brands (5)	32,363	(6,259)	26,104	32,363	(4,143)	28,220
Other rights (6)	21,970	(827)	21,143	22,827	-	22,827
Goodwill Home Mart	5,141	(1,480)	3,661	5,141	(370)	4,771
Goodwill, others (7)	14,034	(11,433)	2,601	14,034	(9,384)	4,650
Rights in shares	54	-	54	18	-	18
TOTAL INTANGIBLES, NET	**2,315,611**	**(216,478)**	**2,099,133**	**1,108,097**	**(103,164)**	**1,004,933**

(1) The goodwill recorded during 2011 corresponds to excess equity paid by the home office for the acquisition of Spice Investments Mercosur S.A. for $1,028,061 (including all costs incurred by the Company for the purchase of said entity).

(2) Goodwill was recorded during 2007 and corresponds to the equity surplus paid by the home office on the acquisition of Carulla Vivero S.A. amounting to $ 692,101 (including all costs incurred by the Company for the purchase of said company).
In December 2009 the Company acquired an additional 22.5% of Carulla Vivero S.A. recording goodwill of $306,159; in 2010 an additional $3,680 was recorded.
At the close of the year there are no contingencies that could adjust or accelerate the amortization of the goodwill acquired with Carulla Vivero S.A. A valuation was made to confirm it had not lost value, in accordance with Joint Circular No. 011 of August 18, 2005 of the Superintendent of Securities (today Financial Superintendent of Colombia).

(3) The goodwill in Spice Investments Mercosur S.A., corresponds to the equity surplus recorded at December 31 for the group companies: Lanin $104,312, Devoto Hermanos S.A. $2,899 and Grupo Disco Uruguay S.A. $54,238.

(4) In 2010, the Company set up the Autonomous Capital Comercial Center San Pedro I and II in the city of Neiva for $26,998 (2010 – $16,436), and others for $11,217 (2010 - $4,714).

(5) Includes the Surtimax and Merquefácil brands, received from the merger with Carulla Vivero S.A.

(6) Includes amounts paid for purchases of establishments for $15,636, rights in Tesoro stage 3 for $2,268 (2010- $1,457) and others for $3,239 (2010- $1,952).

(7) Includes goodwill of Merquefácil and Carulla, among others, received from the merger with Carulla Vivero S.A.

NOTA 11. DEFERRED CHARGES, NET

Deferred charges at December 31 comprised:

	2011			2010		
	Cost	Accumulated Amortization	Net Cost	Cost	Accumulated Amortization	Net Cost
PREPAID EXPENSES:						
Insurance	12,492	-	12,492	8,654	-	8,654
Leases	2,938	-	2,938	1,829	-	1,829
Publicity	2,073	-	2,073	64	-	64
Others	1,066	-	1,066	-	-	-
Maintenance	927	-	927	1,013	-	1,013
SUBTOTAL PREPAID EXPENSES	**19,496**	**-**	**19,496**	**11,560**	**-**	**11,560**
Deferred income tax (See Note 17)	31,905	-	31,905	30,187	-	30,187
SUBTOTAL CURRENT DEFERRED CHARGES	**51,401**	**-**	**51,401**	**41,747**	**-**	**41,747**
DEFERRED CHARGES:						
Leasehold improvements (1)	445,976	(259,338)	186,638	251,049	(133,107)	117,942
Deferred income tax (Ver nota 17) (2)	109,172	-	109,172	67,431	-	67,431
Software (3)	167,068	(135,137)	31,931	140,878	(110,761)	30,117
Leases (4)	9,759	-	9,759	8,579	-	8,579
Deferred monetary correction	19,331	(15,962)	3,369	19,331	(14,722)	4,609
Deferred actuarial calculation	2,590	-	2,590	2,590	-	2,590
SUBTOTAL NON CURRENT DEFERRED CHARGES	**753,896**	**(410,437)**	**343,459**	**489,858**	**(258,590)**	**231,268**
TOTAL DEFERRED CHARGES IN ASSETS	**805,297**	**(410,437)**	**394,860**	**531,605**	**(258,590)**	**273,015**
LIABILITIES:						
Deferred financing interest income	311	-	311	-	-	-
SUBTOTAL CURRENT DEFERRED CHARGES IN LIABILITIES	**311**	**-**	**311**	**-**	**-**	**-**
Deferred income tax (See Note 17)	16,742	-	16,742	8,371	-	8,371
Deferred monetary correction	29,480	(24,242)	5,238	29,480	(22,683)	6,797
SUBTOTAL NON DEFERRED CHARGES	**46,222**	**(24,242)**	**21,980**	**37,851**	**(22,683)**	**15,168**
TOTAL DEFERRED CHARGES IN LIABILITIES	**46,533**	**(24,242)**	**22,291**	**37,851**	**(22,683)**	**15,168**

(1) Leasehold improvements consist of adaptations made by Spice Investments Mercosur S.A. of $133,891, plus the improvements made by the home office of $312,085.

(2) Non-current deferred income tax includes deferred income taxes of the home office of $66,133 and of Spice Investments Mercosur S.A of $43,039.

(3) In 2011, the home office and its subsidiaries acquired computer software for its expansion program for $19,060.

(4) In 2011 the prepayment of lease contracts of the locals where the Éxito San Martín stores in Bogotá operated was $8,846 (2010 – $2,497) and Pomona San Lucas in Medellín for $913 (2010 - $1,082).

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NOTA 12. VALUATIONS

At December 31, the summary of valuations comprised:

	2011			2010		
	Valuation	Devaluation	Net Valuation	Valuation	Devaluation	Net Valuation
Constructions and buildings (See note 9)	1,178,982	-	1,178,982	987,996	-	987,996
Movable assets (See note 9)	130,192	-	130,192	107,240	-	107,240
Fiduciary rights	21,130	-	21,130	23,076	-	23,076
Investments	1,003	(413)	590	363	(195)	168
TOTAL VALUATIONS	**1,331,307**	**(413)**	**1,330,894**	**1,118,675**	**(195)**	**1,118,480**

NOTA 13. FINANCIAL OBLIGATIONS

At December 31 the balances comprised:

		2011					2010	
	Entity	Book value	Accrued Interest Payable	Interest Rate	Maturity	Guarantee	Book value	Interest Rate
SHORT TERM Credit cards	Bancolombia	105	-				31	
TOTAL LOCAL CURRENCY LOAN		**105**	**-**				**31**	
Credit cards	BBVA	1,892	-				-	
	HSBC	608	-				-	
	Santander	496	-				-	
	ACAC	59	-				-	
	Marketing	17	-				-	
Foreign currency loan	JP Morgan	-	-				137,806	Libor 90 + 1.75
	Citibank	-	-				5,981	Libor 180 + 0.70
	Bancolombia	-	-				80,387	Libor 180 + 0.70
	Bancolombia	-	-				49,764	Libor 180 + 2.4
	Bancolombia	31,083	348	Libor 120 + 3.61	January 12, 2012	Promissory note	19,140	Libor 180 + 2.4
	Banco de Bogotá	38,854	412	Libor 120 + 3.4	January 12, 2012	Promissory note	-	-
SWAP hedge operation	Citibank (*)	-	-				39,976	
	Bancolombia (*)	-	-				24,799	
Forward hedge operation	Bancolombia	-	-				(559)	
	Fiduciaria Corficolombiana	(3)	-				-	
	Helm Bank S.A.	(81)	-				-	
TOTAL FOREIGN CURRENCY LOANS		**72,925**	**760**				**357,294**	
TOTAL FINANCIAL OBLIGATIONS		**73,030**	**760**				**357,325**	

(*) Derivative financial instruments – SWAPs

In January 2007, the home office received founds of US$300 million corresponding to a syndicated loan contracted with JP Morgan Chase Bank for the acquisition of Carulla Vivero S.A. This loan was divided into two tranches: the first tranche of US$120 million expiring in three years with a single payment in 2010 and a second tranche of US$180 million over a five year term, with five separate repayments semi-annually beginning in the third year with the final payment in the second half of 2011.

In 2011, two additional foreign currency loans were negotiated, one with Bancolombia for US$42 million, expiring in May 2011 and another with Citibank for US$3,1 million, expiring in June 2011.

In 2011, in accordance with the rules of the Financial Superintendent on hedging accounting, the result of valuation of these instrument $8,183 million was recorded in the home office equity and an expense of $3,560 million was charged to results on the expiration date of each tranche of the SWAP.

At December 31, 2011, the home office does not have any SWAP contracts in force.

The home office does not expect to restructure its borrowings. The home office amortizes its financial obligations on their respective due dates. None of the financial obligations is in arrears.

NOTA 14. SUPPLIERS

At December 31, the balance of suppliers comprised:

	2011	2010
Local	1,342,450	1,035,449
Foreign	101,359	54,428
TOTAL SUPPLIERS	**1,443,809**	**1,089,877**

NOTA 15. ACCOUNTS PAYABLE

At December 31, the balance accounts payable comprised:

	2011	2010
DIVIDENDS PAYABLE (1)	**1,006**	**20,715**
SUNDRY CREDITORS:		
Costs and expenses payable	206,031	155,605
Contractors	53,618	30,096
Goods retirement orders pending utilization	33,564	27,847
Withholding tax payable	50,968	21,091
Social Security and payroll contributions (2)	797	15,182
Other sundry creditors	5,478	842
Account payable obligations for hedging	-	2,519
SUBTOTAL SUNDRY CREDITORS	**350,456**	**253,182**
TOTAL SHORT TERM ACCOUNTS RECEIVABLE	**351,462**	**273,897**

(1) A quarterly dividend of $75 (*) per share was declared at the General Shareholders' Meeting held on March 18, 2011, payable in four installments between the sixth (6th) and the tenth (10th) business days of April, July and October, 2011 and January 2012.

(*) Expressed in Colombian pesos.

(2) Includes amounts payable for Social security and payroll contributions at December 31, 2011 and 2010.

At December 31, 2011 and 2010, the home office and its subsidiaries satisfactorily complied with all rules relating with the Social Security Law and payroll contributions.

The home office and its subsidiaries do not have accounts payable with a period exceeding five years.

NOTA 16. BONDS

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

Authorized amount:	$200,000
Amount placed at December 31, 2006:	$105,000
Nominal value:	$1
Payment:	Upon maturity
Maturity date:	26.04.2013
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A.

The prospectus for the placement of the 2006 common bonds of Almacenes Éxito S.A., stipulates the following general guarantee for the bonds:

"To respond to the holders of Common Bonds with all the assets, in the capacity of general collateral, for compliance with all commitments acquired as a result of the issue of the Common Bonds".

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

Authorized amount:	$150,000
Amount placed at December 31, 2005:	$150,000
Nominal value:	$10
Payment:	Upon maturity
Maturity date:	05.05.2015
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A

In the General Assembly of Bondholders of Carulla Vivero S.A. held in Bogotá on June 18, 2010, the change of issuer of these bonds to the name of Almacenes Éxito S.A. was approved.

At December 31, 2011, the market values were:

Date of Issue	Value	Date of maturity	Term	Interest Rate
26.04.2006	74,650	26.04.2013	7 años	IPC + 5.45% SV
05.05.2005	150,000	05.05.2015	10 años	IPC + 7.5%
TOTAL	**224,650**			

Interest and the capital of the issue of bonds maturing on April 26 were paid in 2011. A total amount of $22,859 (2010 - $20,134) interest was charged to results for these bonds. Accrued interest of $ 3,846 was recorded at December 31, 2011 (2010 - $ 3,632).

NOTA 17. TAXES, DUTIES AND RATES

Advances and balance in favor, and taxes at December 31 comprised:

	2011	2010
Income tax	(86,905)	(55,675)
Excesses in private liquidation of tax of subsidiary Spice Investments Mercosur S.A	(7,412)	-
Industry and commerce tax withholdings and real estate tax advance	(3,723)	(3,835)
Industry and commerce tax withholdings	(2,445)	(2,179)
Sales tax in favor and VAT withholdings	(11,793)	(37)
Real estate tax of the subsidiary Spice Investments Mercosur S.A. advance	(6,256)	-
Tax upon organization of companies advance	(11)	-
INCLUDED IN CURRENT ASSETS (SEE NOTE 6)	**(118,545)**	**(61,726)**
Income tax payable of the subsidiary Spice Investments Mercosur S.A.	5,286	-
Current equity tax	58,822	-
Sales tax payable	31,820	37,619
Industry and commerce tax and property tax	20,398	24,148
Promotion installments	80	83
INCLUDED IN CURRENT LIABILITIES	**116,406**	**61,850**
LONG-TERM EQUITY TAX	**96,965**	**-**
TOTAL NET	**94,826**	**124**

The estimated current asset for income tax at December 31 comprised:

	2011	2010
LIABILITIES – PROVISION FOR THE YEAR	**32,786**	**48,780**
Adjustment of prior periods provision	7,186	(692)
TOTAL INCOME TAX LIABILITY	**39,972**	**48,088**
Less advances	(12,211)	(4,170)
Less tax withholdings	(109,380)	(99,593)
TOTAL INCOME TAX RECEIVABLE (*)	**(81,619)**	**(55,675)**

(*) This amount is composed of ($86,905) recorded in current assets and $5,286 recorded in current liabilities, corresponding to the subsidiary Investments Mercosur S.A.

The movement of deferred income tax during the year comprised:

	2011	2010
BALANCE AT BEGINNING OF YEAR	**(89,247)**	**(72,355)**
BALANCE AT BEGINNING OF YEAR OF SUBSIDIARY SPICE INVESTMENTS MERCOSUR S.A.	**(35,695)**	**-**
Deferred income tax in the year from:		
Non deductible provision for estimated liabilities	(8,503)	(12,330)
Non deductible provision for inventory	(15,971)	(10,236)
Non deductible provision for taxes in the current year	(8,100)	(6,323)
Adjustment of depreciation expense for accounting and tax difference	634	865
Use of deductible accrued liabilities	12,882	7,416
Use of deductible inventory provision	10,236	7,150
Use of deductible tax provision	5,962	6,059
Deferred tax receivable on fiscal leases in Spice Investments Mercosur S.A. losses	(7,290)	-
Amortization / excess of presumptive over ordinary income (1)	2,440	(17,864)
Amortization deduction for tax payable – goodwill deduction	8,371	8,371
NET MOVEMENT OF YEAR	**661**	**(16,892)**
ADJUSTMENT FROM CURRENCY CONVERSION	**(54)**	**-**
BALANCE AT END OF YEAR (2)	**(124,335)**	**(89,247)**

(1) The movement in 2011 corresponds to 33% of $11,713 for the amortization of the excess of presumptive income over net ordinary income of prior years of the home office and its subsidiary Didetexco S.A. less 33% of $4,320 of the excess of presumptive income of 2010 of the home office. The movement of 2010 corresponds to 33% of $52,969 of the excess of presumptive income over net ordinary income and 33% of $1,164 for the adjustment of the excess of presumptive income of 2009 of the home office and its subsidiary Didetexco S.A.

(2) Included in the balance sheet as follows:

	2011	2010
Current assets		
Deferred Charges (See Note 11)	(31,905)	(30,187)
Non current assets		
Deferred charges, net (See Note 11)	(109,172)	(67,431)
Non current liabilities		
Deferred charges (See Note 11)	16,742	8,371
TOTAL	**(124,335)**	**(89,247)**

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The reconciliation between accounting profit and taxable income for tax purposes comprised:

	2011	2010
ACCOUNTING PROFIT BEFORE INCOME TAX	**422,902**	**286,722**
Plus:		
Loss on disposal of buildings and sale of investments	-	6,616
Provision for investments	11	-
Provision for other assets	526	71,562
Non deductible expenses for accrued liabilities	13,131	22,947
Provision for unknown shrinkage	48,398	31,017
Tax on financial movements	14,495	669
Provision for industry and commerce, real estate and stamp taxes	24,544	20,183
Non deductible expenses	6,269	12,250
Recovery of depreciation on sale of assets	5,984	4,818
Exchange differences of Spice Investments Mercosur S.A.	11,648	-
Adjustment depreciation expense for accounting and tax difference	1,322	3,347
Reimbursement of deduction for investment in fixed productive assets	639	1,203
Didetexco S.A. equity method expense	-	508
Effect on subsidiaries	82,218	1,354
Less:		
Retirement of profit on sale of fixed assets to be declared for capital gain tax	(11,173)	(44,407)
Recovery of provision for assets (*)	(37,078)	(85,284)
Provision for prior years liabilities deductible in the current year	(28,481)	(31,620)
Payments of the year of industry and commerce and equity tax	(20,242)	(18,362)
Deduction of goodwill additional to accounting	(147,460)	(155,094)
Provision for prior year inventories, deductible in the current year	(33,958)	(22,088)
Tax adjustments of subsidiary Spice Investments Mercosur S.A.	(64,558)	-
Income upon equity method of results	(28,995)	-
Revenue not constituting income or capital gains	(52)	(50)
Other non taxable income	(2,766)	(491)
Deduction of 40% for investment in productive assets	(76,000)	(51,452)
Amortization of excess of presumptive income of prior years	(11,713)	-
Compensation of prior years' tax losses	(73,984)	-
TOTAL ORDINARY INCOME	**95,627**	**54,348**

(*) In 2011, recoveries of provisions were recorded as follows: Cativén S.A. of $32,974 (2010 -$79,520), Predios del Sur of $857 (2010 - $451), for fixed assets $2,621 (2010 - $1,142), for other provisions of $626 (2010 - $479). In 2010, includes recovery of provision for construction contracts of $3,692.

For tax purposes, capital gains are as follows:

	2011	2010
Sales price of real estate fixed assets sold (owned for more than two years)	42,214	13,497
Sales price of movable fixed assets	2,633	3,001
Liquidation / sales price of investments liquidated	2,455	170,999
TOTAL SALES PRICE	**47,302**	**187,497**
Tax cost of real estate fixed assets sold	(36,815)	(9,020)
Tax cost of movable fixed assets sold	(2,731)	(2,847)
Tax cost of liquidated / sold investments	(3,450)	(136,621)
TOTAL COST	**(42,996)**	**(148,488)**
TAXABLE CAPITAL GAINS	**4,306**	**39,009**
TAX ON CAPITAL GAINS	**1,421**	**12,873**

Current liabilities from income tax were determined as follows:

	2011	2010
Prior year net equity at December 31	3,500,301	3,952,907
Less net equity to be excluded	(59,434)	(375,675)
NET EQUITY PRESUMPTIVE INCOME BASE	**3,440,867**	**3,577,232**
Presumptive income on net equity	103,226	107,317
Net Ordinary income	95,628	54,348
NET TAXABLE INCOME (*)	**95,628**	**107,317**
Income tax before earnings (33%)	32,165	35,415
Tax on capital gains	1,421	12,873
Tax discount for investment in cattle raising companies	(800)	(200)
TOTAL CURRENT LIABILITY FOR INCOME TAX	**32,786**	**48,088**
Current income tax expense	32,786	48,088
Net adjustment of prior year provision	-	692
Deferred taxes net movement	661	(16,892)
INCOME TAX EXPENSE	**33,447**	**31,888**

(*) In 2011, the group net taxable income comprised the home office presumptive income of $99,786, plus presumptive income of the subsidiary Didetexco S.A. of $3,440, less tax loss of the subsidiary Spice Investments Mercosur S.A. of ($7,600) at the rate of 25%.

Reconcialiation between accounting equity and tax equity:

	2011	2010
ACCOUNTING EQUITY AT DECEMBER 31	**7,237,724**	**4,412,848**
Plus:		
Net fixed asset and tax adjustments	187,263	187,847
Effect of subsidiaries	578,066	116,213
Provision for fixed assets (See Note 9)	22,782	16,128
Tax items of subsidiary Spice Investments Mercosur S.A.	191,527	-
Provision for investments (See Note 8)	24	869
Estimated liabilities for expenses	35,600	43,241
Provision for inventories (See Note 7)	50,305	33,597
Deferred tax payable (See Note 11)	16,742	8,371
Amortization of goodwill	-	-
Provision for industry and commerce tax	2,025	1,836
Tax adjustments for temporary investments	910	910
Elimination of accumulated depreciation due to difference in accounting and tax useful lives	1,552	3,242
Provision for accounts receivable from clients (See Note 6)	5,235	3,161
Provision for accounts receivable (See Note 6)	35,163	69,286
Elimination equity method of Almacenes Éxito Inversiones SAS	23	508
Less:		
Valuations of fixed assets (See Note 12)	(1,309,174)	(1,095,236)
Valuations of investments (See Note 12)	(590)	(168)
Deferred tax receivable (See Note 11)	(141,077)	(97,618)
Excess of tax amortization of intangible over accounting amortization	(252,848)	(105,389)
Elimination of equity method Spice Investments Mercosur S.A.	(25,153)	-
Elimination of equity method Didetexco S.A.	(25,192)	(17,236)
Amortization of capitalized deferred charges	(81,783)	(81,783)
Difference between accounting and tax for income tax balance in favor	-	(327)
TOTAL NET EQUITY	**6,529,124**	**3,500,300**

Income tax and capital gains tax applicable to home office and its subsidiaries Didetexco S.A. and Almacenes Éxito Inversiones S.A.S.

Current tax provisions applicable to the home office and its subsidiaries Didetexco S.A. and Almacenes Éxito Inversiones S.A.S. stipulate that:

a. The income tax and capital gains tax rate for 2011 and 2010 is 33%.

b. The base to determine income tax may not be lower than 3% of its net fiscal equity on the last day of the previous taxable year.

c. As of taxable year 2007, integral inflation adjustments were eliminated for tax purposes and capital gains tax for legal entities is calculated on total income from this source during the taxable year.

d. The annual percentage of adjustment for the cost of movable assets and real estate having the nature of fixed assets, for 2011 is 3.65% (2010 - 2.35%) and only affects tax equity.

e. As of taxable year 2007 and until taxable year 2009, the deduction for investments in productive fixed assets was 40%. Its use does not generate profit on which the partners or shareholders are taxed. Taxpayers that acquire fixed productive depreciable assets as of January 1, 2007 and use the deduction established herein, may only depreciate such assets by the straight-line system and are not be entitled to the tax audit benefit even if they comply with the tax regulations. Before January 1, 2007, this deduction on investments in fixed productive assets applied without the obligation to depreciate these assets by the straight-line method. In the event the assets on which the deduction benefit referred to above was taken are no longer used in income producing activity or are disposed of, the proportion of this deduction, equivalent to the remaining useful life at the time or their abandonment or sale, constitutes taxable income at the current rates.

Law 1430 of December 29, 2010 eliminated the special deduction for investment in productive fixed assets as of taxable year 2011. However, the possibility of stabilizing this rule for a maximum term of 3 years exists for those investors who submitted a request to access legal stability contracts before November 1, 2010.

The home office may request 40% of these investments until 2017 since article 158-3 of the Tax Code is included in the Legal Stability contract established in Law 963 of July 2005, signed with the State for a term of ten years beginning in August 2007.

f. At December 31, 2009, the home office and its subsidiary Didetexco S.A. had a tax loss of $80,845, to be compensated and an excess of presumptive income over ordinary income of $150,317. Pursuant to current tax provisions, from taxable year 2007, companies may compensate without limits of time or value tax losses against net ordinary income irrespective of the year. The excess of presumptive income over ordinary income earned as of taxable year 2007 may be compensated with net ordinary income determined within the following five (5) years, readjusted for tax purposes. Companies' losses are not transferable to the partners. Tax losses originated in revenues not constituting income or capital gains, and on costs and deductions not having a cause-effect relationship with the generation of taxable income may not be compensated with the taxpayer's net income.

In applying articles 188 and 189 of the Tax Code for taxable years 2011 y 2010, the home office and its subsidiaries Didetexco S.A. and Almacenes Éxito Inversiones S.A.S. established their income tax liability by the presumptive income Method.

The income tax returns from 2008 to 2010, and the equity tax returns for the taxable periods 2010 and 2011 are subject to review by the tax authorities, except the 2009 income tax return of Carulla S.A. (subsidiary until 2010) which upon taking the audit benefit is closed for review. Legal counsel and the home office and its subsidiaries management consider that no additional taxes will arise, other than those accrued at December 31, 2011.

Equity tax applicable to the home office and its subsidiary Didetexco for taxable years from 2007 to 2010

In terms of Law 1111 of 2006, for taxable years 2007, 2008, 2009 and 2010, the equity tax created was payable by legal entities, individuals or de facto entities and taxpayers declaring income tax. For purposes of this tax the wealth concept is equivalent to total net equity of the party with a value equal to or higher than three thousand million pesos.

The base for the calculation of this tax corresponds to net equity at January 1, 2007 and was applied at the rate of 1.2% tax.

The tax for taxable year 2011 is $26,101 (2010 - $21,372), which was recorded by the home office and its subsidiary Didetexco S.A. as a reduction of the equity revaluation.

Equity tax for taxable year 2011

The National Government approved Law 1370 of December 30, 2009 and introduced tax changes.The equity tax for taxable year 2011 is payable by legal entities, individuals and de facto companies, and taxpayers declaring income tax. For purposes of this tax, the concept of wealth is equivalent to total net equity of the obliged party, which amount is equal to or higher than three thousand million pesos.

The base for the calculation of the tax corresponds to net equity at January 1, 2011 at the rate of 2.4% on equity equal to or higher than three thousand million pesos ($3,000) without exceeding five thousand million pesos ($5,000) and at 4.8% for equity equal to or higher than five thousand million pesos ($5,000).

The equity tax for 2011 should be paid in eight equal installments during 2011, 2012, 2013 and 2014, within the terms established by the National Government.

The tax for taxable year 2011 including the rate established by Decree 4825 of 2010 for the home office and its subsidiary Didetexco S.A. amounts to $193,930, and was recorded by both companies as a lower value of equity revaluation.

Changes of equity tax with the tax reform of December 2010.

The National Government approved Law 1429 on December 29, 2010, and introduced tax changes for taxable year 2011, namely:

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a. Clarification of the taxable base for purposes of applying the rate.
Article 296-1 of the Tax Code was amended to clarify that the tax rate is applied on the taxable base defined in article 295-1, when the taxpayer's equity exceeds the limits of $3,000 and $5,000 million established in Law 1370 de 2009.

b. Composition of the taxable base for purposes of determining the tax payable by taxpayers.
Two rules were included that seek to control decreases in the equity base of the tax:

1. If the taxpayer carried out spin-off processes during 2010, it must add back the equities of the spun-off and beneficiary companies in order to calculate the equity tax payable.
2. If during 2010 the taxpayer organized simplified stock companies, it should add to its equity, the equity of the new legal entities to determine the taxable base of the equity tax.

c. Certain additional considerations as a result of the social emergency decree 4825 of 2010
Upon the issue of the decree 4825 of 2010, the following additional measures were adopted:

1. The creation of an equity tax on net equities in excess of $1,000 and $2,000 million at the rate of 1% and 1.4%, respectively.
2. A surtax of 25% was established for taxpayers subject to equity tax law 1370 of 2009, the effective rate was increased from 2.4% to 3% (for net equities of $3,000 and $5,000 million), and from 4.8% to 6% (for net equities higher than $5,000 million).

Taxes applicable to the subsidiary Spice Investments Mercosur S.A
The current tax provisions applicable to the subsidiary Spice Investments Mercosur S.A. stipulate that the income tax rate of the business activity (IRAE) is 25% for 2011. The tax is applied on net income (Difference between Income and Tax Disbursements), with a deduction of 7% on dividends distributed of the Uruguayan source income.

The net fiscal equity within the national territory is subject to equity tax, i.e., the difference between the asset and liability adjusted from a tax point of view at the rate of 1.5%.

NOTA 18. LABOR OBLIGATIONS

The balance of labor obligations at December 31 comprised:

	2011		2010	
	Current Value	Non current Value	Current Value	Non current Value
Salaries and other fringe benefits payable (1)	28,514	-	12,452	-
Vacations and vacation bonus payable (2)	27,584	-	13,309	-
Severance Law 50	22,226	-	19,192	-
Retirement pensions (See Note 19)	3,079	-	3,079	-
Interest on severance payable	2,780	-	2,409	-
Accumulated severance previous regime	392	558	400	575
TOTAL LABOR OBLIGATIONS	**84,575**	**558**	**50,841**	**575**

(1) For 2011, $ 6,956 corresponds to Spice Investments Mercosur S.A.
(2) For 2011, $ 14,152 corresponds to Spice Investments Mercosur S.A.

Information on the home office and its subsidiaries' employees:

	Headcount		Personnel expenses (1)		Balance of loans granted	
	2011	2010	2011	2010	2011	2010
Management (2)	699	380	51,284	40,645	737	128
Others	42.588	27.638	482,174	399,183	1,323	359
TOTAL	**43.287**	**28.018**	**533,458**	**439,828**	**2,060**	**487**

(1) Includes salaries and fringe benefits paid.

(2) Includes president, vice-presidents, corporate business managers, directors, administrators of distribution centers and stores, store managers and district heads.

NOTA 19. RETIREMENT PENSIONS ESTIMATED LIABILITY

The amount of the home office obligations for retirement pensions has been determined based on actuarial studies, taking into account Decree 4565 of December 7, 2010, whereby the technical bases for the preparation of such calculations were changed.

The home office is responsible for the payment of retirement pensions to employees who meet the following requirements:

- Employees who at January 1, 1967 had more than 20 years of services (full responsibility).
- Employees and former employees with more than 10 years of service and less than 20, at January 1, 1967 (partial responsibility).

For other employees, the Social Security Institute or authorized pension funds assume responsibility for the payment of their pensions.

The actuarial calculations and the amounts recorded are detailed below:

	2011	2010
Actuarial calculation of the obligation (100% amortized)	20,799	19,923
Less: Current portion (See Note 18)	(3,079)	(3,079)
NON CURRENT PORTION	**17,720**	**16,844**

At December 31, 2011, the actuarial calculation includes 188 individuals (2010 - 196).

The benefits covered correspond to monthly retirement pensions, pension adjustments in accordance with legal provisions, dependent survivors´ income, funeral allowances and legally established bonuses payable in June and December.

The deferred retirement pension cost was amortized in accordance with tax regulations. For the home office, the net balance at December 31, 2011 and 2010 represents 100% of actuarial calculations of the total contingent obligation at the end of these years.

NOTA 20. ESTIMATED LIABILITIES AND PROVISIONS

The balance of estimated liabilities and provisions at December 31 comprised:

	2011	2010
Provision for programs loyalty (*)	24,009	15,165
Municipal taxes	10,448	4,616
Labor and civil processes	6,720	1,681
Legal stability contract	865	1,932
Organizational excellence expenses	-	15,844
Carulla Vivero S.A. integration processes	-	3,177
Others	2,140	107
TOTAL ESTIMATED LIABILITIES AND PROVISIONS	**44,182**	**42,522**

(*) ELiability generated by brand loyalty programs of clients, denominated “Puntos Exito” and CARULLA “Supercliente” for 2011 of $15,165. Liability generated by the brand loyalty programs of clients, denominated “Hypermiles” of Supermercados Devoto and “Tarjeta Mas” Supermercados Disco de Uruguay S.A. for 2011 of $8,844.

NOTA 21. OTHER LIABILITIES

The balance of other liabilities at December 31 comprised:

	2011	2010
Collections received for third parties (1)	12,335	7,354
Installments received for “Reserve it Plan” (2)	2,302	2,342
Withheld in guarantee (3)	808	8,634
Project advances (4)	7,943	-
SUBTOTAL OTHER CURRENT LIABILITIES	**23,388**	**18,330**
Other non current liabilities (5)	62,118	42,795
TOTAL OTHER LIABILITIES	**85,506**	**61,125**

(1) For 2011 and 2010, includes collections for third parties for items such as: utilities, mobile telephone, TV by cable, non bank correspondents and others.

(2) In 2011, the home office appropriated $198 of 2007 in accordance with agreements established in the regulations of this negotiation system.

(3) The balance account in account in 2011 includes withholdings for the investment in the Project Predios del Sur of $1,141, Civil Works in Éxito Magangué of $107, Éxito Country of $45, Carulla Villa Campestre of $31, Selva Service station of $33, and others of $1,027.

(4) Advance received by Disco for the sale of the Punta Carretas local which deed will be delivered in the first months of 2012.

(5) During 2010, the home office signed a purchase-sale agreement for the construction of a Locatel building in Centro Comercial Puerta del Norte in the municipal jurisdiction of Bello of $3,198 and Éxito Colombia for $1,133. In 2008, the Company signed three business cooperation contracts with EASY Colombia, whose corporate purpose is the delivery by Almacenes Éxito S.A. of the tenance of locals in Éxito Occidente, Éxito Norte and Éxito Américas in Bogotá and permits EASY Colombia the installation and economic exploitation. The accumulated balance of the construction of these locals in 2011 was of $61,254, of which $3,467 has been amortized.

NOTA 22. EQUITY

22.1 Capital

The home office authorized capital is represented by 530.000.000 common shares with a par value of $10 (*) each. Subscribed and paid-in capital amounts to $4,482 (2010 - $3,340), the number of subscribed shares is 447,604,316 (2010 - 333.333.632) and the number of own shares reacquired each year is 635.835.

22.2 Additional paid-in capital

Additional paid-in capital represents the premium paid over the par value of the shares. In accordance with legal provisions, this balance may be distributed as profits on the entity's liquidation or its value maybe capitalized. Capitalization is understood to be the transfer of the surplus to a capital account, as a result of the issue of a dividend in shares.

The capital movement and the additional paid-in capital during 2010 comprised:

	Shares	Price (*)	Capital	Additional Paid-in Capital
Issue of shares – merger with Carulla Vivero S.A.	159.628	18,310	2	2,921

The movement of capital and the additional paid-in capital during 2011 corresponded to:

	Shares	Price (*)	Capital	Additional Paid-in Capital
Issue of common shares	114.270.684	21,900	1,142	2,553,877

(*) Expressed in Colombian pesos

The exchange difference of the investment in Spice Investments Mercosur S.A. was recorded as capital surplus of $11,648 million.

22.3 Reserves

Except for the reserve for the reacquisition of shares, the other reserves were set-up with retained earnings and are at the free disposition of the home office General Shareholders' Meeting.

The home office is required to appropriate as a legal reserve 10% of its net annual earnings until the reserve balance reaches 50% of subscribed capital. The reserve is not distributable before the liquidation of the Company but may be used to absorb or reduce losses. The appropriations made in excess of the above mentioned 50% are at the free disposition of the General Shareholders' Meeting.

22.4 Equity Revaluation

Inflation adjustments of equity balance accounts accumulated until December 31, 2006, have been credited to this account, with the charge against results, but excluding the valuation surplus. In accordance with legal provisions, this balance may be distributed as profit upon the liquidation of the entity or its value may be capitalized. Capitalization is understood to occur when surplus is transferred to a capital account as a result of the issuance of a dividend in shares.

With the issuance of Law 1111 of December 27, 2006, the National Government eliminated the integral inflation adjustments for tax purposes. For accounting purposes, they were eliminated by means Decree 1536 of May 7, 2007 effective January 1, 2007.

During 2010, the home office management and its subsidiaries recorded as a reduction of equity revaluation $26,101 for the equity tax established in Law 1111 of December 27, 2006.

Law 1370 of December 30, 2009 established the equity tax from 2011 to 2014. The home office and its subsidiary Didetexco recorded as a reduction of the revaluation of equity $193,930 corresponding to the tax payable over the 4 years (2011 to 2014).

NOTA 23. DEBIT AND CREDIT MEMORANDUM ACCOUNTS

At December 31, the balance comprised:

	2011	2010
Hedge operations (1)	-	218,194
Recovered accounts receivable	13	11
SUBTOTAL CONTINGENT RIGHTS	**13**	**218,205**
Tax debit accounts	1,446,242	599,233
SUBTOTAL TAX DEBIT ACCOUNTS	**1,446,242**	**599,233**
Unused credits in favor (2)	1,427,987	1,683,232
Property, plant and equipment fully depreciated	722,286	640,806
Non monetary assets inflation adjustments	219,083	241,631
Assets given in trust (3)	43,705	43,040
Litigation and lawsuits (4)	16,455	39,375
Goods on consignment (5)	53,928	29,141
Unused letters of credit	36,925	27,754
Postdated checks	2,879	3,772
Assets in financial leasing	-	222
SUBTOTAL CONTROL DEBIT ACCOUNTS	**2,523,248**	**2,708,973**
Operations with hedge	-	274,785
Other litigation and lawsuits (6)	30,647	28,606
Litigation and labor lawsuits	10,811	14,542
Other contingent obligations	-	5,599
Purchase-sale agreements	500	500
Assets and securities received in guarantee	343	337
SUBTOTAL CONTINGENT OBLIGATIONS	**42,301**	**324,369**
Tax credit accounts	366,321	466,301
SUBTOTAL ACREEDORAS FISCALES	**366,321**	**466,301**
Equity inflation adjustments	134,267	321,728
Baskets	599	-
SUBTOTAL CONTROL CREDIT ACCOUNTS	**134,866**	**321,728**
TOTAL DEBIT AND CREDIT MEMORANDUM ACCOUNTS	**4,512,991**	**4,638,809**

(1) To minimize the impact of the interest rate variations, the home office has entered into hedging operations, with SWAPs. These operations include the syndicated loan and two dollar loans. During 2010, US$72 million was paid corresponding to the second tranche and during 2011 the remaining balance was US$72 million on which the hedge existed.

(2) Certain financial entities granted current credit limits, which are at the Company's disposition

(3) Includes the following real estate:

Project	2011	2010
San Pedro Plaza 2	27,012	16,436
San Pedro Plaza	6,012	3,546
Del Este	4,171	19,418
Tesoro stage 3	2,268	1,457
Spring Project	1,317	-
Vizcaya	1,095	1,278
Other merger rights Carulla- La Castellana	950	-
Deposit in guarantee (Corficolombiana)	751	731
Armenia land Trust	107	107
Serrizuela	18	62
Bima land	4	5
TOTAL	**43,705**	**43,040**

(4) For 2011, includes the following legal processes qualified as possible and/or remote and which, therefore, do not affect the home office or its subsidiaries' results:

a. Various customs processes with the National Tax and Customs Administration of $3,253 (2010 - $2,442).
b. Other processes with municipal jurisdictions for an approximate amount of $4,984 (2010 - $6,148).
c. Recovery of Murillo Lot in Barranquilla of $3,325 (2010 – $3,325).
d. Other minor items of $4,893 (2010 - $2,460).
e. Proceso de actos de competencia desleal por publicidad comparativa en la campaña "Garantía del precio más bajo" por valor aproximado de $25,000 en 2010.

(5) Includes goods belonging to the following suppliers:

Supplier	2011	2010
Continente S.A.	14,585	11,601
Brighstar Colombia S.A.	3,846	662
Carvajal Educación	3,537	3,183
Jen S.A.	3,053	815
Pernod Ricard Colombia	2,383	-
Sociedad de Comercialización Internacional Pansell S.A.	1,820	1,619
Laboratorios de Cosméticos Vogue S.A.	1,812	-
C.I. Distrihogar S.A.	1,735	122
Challenger S.A.	1,676	-
Inval S.A.	1,441	653
Ad Electronics S.A.	1,072	61
Agencia Continental de Importaciones S.A.	872	270
Zapf S.A.	866	877
Innova Quality S.A.S.	646	10
Importaciones Espacri Colombia S.A.	612	-
Electrolux S.A.	607	407
J.E. Rueda Compañía Ltda.	589	122
Peláez Hermanos S.A.	533	-
Stilotex S.A.S.	518	36
Epson Colombia Ltda.	507	18
Others smaller amounts	11,218	8,685
TOTAL GOODS BELONGING	**53,928**	**29,141**

(6) Includes among others the following processes qualified as possible and/or remote and that, therefore, do not affect the home office or its subsidiaries results:

- Civil legal processes of approximately $8,488 for 2011 (2010 - $9,849).
- Other processes with municipalities and other third parties of approximately $6,866 for 2011 (2010 - $7,084).
- Litigation for the increase of the administration fee Centro Comercial Bello $2,500 (2010 – 2,500)
- Others minor ítems of $12,793 (2010 - $9,173).

The cases originated by these items are estimated for the amount of claims and qualified by litigation experts as follows:

- Probable: Higher probability of incidence in the distribution of resources.
- Possible: Lower probability of incidence in the distribution of resources.
- Remote: Very remote probability of incidence in the distribution of resources.

NOTA 24. NET REVENUES

Net Revenues at December 31 comprised:

	2011	2010
NET SALES (1)	**8,390,801**	**7,154,028**
Other operating revenues		
Special exhibition negotiation	184,358	158,386
Concessionaires, rentals and royalties (2)	157,450	114,172
Discounts sales - loyalty program (3)	36,060	36,635
Services	30,605	16,356
Events	16,019	20,014
Miscellaneous (4)	29,417	10,488
SUBTOTAL OTHER REVENUES	**453,909**	**356,051**
TOTAL NET REVENUES	**8,844,710**	**7,510,079**

(1) Discounts granted by the home office in 2011 amounted to $ 280,181 (2010 - $169,705).

(2) Includes royalties of Éxito-Tuya S.A. alliance and business collaboration agreement with Cafam.

(3) Income received from the Loyalty program and Tricolor (redemption of products with cash and points).

(4) Miscellaneous include: other uses $3,995 (2010 - $4,785), income from management and districts events $2,588 (2010 - $2,259), premium in commercial locals $2,299 (2010 - $2,133), income from home delivery service $1,360 (2010 - $850), publicity $554 (2010 - $460) and other income of $18,621.

Returns are recorded as a lower amount of sales, taking into account that the home office policy is to change goods. When the clients return an item, the client receives a change card to be used as a payment for other purchases.

NOTA 25. SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

At December 31, selling, general and administrative expense comprised:

	2011			2010		
	Administrative	Selling	Total operating Expenses	Administrative	Selling	Total operating Expenses
Personnel expenses	116,332	552,705	669,037	89,830	458,538	548,368
Services	8,908	269,911	278,819	8,037	244,008	252,045
Depreciation	21,142	188,688	209,830	19,568	187,275	206,843
Leases	2,227	178,331	180,558	1,559	147,439	148,998
Taxes	31,284	76,526	107,810	32,180	70,215	102,395
Amortization	60,831	49,001	109,832	50,609	34,479	85,088
Maintenance and repairs	3,341	46,857	50,198	6,141	35,431	41,572
Packing material and labeling	411	36,883	37,294	309	29,419	29,728
Debit and credit card commissions	-	27,238	27,238	-	22,779	22,779
Insurance	3,823	15,681	19,504	3,796	12,436	16,232
Participation in sales (1)	-	12,501	12,501	-	-	-
Fees	10,861	1,227	12,088	8,890	1,751	10,641
Travel expenses	7,415	3,130	10,545	4,635	3,106	7,741
Adaptations and facilities	823	5,615	6,438	580	4,356	4,936
Legal expenses	1,000	2,844	3,844	1,433	2,227	3,660
Contributions and affiliations	771	109	880	724	358	1,082
Miscellaneous (2)	6,107	68,200	74,307	5,448	57,976	63,424
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	**275,276**	**1,535,447**	**1,810,723**	**233,739**	**1,311,793**	**1,545,532**

(1) Business cooperation agreement between Almacenes Éxito and Cafam S.A.

(2) Miscellaneous expenses include, among others, cleaning materials and fumigation expenses of $7,006 (2010 - $6,025), store opening expenses of $5,776 (2010 - $6,489), stationery, supplies and forms $5,722 (2010 - $5,351), replacement of store items $5,291 (2010 -$5,701), cafeteria and restaurant $5,132 (2010 - $4,058), regional supports $4,281 (2010 -$3,529), tools and storage materials $1,440 (2010 -$1,450), fuels for energy plants of $567 (2010 -$479) and other small items of $39,092 (2010 - $30,342).

NOTA 26. OTHER NON OPERATING INCOME AND EXPENSES, NET

Other non operating income and expenses corresponded to:

	2011	2010
NON OPERATING INCOME		
Recovery of provisions for the sale of the investment in Catívén S.A	32,974	5,349
Profit on sale of property, plant and equipment, investments and intangibles (1)	13,730	19,600
Recovery of provisions (2)	7,448	14,901
Amortization of deferred monetary correction credit on the elimination of inflation adjustments	1,559	1,559
Recovery of costs and expenses	1,097	2,198
Recovery of provision for account receivable from Geant International	-	79,520
Profit on sale of investments	-	34,381
Exchange differences	-	6,420
Other non operating incomes	1,515	5,574
TOTAL NON OPERATING INCOME	**58,323**	**169,502**
Non operating expenses		
Tax on financial movements (four per thousand)	(19,327)	(892)
Royalties expense	(9,599)	(5,910)
Amortization, bonuses and indemnitie (3)	(5,157)	(29,701)
Legal fees	(3,242)	(355)
Donations	(2,696)	(2,217)
Equity tax (4)	(2,334)	-
Losses on goods (5)	(1,655)	(1,116)
Special project expenses	(1,615)	(1,741)
Retirement pensions	(308)	(176)
Losses on sale and retirement of assets	(289)	(1,126)
Provision for property, plant and equipment	(111)	(7,429)
Accounts receivable written off	(71)	(3,550)
Provision for accounts receivable from Geant International	-	(69,286)
Exchange differences	-	(17,816)
Preoperative expenses	-	(2,917)
Legal stability	-	(1,210)
Loss on sale of investments	-	(2)
Other non operating expenses (6)	(19,472)	(14,483)
TOTAL NON OPERATING EXPENSES	**(65,876)**	**(159,927)**
TOTAL OTHER NON OPERATING INCOME AND EXPENSES, NET	**(7,553)**	**9,575**

(1) For 2011 this corresponds mainly to the sale of fixed assets of the Marbella lot in Cartagena, Pomona Oviedo in Medellín, San Francisco in Barranquilla, Buenavista in Barranquilla, Panorama in Barranquilla, Ley Libertadores in Santa Marta and others for $13,730.
For 2010 this corresponds mainly to the sale of fiduciary rights of the autonomous capital of Commercial Center San Pedro Plaza in Neiva

(2) For 2011, this is the recovery of provisions for: labor processes of accounts receivable of $1,263, restructuring of $1,232, investment in Predios del Sur S.A. of $857, legal processes of $626 and others of $3,470.
For 2010 this is the recovery of provisions for: litigation and claims of $5,368, fixed assets of assignment Cedritos assignment of $3,692, use of the provision in Carulla Vivero S.A. of $3,004; appraisal of movable assets of $1,592 and others of $1,245.

(3) For 2011, $5,157 corresponds to the provisions for organizational excellence, institutional plans, "Azul" Project, non operating indemnities, reconversions, and others.
For 2010, $29,701 corresponds to: provision for organizational excellence of $15,844, indemnities to Almacenes Éxito S.A personnel of $11,552 and projects bonus of $2,305.

(4) For 2011 this is the equity tax paid by Spice Investments Mercosur S.A.

(5) For 2011 this corresponds to loss of goods $1,655.
For 2010 this corresponds to loss of goods $1,116

(6) For 2011 this corresponds to the payment made to Geant International of $8,742, fines, penalties and litigation of $4,093, assumed taxes of $3,085, deferred monetary correction debit of $1,241, expenses inherent in to purchase and sale of goods of $879 and others of $1,432.
For 2010 this includes legal expenses of litigation of $2,775, fines, penalties and litigation of $1,537, other provisions of $1,220, amortization of deferred monetary correction debit due to the elimination of inflation adjustments of $1,057, assumed taxes of $674, maintenance and security non operating expenses of property of $295 and other expenses of $6,925

NOTA 27. RELEVANT FACTS

Year 2011

Issue of shares

An issue of shares of up to US$1,400 million without preferential subscription right was approved at the extraordinary General Shareholders' Meeting held on July 6, 2011. This issue was of 114.270.684 common shares of the Company at a price of $21,900 (*) per share, increasing capital by $1,142 and additional paid-in capital by $2,553,877.

(*) Amount expressed in Colombian pesos

The Casino Group subscribed for shares in the proportion of its participation, which represented approximately US$750 million.

Resources obtained from the issue of shares will be dedicated to accelerate the local expansion strategy through coverage in large cities, penetration in medium sized cities and the development of real estate projects together with retail investments other than food, complementary businesses and the updating of the current logistical and technological platforms.

Likewise, Almacenes Éxito S.A. began its international expansion by acquiring the leading retail chains in Uruguay, called Disco and Devoto, for US$746 million.

Cativén S.A.

As a result of the sale of Cativén S.A. in 2010, Almacenes Éxito S.A. received during 2011 US$54.3 million equivalent to 60% of the sales price. The final installment of US$18.1 million included as an account receivable will be paid in November 2012.

US$54.3 million of the accounts receivable provision created for this operation was reversed in the financial statements of Almacenes Éxito S.A. at December 31, 2011. The US$18.1 million balance of the provision will be reversed at the time the last installment is received in 2012.

Acquisition in Uruguay

In September 2011, the company acquired 100% of Spice Investments Mercosur S.A., located in the Republic of Uruguay for US$746 million. Spice is a holding company which owns 96.55% of Lanin S.A. and 62.49% of Grupo Disco Uruguay S.A., which are the direct or indirect owners of the supermarket chains operating under the Disco, Devoto and Geant brands.

These chains add 53 establishments and represent the largest retail operation in Uruguay, with a market participation of approximately 43%, close to double its closest competitor.

Year 2010

Organization of Almacenes Éxito Inversiones S.A.S.

Per information published by the Financial Superintendent of Colombia on October 27, 2010, Almacenes Éxito Inversiones S.A.S., a Simplified Stock Company of Colombian nationality was organized and registered with the Chamber of Commerce of Aburrá Sur. It is wholly owned by Almacenes Éxito S.A., will have the nature of a subsidiary and its main corporate purpose will be to make investments in companies of the Grupo Empresarial Éxito.

This company has received as a contribution from Almacenes Éxito S.A. a total of three hundred thousand shares in Éxito's subsidiary company, Distribuidora de Textiles y Confecciones - Didetexco S.A. The shares were contributed at a value of sixteen thousand pesos each, for a total of four thousand eight hundred million pesos.

Finalization of the litigation regarding the Unicentro local in Bogotá, D.C.

On August 20, 2010, transaction contracts were entered into between the subsidiary Didetexco S.A., with Chevor S.A. and Industrias Alimenticias Aretama S.A. and Federación Nacional de Cafeteros (National Federation of Coffee Growers), whereby the parties agreed to settle the existing differences with respect to the rights on the local where a store of the Éxito brand operates in Centro Comercial Unicentro of Bogotá D.C.

The transaction agreement involves the cessation of all civil and commercial actions between the parties and the abandonment of all civil actions of the parties in the penal processes.

Business Cooperation Agreement with CAFAM

In order to strengthen compliance and service from Almacenes Éxito S.A., a business cooperation contract was signed with Caja de Compensación Familiar Cafam whereby their store and drugstore businesses will be jointly developed. The commercial alliance is based on the strengths of each organization, the knowledge of Cafam in the handling of medicines and the experience of Almacenes Éxito S.A. in retail commerce, with the benefit this brings to its affiliates and clients.

On July 28, 2010, the Superintendent of Industry and Commerce resolved not to object to the integration operation deriving from the commercial alliance entered into between Cafam and Almacenes Éxito S.A., whereby both companies join their efforts to develop their business in the field of supermarkets, hypermarkets and drugstores. This will permit Cafam to operate and manage 91 drugstores located in Éxito, Ley and Pomona stores in 30 cities in the country, and Almacenes Éxito S.A. to operate and manage 31 supermarkets and hypermarkets of Cafam in Bogotá, Cundinamarca, and Melgar (Tolima).

Cativén S.A.

On November 26, 2010 Guichard Perrachon ("Casino") entered into an agreement with República Bolivariana of Venezuela for the sale of 80.1% of the shares of Cadena de Tiendas Venezolanas S.A. - Cativén S.A. All shares belonging to Almacenes Éxito S.A., equivalent to 28.62% of the capital of Cativén S.A. were covered by this percentage in accordance with a purchase-sale agreement of shares signed by Almacenes Éxito S.A. with Geant International, a subsidiary of Casino. For its part, Casino has retained a participation of 19.9% in Cativén S.A. to continue offering operating support and to cooperate with the new entity.

The agreed sale price was US$90.5 million. Payment of 20% of this amount was received during 2010, corresponding to US$18.1 million. The complete payment of accounts receivable has been agreed to be completed in November 2012. The payment of another 20% was received on January 31, 2011.

Comments on the 2011 consolidated financial results

Net Revenues:

Net Revenues reached $8,844,710 million for the year ended December 31, 2011. The figure for 2010 was $7,510,079 million due to the increase by 17.8%.

Gross Profit:

Gross profit grew 19.9% COP$2,234,045 million compared to COP$1,863,996 million in 2010. As a percentage of Net Revenues, gross margin rose 25.3%. This result reflects the good sales margin performance.

Selling and Administrative Expenses:

Selling and administrative expenses amounted to $2,234,045 million, and reflected an increase in respect to the prior year of 19.9% upon reaching 25.3%. This trend was due to the good handling of the sales margin.

Operating income:

Operating income reached $423,322 million in 2011 compared to $318,464 million in 2010. This corresponds to 4.8% of operating income in 2011 and 4.2% in 2010.

EBITDA:

EBITDA amounted to $742,984 million; for 2011 it reached 8.4% as the percentage of operating income, and increased 0.27% in respect to 2010. The above due to the efficiency in the handling of expenses and the margin.

Financial income and expense:

The net financial expense decreased 116.2% as a result of a financial income of COP$6,766 million in 2011 compared to a financial expense of COP$53,104 million in 2010, explained mainly by the decrease in the financial debt and financial yields on securities and savings accounts.

Other Non-Operating Income and Expenses:

Other non-operating Income of $7,553 million for 2011 and a net income of $20,970 million in 2010.

Income tax:

Income tax was $33,447 million in 2011 compared to $31,888 million in 2010.

Net income:

Reached $389,455 million in 2011. As a percentage of operating income, it represents 4.4% for 2011 and 3.4% for 2010.

Financial indicators

AT DECEMBER 31, 2011 AND 2010

	2011	2010
1. LIQUIDITY INDEXES		
Current ratio	1.71	1.05
Net working capital / Operating income	17.07	1.28
Inventories acid test	1.25	0.61
Suppliers / Goods inventories	1.49	1.30
2. BORROWING INDEXES (%)		
Total borrowing	26.11	33.51
Concentration of short term borrowing	83.45	86.52
Financial borrowing	3.03	9.22
Financial leverage	4.11	13.88
Short-term borrowing	24.53	63.31
Medium and long-term borrowing	75.47	36.69
Total borrowing in foreign currency	24.53	58.02
Total borrowing in local currency	75.47	41.64
Net financial expense on EBITDA	0.91	6.83
Gross debt on EBITDA (times)	0.40	1.00
Operating profit on net financial expenses (times)	62.57	7.64
Operating income on total financial obligations (times)	29.71	12.26
3. PROFITABILITY INDEXES (%)		
Profit margin before operating income and expenses	4.79	4.24
Net margin	4.40	3.39
Asset profitability	3.97	3.84
Equity profitability	5.38	5.77
Margen EBITDA (*)	8.40	8.13
Gross profit / Total operating income	25.26	24.82
4. TREND AND OPERATING EFFICIENCY INDIXES (TIMES)		
Total assets turnover	0.90	1.13
Inventory turnover	7.39	7.03
Suppliers turnover	5.22	5.47
Hedge of gross profit over selling expenses	1.45	1.42
Fixed assets turnover	3.90	3.49
Administrative expenses / gross profit (%)	12.32	12.54
Selling expenses / gross profit (%)	68.73	70.38
Personnel expenses / operating income	7.56	7.30

(*) Profit before interest, taxes, amortization, depreciation and inflation adjustment.

The home office sales are in cash; therefore, the financial index calculation “Accounts Receivable Turnover” does not apply.

Analysis of the consolidated financial indicators

At December 31 2011 and 2010
(Amounts expressed in millions of Colombian pesos)

Liquidity indexes

The home office working capital at December 31, 2011 is of $1,510,121 (2010 - $96,263). The increase was generated by the cash from the shares' issue.

The home office has $1.71 to cover its short-term obligations, and the ratio suppliers – inventories improved to 1.49 in 2011 compared to 1.30 of 2010, which demonstrates an improvement in the negotiation capacity with suppliers.

Borrowing indexes

The home office total borrowing reflected a decrease of 7.40% in 2011 upon passing from 33.51% to 26.11%, due to the payment of US$72 million of the syndicated loan acquired in 2007 for the acquisition of Carulla Vivero S.A. and US$42 million of Bancolombia.

The proportion financed with financial obligations is of 3.03%.

The borrowing concentration index during 2011 is 83.45% at short term, represented by the account payable to suppliers.

Borrowings with the financial sector at medium and long-term, include the bonds´ credit of $224 millions expiring in 2013 and 2015.

Operating profit over financial expenses reflected a variation of 70 points obtained by financial yields on securities and savings accounts and the payment of the syndicated credit of US$72 million.

Profitability indexes

The margin before interest, taxes, depreciation and amortization (EBIDTA) shows the capacity for the generation of cash of the home office through its operation, which was of 8.40% during 2011.

The home office generated a net margin of 4.40% during 2011.

Trend indexes and operating efficiency

The home office purchases inventory which is held by it for an average of 49 days and is paid over a term of 69 days

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Consolidated operational indicators

AT DECEMBER 31, 2011

Number of stores, selling area (own/leased)

COLOMBIA

Own/Leased	Stores	%	Area (sq m)	%
Owned	142	40	416,989	60
Leased	209	60	277,993	40
TOTAL COLOMBIA	**351**	**100**	**694,982**	**100**

URUGUAY

	Stores	%	Area (sq m)	%
Owned	13	25	24.784	34
Leased	39	75	47.882	66
TOTAL URUGUAY	**52**	**100**	**72,666**	**100**

Number of stores by brand, selling area and % sales

Brand	Stores	Selling Area (sq m)	% sales
Éxito	190	551,445	78
Carulla - Pomona	75	70,017	15
Surtimax	78	49,243	5
Otros	8	24,277	2
TOTAL COLOMBIA	**351**	**694,982**	**100**
Devoto	24	33,188	
Disco	27	28,678	
Geant	1	10,800	
TOTAL URUGUAY	**52**	**72,666**	
TOTAL GRUPO ÉXITO	**403**	**767,648**	

Openings, closings and conversions for 2011

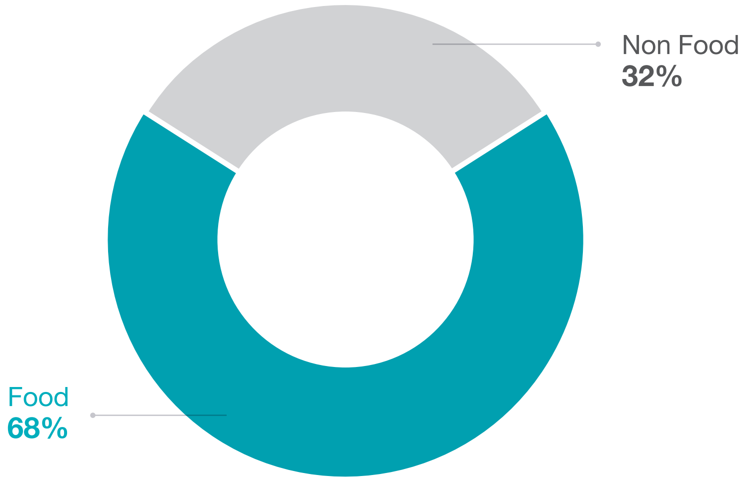
Brand	Opened	Closed	Converted	
Éxito	39	1	24	From Ley, Carulla and Cafam brands
Carulla - Pomona	3	6 (Carulla)	6	From Cafam brand
Bodega y Bodeguita Surtimax	22	4	6	From Carulla and Cafam brands
Otros: Ley, Home Mart, Cafam	-	1 (Cafam)	-	
TOTAL COLOMBIA	**64**	**12**	**36**	
URUGUAY ACQUISITION	**52**	-	-	
TOTAL	**116**	**12**	**36**	

Note: Closings include 2 Carulla and 1 Surtimax stores sold as per SIC request.

Capex and execution as of December 31, 2011

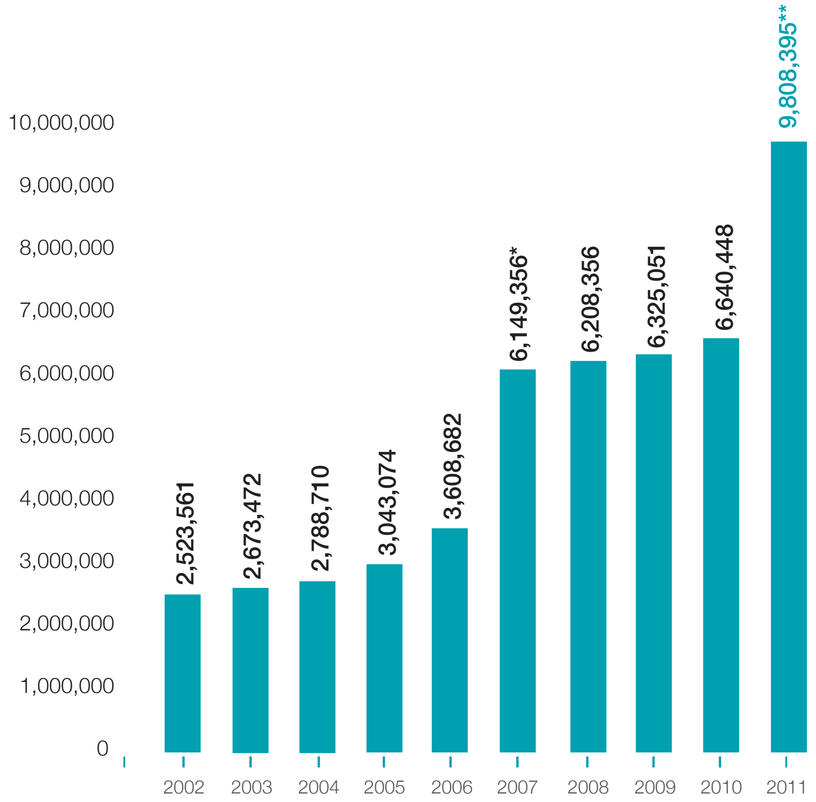
	% of Capex
Expansion in Colombia: 76% openings, conversions and remodeling and 24% IT, logistics and others	17
Uruguay acquisition	82
Capex in Uruguay	1
Total Capex Grupo Éxito S.A. $1,765,455 million	**100**

Sales Mix, at december 31, 2011

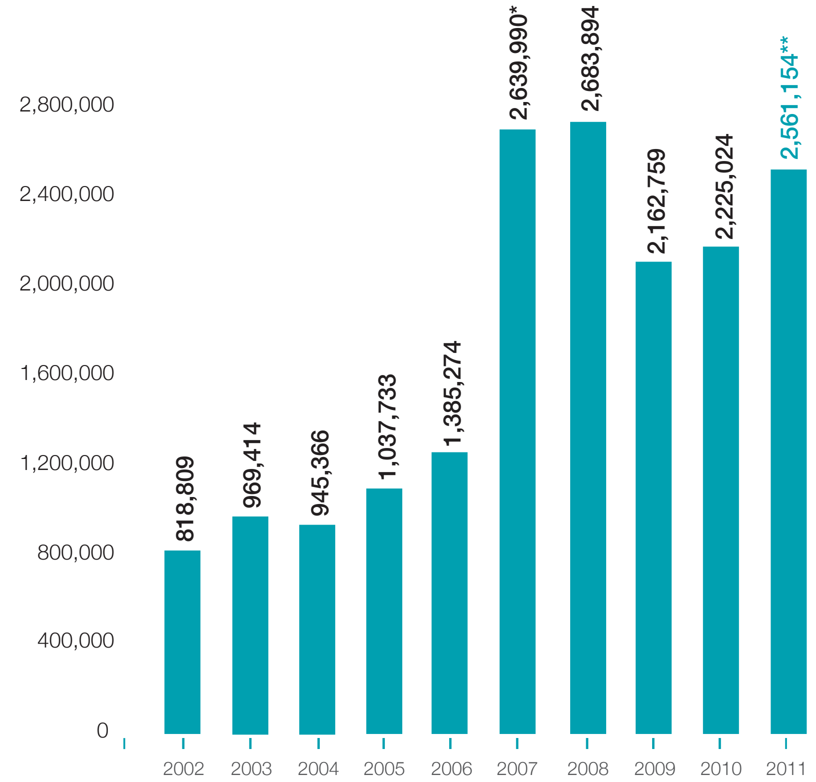


Consolidated Statistics Graphics

Assets

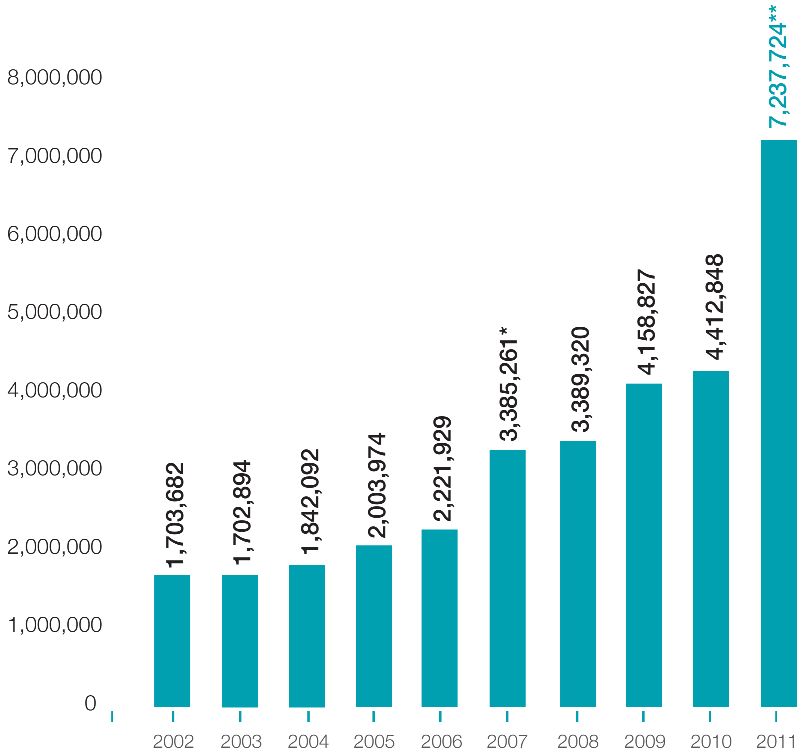


Liabilities

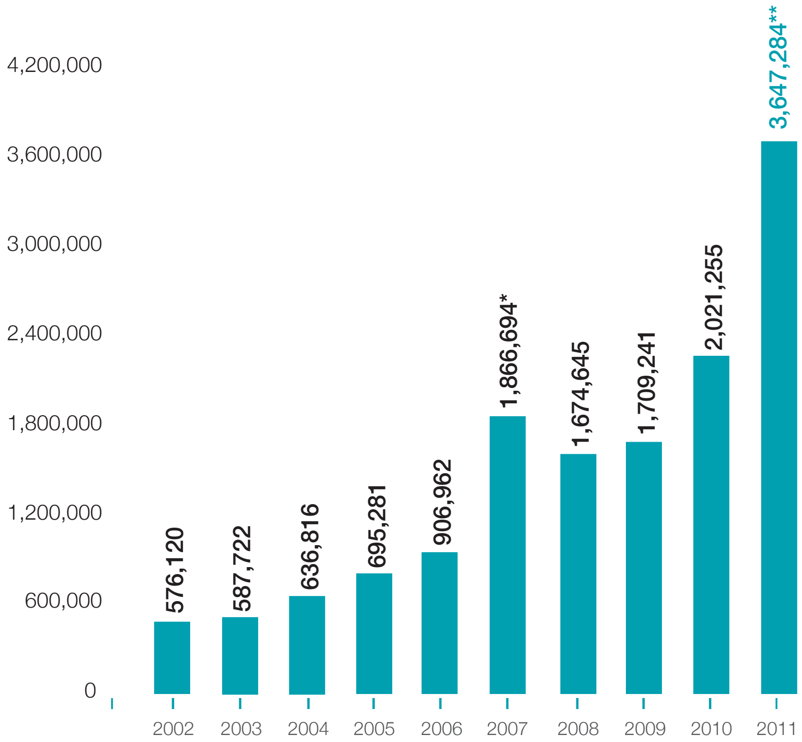


* Year 2007 Acquisition of Carulla Vivero S.A.
** Year 2011 Acquisitión of Spice Investments Mercosur S.A.

Shareholder's equity

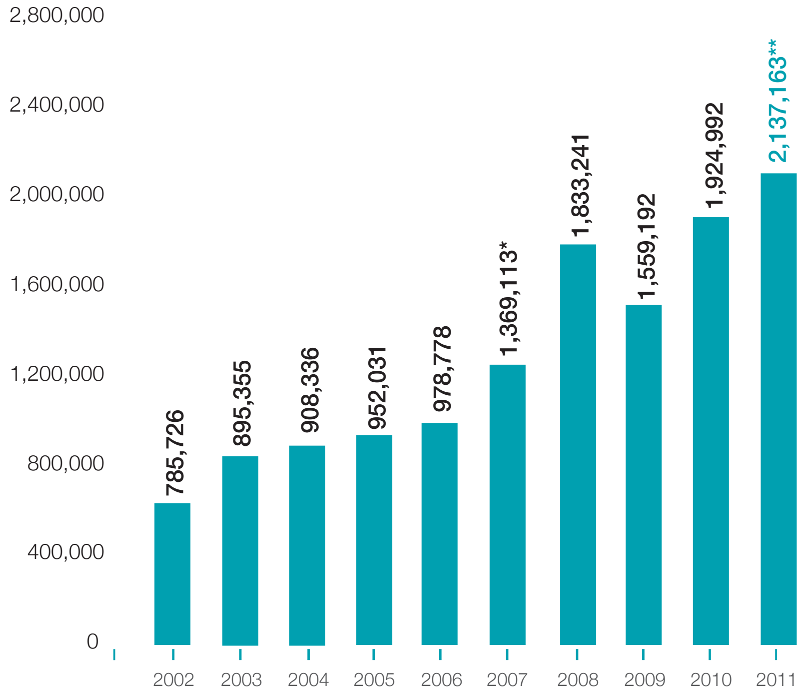


Current Assets

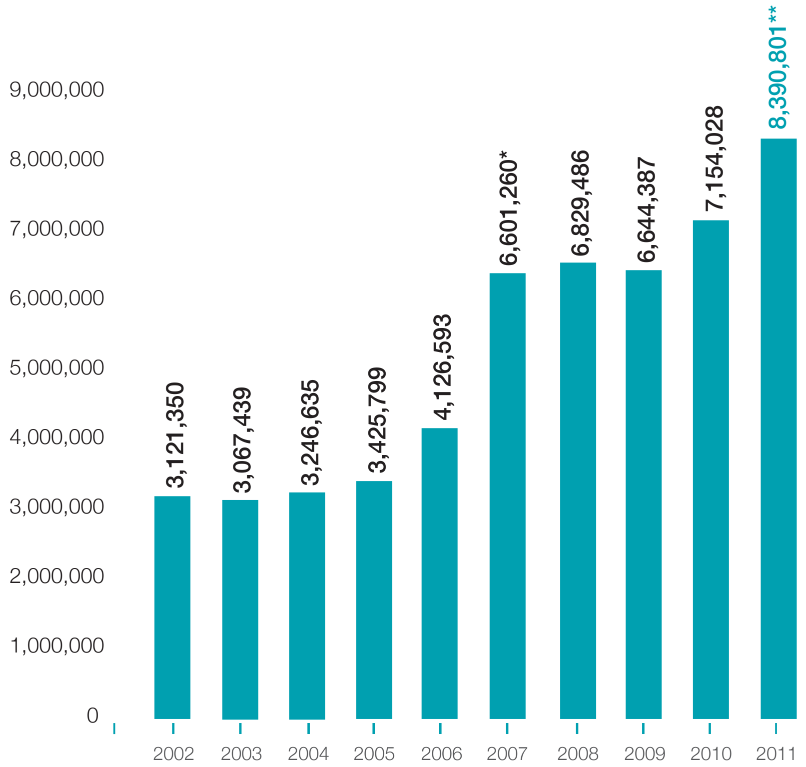


*	Year 2007	Acquisition of Carulla Vivero S.A.
**	Year 2011	Acquisitión of Spice Investments Mercosur S.A.

Current Liabilities

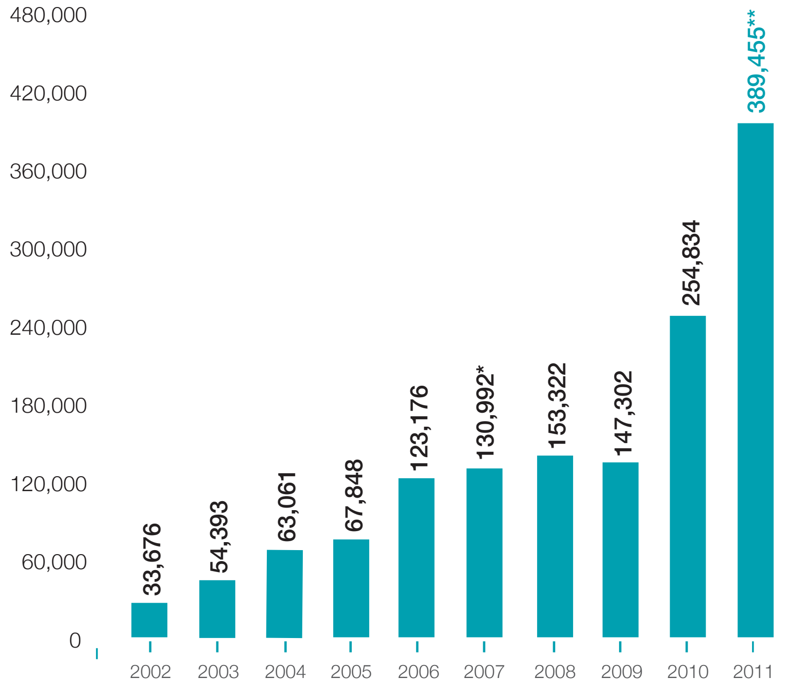


Sales



* Year 2007	Acquisition of Carulla Vivero S.A.
** Year 2011	Acquisitión of Spice Investments Mercosur S.A.

Net Income



* Year 2007	Acquisition of Carulla Vivero S.A.
** Year 2011	Acquisitión of Spice Investments Mercosur S.A.

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Financial Statements

We encourage our employees to offer a good service.

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Statutory Auditor's Report

To the Shareholders of
Almacenes Éxito S.A.

I have audited the accompanying financial statements of Almacenes Éxito S.A., which comprise the balance sheets as at December 31, 2011 and 2010 and the related statements of income, changes in equity, changes in financial position and cash flows for the years then ended, and the summary of significant accounting policies and other explanatory notes.

The Company's administration is responsible for the preparation and fair presentation of the financial statements, in accordance with accounting principles generally accepted in Colombia. This responsibility includes 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 audits. 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 examining, on a test basis, 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 audits provide a reasonable basis for my audit opinion.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Almacenes Éxito S. A. as of December 31, 2011 and 2010, the results of its operations, the changes in its financial position and the cash flows for the years then ended, in accordance with accounting principles generally accepted in Colombia, issued by the Colombian Government, consistently applied.

Further, based on the scope of my audits, 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 21, 2012

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Financial Statements Certification

General Shareholders' Meeting of Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED, LEGAL REPRESENTATIVE AND PUBLIC ACCOUNTANT OF ALMACENES ÉXITO S.A., EACH ONE WITHIN ITS COMPETENCE

CERTIFY:
That we have previously verified the assertions contained in the Company's financial statements at December 31, 2011 and 2010, in conformity with the regulations, and that they have been correctly taken from the books.

Based on the above, in connection with the referred to financial statements, we confirm:

1. The Company's assets and liabilities exist and the transactions recorded have been made in the corresponding year.
2. All economic facts realized have been recognized.
3. Assets represent rights obtained and liabilities represent obligations of the Company.
4. All elements have been recognized for the appropriate amounts.
5. The economic facts have been correctly classified, described and disclosed.

The above for purposes of complying with article 37 of Law 222 of 1995.

In testimony whereof, this certification is signed on February 21, 2012.

Gonzalo Restrepo López
Representante Legal

Claudia Patricia Alvarez

Claudia Patricia Álvarez Agudelo
Contadora Pública
Tarjeta Profesional 69447-T

Financial Statements Certification Law 964 of 2005

General Shareholders' Meeting of Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE OF ALMACENES ÉXITO S.A.

CERTIFIES:
That the Company's financial statements and operations at December 31, 2011 and 2010 do not contain defects, inaccuracies or errors that impede the recognition of the true equity position thereof.

The above for purposes of complying with article 46 of Law 964 of 2005.

In testimony whereof, this certification is signed on February 21, 2012.

Gonzalo Restrepo López
Representante Legal

Balance sheet

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

Assets	Notes	2011	2010
CURRENT ASSETS			
Cash	4	1,386,507	514,387
Marketable investments	5	702,442	274,452
Debtors, net	6	246,643	355,327
Inventories, net	7	865,432	822,608
Deferred charges, net	13	48,216	41,594
TOTAL CURRENT ASSETS		**3,249,240**	**2,008,368**
NON CURRENT ASSETS			
Debtors, net	6	35,976	51,573
Permanent investments	9 and 10	651,598	172,007
Property, plant, and equipment, net	11	2,052,883	2,050,850
Intangibles, net	12	2,006,529	1,004,933
Deferred charges, net	13	249,148	231,234
Other assets		285	285
Valuations	14	1,255,248	1,121,088
TOTAL NON CURRENT ASSETS		**6,251,667**	**4,631,970**
TOTAL ASSETS		**9,500,907**	**6,640,338**
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	25	**4,450,290**	**4,577,106**

Gonzalo Restrepo López
Legal Representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Public Accountant
Professional Card 69447-T
(See attached certification)

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

Liabilities and shareholders' equity	Notes	2011	2010
CURRENT LIABILITIES			
Financial obligations	15	69,953	357,294
Suppliers	16	1,254,768	1,098,496
Accounts payable	17	286,889	272,441
Taxes, duties and rates	19	113,801	59,838
Labor obligations	20	63,257	50,063
Estimated liabilities and provisions	22	34,739	42,522
Deferred charges, net	13	311	-
Bonds	18	-	30,350
Other liabilities	23	15,207	12,080
TOTAL CURRENT LIABILITIES		**1,838,925**	**1,923,084**
NON CURRENT LIABILITIES			
Taxes, duties and rates	19	93,730	-
Labor obligations	20	558	575
Estimated retirement pensions liability	21	17,720	16,844
Bonds	18	224,650	224,650
Deferred charges, net	13	21,980	15,168
Other liabilities	23	62,118	42,795
TOTAL NON CURRENT LIABILITIES		**420,756**	**300,032**
TOTAL LIABILITIES		**2,259,681**	**2,223,116**
SHAREHOLDERS' EQUITY, SEE ATTACHED STATEMENT	14 and 24	**7,241,226**	**4,417,222**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9,500,907**	**6,640,338**
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	25	**4,450,290**	**4,577,106**

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

Luz Elena Rodríguez
Statutory Auditor
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(See my report of February 21, 2012)

Income statement

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	Notes	2011	2010
NET REVENUES			
Sales		8,105,601	7,151,445
Other operating revenue		446,804	355,687
TOTAL NET REVENUES	26	**8,552,405**	**7,507,132**
COST OF SALES		**(6,427,755)**	**(5,658,967)**
GROSS PROFIT		**2,124,650**	**1,848,165**
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE			
Salaries and fringe benefits		(627,233)	(545,570)
Other operating administrative and selling expenses		(791,772)	(700,426)
Depreciation and amortization		(306,628)	(287,280)
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	27	**(1,725,633)**	**(1,533,276)**
OPERATING INCOME		**399,017**	**314,889**
NON OPERATING INCOME AND EXPENSES			
Financial income		160,963	83,026
Dividends and participations		801	473
Income under equity method, net	10	28,995	686
Financial expenses		(154,248)	(124,544)
Other non operating income and expenses, net	28	(4,609)	10,276
TOTAL NON OPERATING INCOME AND EXPENSES, NET		**31,902**	**(30,083)**
INCOME BEFORE TAXES		**430,919**	**284,806**
INCOME TAX			
Current		(33,551)	(47,660)
Deferred		(7,913)	17,688
TOTAL INCOME TAX	19	**(41,464)**	**(29,972)**
NET INCOME		**389,455**	**254,834**
NET INCOME PER SHARE	2	**870.09***	**764.50***

(*) Expressed in Colombian pesos

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Statement of changes in equity

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

				Reserves										
	Notes	Capital	Capital surplus	Legal	Occasional future expansion and improvements	Reacquisition of shares	Tax depreciation	Future dividends	Total reserves	Revaluation of equity	Retained earnings	Unappropriated earnings	Valuation surplus	Total
BALANCE AT DECEMBER 31, 2009		**3,338**	**2,328,501**	**7,857**	**325,277**	**19,266**	**8,741**	**1,419**	**362,560**	**549,004**	**7,813**	**147,302**	**764,605**	**4,163,123**
Appropriations made by the General Shareholders' Meeting: Dividend in cash of $60 (*) per share and quarter, from April 2010 to March 2011 on 333.174.004 outstanding shares of Almacenes Exito S.A.												(79,961)		(79,961)
Transfer of earnings without appropriating to reserve for future expansion and improvements					67,341				67,341			(67,341)		-
Decrease per equity method			(21,179)											(21,179)
Decrease of valuation of derivative financial instruments			22,451											22,451
Share premium			(1,546)											(1,546)
Issue of shares on merger	24	2	2,921											2,923
Elimination on merger			(52,630)							(205,904)			256,479	(2,055)
Equity tax	24									(21,372)				(21,372)
Increase in valuation surplus													100,004	100,004
Net profit at December 31, 2010	2											254,834		254,834
BALANCE AT DECEMBER 31, 2010		**3,340**	**2,278,518**	**7,857**	**392,618**	**19,266**	**8,741**	**1,419**	**429,901**	**321,728**	**7,813**	**254,834**	**1,121,088**	**4,417,222**
Appropriations made by the General Shareholders' Meeting: Dividend in cash of $75 (*) per share and quarter, from April 2011 to March 2012 on 333.333.632 outstanding shares of Almacenes Exito S.A.												(100,000)		(100,000)
Transfer of earnings without appropriation and tax reserves to reserve for future expansion and improvements					163,575		(8,741)		154,834			(154,834)		-
Exchange difference foreign investment			11,648											11,648
Increase per equity method			9,440											9,440
Decrease of valuation of derivative financial instruments			11,743											11,743
Share premium	24		2,553,877											2,553,877
Issue of shares	24	1,142												1,142
Equity tax	24									(187,461)				(187,461)
Increase in valuation surplus													134,160	134,160
Net profit at December 31, 2011	2											389,455		389,455
BALANCE AT DECEMBER 31, 2011		**4,482**	**4,865,226**	**7,857**	**556,193**	**19,266**	**-**	**1,419**	**584,735**	**134,267**	**7,813**	**389,455**	**1,255,248**	**7,241,226**

(*) Expressed in Colombian pesos

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

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(See my report of February 21, 2012)

Statement of changes in financial position

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	Notes	2011	2010
FINANCIAL RESOURCES PROVIDED BY:			
Net income		389,455	254,834
Plus (less) charges (credits) to operations not affecting working capital:			
Depreciation of property, plant and equipment	11	205,395	202,201
Amortization of deferred charges		60,745	50,669
Amortization of intangibles		44,433	34,410
Profit on sale of property, plant and equipment, net		(13,112)	(10,663)
Profit on sale of intangibles		(297)	(7,808)
Increase (decrease) in long-term deferred tax		9,668	(10,206)
Decrease (increase) of provision for property, plant and equipment, net		(2,599)	317
Increase of amortization of long-term actuarial calculation	21	876	2,759
Profit per equity method		(28,995)	(686)
Decrease of provision for protection of investments, net		(845)	(79,971)
Adjustment for exchange difference on foreign investments, net		(25)	11,425
Amortization of prepaid lease		169	201
Profit on sale of investments		-	(34,381)
Loss on sale of investments		995	2
Adjustment of debt reduction securities		(5)	(11)
Amortization of deferred monetary correction		(318)	(502)
Fiduciary rights yield		(7)	(17)
Trust profits		(3,270)	-
Dividends and participations received		(801)	(473)
Others		2,142	3,496
WORKING CAPITAL PROVIDED BY OPERATIONS		**663,604**	**415,596**
FINANCIAL RESOURCES GENERATED BY OTHER SOURCES			
Proceeds from sale of property, plant and equipment, net		46,445	29,140
Proceeds from sale of long-term deferred charges		-	114
Sale of investments		165	171,000
Proceeds from sale of intangibles		348	31,097
Decrease in long-term labor obligations	20	(17)	(158)
Issue of shares	24	1,142	1,377
Premium on issue of shares	24	2,553,877	-
Increase in other long-term liabilities	23	19,323	1,065
Redemption of debt reduction securities		129	160
Transfer of assets to deferred charges		-	1,145
Transfer of bonds and commercial paper from long to short term		-	(30,350)
Assignment of contracts		-	5,692
TOTAL FINANCIAL RESOURCES PROVIDED		**3,285,016**	**625,878**

Gonzalo Restrepo López
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(See attached certification)

Claudia Patricia Alvarez

Claudia Patricia Álvarez Agudelo
Public Accountant
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(See attached certification)

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	Notes	2011	2010
FINANCIAL RESOURCES USED IN:			
Acquisition of investments		432,378	6,000
Acquisition of property, plant and equipment, and other assets		223,383	212,328
Increase in intangibles		1,045,820	21,506
Decrease in non current debtors		(15,597)	(7,915)
Increase in non current deferred assets		80,832	60,183
Dividends declared		100,000	79,961
Decrease in financial obligations		-	283,664
Increase in taxes, duties and rates	19	(93,730)	-
Equity tax		187,461	21,372
Transfer of short term debtors to intangibles		11,181	-
Effect of valuation of derivative financial instruments		(11,743)	(22,452)
Variation in working capital resulting from merger		-	(224,992)
TOTAL FINANCIAL RESOURCES USED		**1,959,985**	**429,655**
INCREASE IN WORKING CAPITAL		**1,325,031**	**196,223**
ANALYSIS OF CHANGES IN WORKING CAPITAL			
INCREASE (DECREASE) IN CURRENT ASSETS			
Cash		872,120	122,071
Marketable investments		427,990	33,826
Debtors		(108,684)	132,043
Inventories	7	42,824	36,971
Deferred charges	13	6,622	15,041
TOTAL INCREASE IN CURRENT ASSETS		**1,240,872**	**339,952**
(INCREASE) DECREASE IN CURRENT LIABILITIES			
Financial obligations	15	287,341	(125,576)
Suppliers	16	(156,272)	(58,204)
Accounts payable	17	(14,448)	96,589
Taxes, duties and rates		(53,963)	604
Labor obligations	20	(13,194)	(11,778)
Estimated liabilities		7,783	809
Commercial paper and short-term bonds		30,350	(30,350)
Deferred		(311)	-
Other liabilities	23	(3,127)	(15,823)
TOTAL DECREASE IN CURRENT LIABILITIES		**(84,159)**	**(143,729)**
INCREASE IN WORKING CAPITAL		**1,325,031**	**196,223**

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

Luz Elena Rodríguez
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(See my report of February 21, 2012)

grupo éxito

Statement of cash flows

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	2011	2010
CASH RECEIVED FROM SALE OF GOODS, SERVICES AND OTHERS:		
Goods, services and others	9,607,023	8,400,793
Paid to suppliers	(6,998,014)	(6,251,118)
Paid for wages, salaries and fringe benefits	(636,761)	(529,779)
Paid for administrative expenses	(81,991)	(74,633)
Paid for selling expenses	(776,885)	(657,238)
Paid for sales tax	(162,048)	(154,079)
Paid income tax	(102,909)	(117,760)
SUBTOTAL CASH GENERATED BY THE OPERATION	**848,415**	**616,186**
Acquisition of property, plant and equipment, net	(189,670)	(174,549)
Acquisition of deferred charges	(79,483)	(60,293)
Income from sale of property, plant and equipment, net	48,669	21,030
Acquisition of investments	(433,178)	(5,200)
Acquisition of intangibles	(1,045,820)	(12,114)
Income from sale of intangibles	348	14,845
SUBTOTAL NET CASH USED IN CAPITAL ASSETS	**(1,699,134)**	**(216,281)**
Purchases of marketable investments	(427,991)	(27,988)
Income from sale of permanent investments	107,700	34,228
Interest received	71,416	80,959
Dividends and participations received	801	473
SUBTOTAL NET CASH USED IN (GENERATED) BY OTHER INVESTMENTS	**(248,074)**	**87,672**
TOTAL NET CASH USED IN INVESTING ACTIVITIES	**(1,947,208)**	**(128,609)**
Loans received	2,319,695	70,430
Payment of installments of loan capital	(2,536,838)	(206,095)
Dividends declared and paid	(119,907)	(65,862)
Issue of shares	2,553,877	1,377
Interest paid on loans and bonds	(137,641)	(127,606)
Payment of bonds and commercial paper	(30,350)	-
SUBTOTAL NET CASH GENERATED BY (USED) IN FINANCING ACTIVITIES	**2,048,836**	**(327,756)**
Cash received from other headings	12,710	62,260
Outflow of cash for payment of equity tax	(43,768)	(25,794)
Outflow of cash for other headings	(46,865)	(75,680)
SUBTOTAL NET CASH USED IN OTHER HEADINGS	**(77,923)**	**(39,214)**
TOTAL NET INCREASE OF CASH	**872,120**	**120,607**
INITIAL BALANCE OF ÉXITO CASH	**514,387**	**392,316**
INITIAL BALANCE OF CARULLA CASH	**-**	**1,464**
ENDING BALANCE OF CASH	**1,386,507**	**514,387**

Gonzalo Restrepo López
Legal Representative
(See attached certification)

Claudia Patricia Álvarez

Claudia Patricia Álvarez Agudelo
Public Accountant
Professional Card 69447-T
(See attached certification)

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	2011	2010
RECONCILIATION OF NET INCOME WITH NET CASH GENERATED BY THE OPERATION		
NET INCOME	**389,455**	**254,834**
Adjustments to reconcile net income with net cash provided by operating activities:		
Amortization of deferred monetary correction	(318)	(501)
Depreciation of property, plant and equipment, net	205,395	202,202
Amortization of deferred charges	60,745	50,669
Amortization of intangibles	44,433	34,410
Amortization of prepaid leases	169	201
Adjustment of prepaid expense	(1,349)	-
Increase of the amortization of the actuarial calculation	876	2,759
Profit from sale of property, plant and equipment, net	(13,113)	(10,663)
Profit from equity method	(28,995)	(686)
Profit from sale of intangibles	(297)	(7,808)
Decrease of provision for protection of investments, net	(845)	(79,971)
Decrease (increase) of provision for property, plant and equipment, net	(2,599)	317
Adjustment for exchange difference of non controlled foreign investments	(25)	11,425
Profit on sale of investments	-	(34,381)
Loss on sale of investments	995	2
Variations in non operating accounts	18,375	55,804
Accrued expenses	(209)	102,238
Donations	2,478	2,092
Tax on financial movements	18,517	808
Increase in inventories	(42,824)	(36,971)
Increase in suppliers	156,272	58,204
Increase in labor obligations	(10,404)	13,033
Interest received	(71,391)	(80,957)
Interest paid	137,855	127,606
Taxes payable	(14,000)	(57,166)
Dividends and participations received	(801)	(473)
Assignment of contracts	-	5,692
Others	20	3,467
NET CASH PROVIDED BY OPERATIONS	**848,415**	**616,186**

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

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(See my report of February 21, 2012)

Notes to financial statements

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos (COP$) and in US$)

NOTE 1. REPORTING ENTITY

Almacenes Éxito S.A. was incorporated on March 24, 1950 according to the Colombian law. The Company's business purpose is to acquire, store, transform and, in general, distribute and sell under any type of commercial arrangement, including financing, all types of goods and products, produced locally or abroad, either wholesale or retail.

The Company´s main domicile is located in the municipality of Envigado, Colombia, at the following address: Carrera 48 Nº 32B Sur 139. The legal term of the Company's existence expires on December 31, 2050.

In May 2007, the Casino Group, based in France, acquired a controlling stake in the Company. At December 31, 2011 it held 54.77% of the share capital.

Merger with Carulla Vivero S.A.

By means of public deed N° 5037 of September 2, 2010, the merger by absorption was formalized between Almacenes ÉXITO S.A. and Carulla Vivero S.A. The merger was registered in Éxito's commercial register managed by the Chamber of Commerce of Aburrá Sur, and was approved by the Financial Superintendent of Colombia per Resolution 1685 of August 20, 2010.

NOTE 2. PRINCIPAL ACCOUNTING POLICIES AND PRACTICES

In the preparation of its financial statements the Company follows accounting principles generally accepted in Colombia, legally prescribed by regulations and instructions of the Financial Superintendent of Colombia. These principles may differ in certain aspects from those established by other State control entities. Described below are the principal policies and practices the Company has adopted in accordance thereof:

Inflation adjustments

By means of Law 1111 of December 27, 2006, the Colombian Government eliminated inflation adjustments for tax purposes as of January 1, 2007. These adjustments were eliminated for accounting purposes by means of Decree 1536, issued on May 7, 2007, and retroactively as of January 1, 2007. The inflation adjustments accumulated in the accounts up to December 31, 2006 are not reversed and form part of the balance of their respective accounts for all accounting purposes, until their cancellation, depreciation or amortization. The balance of the equity revaluation account may be reduced on the recognition of equity tax paid, but may not be distributed as profit until such time as the Parent Company and its subsidiaries are liquidated, or its value is capitalized in accordance with current legislation. Once capitalized, it may serve to absorb losses, only when the Parent Company and its subsidiaries fall under dissolution cause, and may not be used to decrease capital. This capitalization represents occasional income for the shareholders which is non taxable.

In 2010, following the above mentioned regulation, the company recorded as reduction of equity revaluation $21,372; for 2011 and in accordance with Law 1370 of December 2009, the Company recorded $187,461 for this same heading.

Foreign Currency Translation

Foreign currency transactions are recorded at the applicable exchange rates prevailing on the date of the transaction. At the end of each period, balances in cash, banks and accounts receivable or payable, financial obligations and investments in foreign currency are adjusted using the applicable period end exchange rate that, since late 1991 has been the Representative Market Rate, certified by the Colombian Financial Superintendent. For balances payable, only exchange differences that are not chargeable to costs of acquiring assets are recorded in the income statement accounts as financial expenses. Exchange differences are chargeable to asset acquisition costs while these assets are either being built or installed, and until they are in a condition to be used.

With respect to the investment in the Uruguayan company, Spice Investments Mercosur S.A., that country's exchange rate was converted into the U.S. dollar, and the latter in turn into the Colombian peso. The gain or loss was recorded in the Company's equity accounts in compliance with Decree 4918 of 2007.

Classification of Assets and Liabilities

Assets and liabilities are classified according to their intended use or the degree of realization, availability, demandability or liquidation, in terms of time and amounts.

For this purpose, current assets are understood to be those amounts that will be realizable or available over a term not to exceed one year. Current liabilities are those amounts that will be payable or settled over a term not to exceed one year.

Cash

These are funds available the Company counts upon. This account includes cash, bank current and savings accounts, as well as balances pending clearance in the banking system.

Accounts receivable

These accounts represent resources granting the right to claim from a third party compliance with the inherent rights obligation either in cash, goods or services, as agreed upon between the parties, and as a result of any legal arrangement made with regard to credit payments.

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

At the close of the period, recoverability is technically evaluated and a provision is recorded to cover any loss contingency.

Inventories

Inventories of goods not manufactured by the Company are recorded at cost, which is calculated monthly using the retail method.

Inventories of materials manufactured by the Company are recorded at cost, which is calculated using the weighted average method.

Inventories of materials, spare parts and accessories are recorded at cost. Valuation at the close of the year is calculated by the first-in-first-out (FIFO) method.

Inventories in transit are valued using the specific value method.

A provision to recognize the market value of inventories is recorded at the close of the year.

Investments

1. Marketable investments

These are investments represented by readily-disposable securities or instruments on which the investor has the firm intention to sell the incorporated economic right within a period not exceeding three (3) calendar years. These may be either of fixed or variable yield.

a. Fixed Yield Marketable Investments are recorded using the cost method and exponentially, based on the internal rate return of calculated on the purchase date. The difference with regard to the market or estimated value at the close of the period is recorded as a higher or lower value of the investment and as a gain or loss in the income statement.

b. Variable Yield Marketable Investments are recorded using the cost method; the results of the differences arising from the periodic adjustments of market prices and the last value recorded are entered directly against the value of the investments and in the income statement accounts.

2. Permanent investments

These are the investments the investor has the firm intention to keep until the date of maturity or redemption. They may be in controlled or non-controlled entities.

a. Permanent investments in controlled entities are recorded by the equity method, in accordance with the definition of the Financial Superintendent of Colombia whereby investments in subordinated entities in which the economic entity has the power to stipulate that in the following period they transfer to it their profits or surpluses, should be recorded under the equity method, except when they are acquired and maintained exclusively with the intention to be disposed of in the immediate future, in which case they should be considered marketable investments.

Under the equity method, the Company accounts for its investments in its subordinated entities initially at cost adjusted for inflation until December 31, 2006. The investments are adjusted (increased or decreased) for changes in the equity and income statement of the subordinates, as appropriate, in accordance with their percentage of participation. The balancing entry for these adjustments in the financial statements of the home office, is recorded in the income statement and/or the capital surplus account – equity method, as indicated below:

- Changes in equity of the subordinated entities which occurred during the year will be recognized by the home office, increasing or decreasing the investment cost.
- Changes in equity of the subordinated entities arising from the year net results will affect the home office income statement.
- Variations of the subordinated entities' equity not deriving from its income statement will not affect the home office results; rather they will be recorded in the latter's capital surplus.
- The participation dividends of a company in which an investment is held, received in cash, corresponding to periods in which the Company applied the equity method, reduce the investment book value by such amount.

The effect of the conversion into Colombian pesos of foreign currency investments, are recorded in the equity account – capital surplus.

At the year-end close, if the estimated value of controlling entities' investments is lower than the adjusted cost, a provision for impairment against the income statement must be made. In the case of a gain, it is recorded as valuation in the balance sheet.

b. **Permanent investments in non controlled** entities are recorded at cost, which includes inflation adjustments at December 31, 2006.

According to regulations issued by the Colombian Financial Superintendent, at the end of the period, if the realizable value of investments of non-controlled entities (intrinsic or stock market value, as applicable) is lower than their cost, the difference is recorded as devaluation and as a reduction of equity, in the capital surplus account. For non-controlled companies in dissolution to be subsequently liquidated or with recurring losses, the lower value is recorded in the income statement, based on the Parent Company's prudence principle.

Any surplus in the market value or the estimated value at the close of the fiscal period is recorded separately as an increase/decrease in the valuation account and credited/debited to the equity valuation surplus, both balance sheet accounts.

Until the date of sale in 2010, the investment in Cativén S.A. was recorded based on the Company's securities' study prepared in December 2008.

Property, plant and equipment and depreciation

Property, plant and equipment includes all tangible resources controlled by the Company, obtained, built or construction in process, and used in the normal course of business for the production of other goods or to provide services intended for internal consumption or for that of third parties, and whose contribution to the generation of income exceeds one calendar year.

Property, plant and equipment is recorded using the cost method, which includes inflation adjustments until December 31, 2006.

The cost of property, plant and equipment includes the value of all items required for start up or to become operational. For this reason, once the asset is in a potential condition to be used, no further related costs are capitalized.

Expenses incurred as a result of the acquisition, installation or construction of the tangible asset, such as engineering, supervision, taxes, interest and monetary correction, can only be treated as part of the cost of the asset until such time as the asset is in a condition to be used. Costs incurred after the date the asset is in a condition to be used are recorded as expense of the period when they are either accrued or disbursed, whichever occurs first.

Repairs and maintenance of these assets are charged to the income statement.

Sales and retirements of such assets are discharged at their respective net cost and the differences between the selling price and net cost are charged or credited to the income statement.

Depreciation is calculated on cost, which includes inflation adjustments until December 3, 2006, using the straight-line method, based on the probable useful life of the assets at the following annual rates:

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

The acquisition costs of display fixtures such as gondolas, security tags, self-service shopping carts and sign posting, among others, are depreciated using the straight-line method applying an accelerated depreciation percentage ranging from 25% to 50% for each additional shift.

The policy for the Company is that the residual value of fixed assets established for calculating depreciation is zero (0).

Valuation Methods

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

a. **Historical cost or value** is the original value either in cash or cash equivalent incurred at the time of realization of an economic fact
b. **Current or replacement value** represents the cash value that would be incurred in replacing an asset or that would be required in order to settle an obligation at the current time.
c. **Realization or market value** is the cash value an asset is expected to be converted into, or a liability settled during the normal course of business.
d. **Present or discounted value** is the present and/or current value of the net cash inflows or outflows an asset or liability would generate.

Upon considering the attributes that accounting information must have, as contained in Article 4 of Regulatory Decree 2649 issued in 1993, the Company has decided that the property, plant and equipment be valued by the realizable or the market value method.

For valuation purposes, realizable or market value is determined in accordance with commercial appraisals which must take place with a maximum frequency of three calendar years. All assets which have an adjusted value lower than twenty (20) basic legal monthly salaries are exempt from the appraisal requirement.

Appraisals are performed by persons who do not having any relationship with the Company that could give rise to a conflict of interest. This means that between the appraiser and the subsidiary companies no ties, relations or operations can exist which involve a real or potential interest that could, in turn, prevent a fair and equitable appraisal.

Where the value of property, plant and equipment is lower than book value the latter is adjusted by means of a provision which affects the Company income statement.

Where the value of property, plant and equipment is higher than book value the latter figure is adjusted through the asset valuation account and the Company's equity valuation account.

Intangibles

Intangibles represent resources involving binding rights or privileges from third parties the exercise or exploitation of which, may produce economic benefits during various future periods.

Items such as assets received under trust arrangements, brands and goodwill, are classified under this category.

The cost of these assets corresponds to clearly identifiable expenses incurred, and inflation adjustments until December 31, 2006. In order to recognize their contribution to the company's generation of income, they are amortized systematically throughout their useful life.

Goodwill

The additional value paid for the purchase of entities or companies where control is acquired, is recorded as goodwill.

The value of goodwill in the case of acquiring control over other companies is the excess of the acquisition cost over the accounting equity of the acquired entity.

Goodwill acquired is recorded as an intangible and is amortized on a monthly basis affecting the income statement accounts over a term of 20 years.

The determination of the amortization is calculated applying the exponential amortization method pursuant to External Circular 034 of 2006 issued by the Colombian Financial Superintendent.

In compliance with the Joint Circular 011 of 2005 of the Financial Superintendent of Colombia, the Carulla goodwill is valued and compared against book cost to determine the existence or not of a loss of value.

Deferred Charges

Deferred charges correspond to:

1. **Prepaid expenses** represent prepaid sums of money which must be amortized during the period the services are received or costs or expense are accrued, such as interest, insurance, rentals and other expenses incurred to receive services in the future.
2. **Deferred charges** represent goods or services received for which economic benefits are expected in future periods. They include inflation adjustments up to December 31, 2006. Amortization is calculated as follows:
   - **a. Leasehold improvements** are amortized over the lower period between the term of the respective agreement (not considering any extensions) and their probable useful life, when their cost is not recoverable.
   - **b. Software** is amortized at annual rates of 33% and 20% depending on its acquisition purpose.
3. **Deferred Monetary Correction** credit corresponds to the inflation adjustments made to construction in progress and to non-monetary deferred charges in pre-operative stage. Amortization begins on the date revenues are received and over the term established for the respective deferred item. The deferred monetary correction debit corresponds to the proportional part of the adjustment of equity, in respect of the assets that generated the credit in the deferred monetary correction credit account.

   As a result of the elimination of the inflation adjustments for accounting purposes as of January 1, 2007, the balances at December 31, 2006 of the deferred monetary correction debit and the deferred monetary correction credit, will continue to be amortized according to the useful life of the asset generating them, recording an extraordinary non-operating expense or a miscellaneous non-operating revenue, respectively. In the event the asset generating them is disposed of, transferred or written off, the accumulated balances must be eliminated.
4. **Deferred tax.** The effect of temporary differences involving the payment of a higher or lower income tax in the current year must be recorded as a deferred tax asset or liability, respectively calculated at current rates, provided that a reasonable expectation exists that such differences will reverse and that enough taxable income will be generated in the periods such differences reverse.

   The Company did not record deferred tax on the result of the equity method as it is considered as a permanent difference, insofar as there is no expectation of the payment of dividends.

   The deferred tax is amortized in the periods in which the originating temporary differences reverse.

Valuations and devaluations

Asset valuations and devaluations which form a part of equity include:

- **a.** Excess of commercial appraisals of moveable property or real estate overtheir net book value.
- **b.** Excesses or shortfalls of the intrinsic or stock market value of certain investments, including fiduciary rights, at the end of the period, on their net book value.

c. Investment valuations and devaluations based on regulations issued by the Colombian Financial Superintendent.

Financial obligations

These are obligations incurred by the Company with credit or other financial institutions of the country or abroad; bank overdrafts and hedge operations are also included.

The recorded value corresponds to the principal amount of the obligation, and the financial expenses which do not increase capital are recorded as accumulated expenses payable.

Derivative financial instruments

The Company carried out various derivative-based transactions in order to reduce their exposure to fluctuations of the exchange and interest rates in the market of its obligations. Those instruments correspond to SWAPs and Forwards.

The Company records rights and obligations arising from contracts, and shows them net on its balance sheet, following hedge accounting procedures, as stipulated in External Circulars 025 and 049 issued in 2008 by the Colombian Financial Superintendent.

In evaluating them the Company applies the following accounting policies:

a. Derivative contracts entered into for commercial purposes are adjusted to their market value at the end of the period and are debited or credited to the income statement accounts, as applicable. The market value is determined based on stock quotes or, in lieu thereof, based on future discounted cash flow techniques or of option models.

b. Derivative contracts entered into for financial liabilities' hedging purposes are also adjusted to their market value in the same way described above, but if the resulting adjustment is positive or negative, they are recorded in the equity accounts.

Suppliers and accounts payable

These represent obligations payable by the Company originated by goods or services received. The most important obligations such as to suppliers, creditors and others, are recorded separately. Accounts payable are recorded using the cost method, which, when applicable, is adjusted according to the unit of measure or functional currency agreed upon for payment.

Taxes, duties and rates

These represent the value of general and mandatory taxes payable by the Company to the State calculated based on private liquidations generated in the respective tax period. These include, among others, income, sales and industry and commerce taxes.

The provision for income tax recorded in the income statement includes, in addition to the income tax on taxable income of the period, that applicable to temporary differences arising between commercial profits and net profit.

Labor obligations

These include liabilities payable by the Company in favor of its employees or beneficiaries. Global estimates are recorded during the period, which are adjusted at the end of the year, determining the amount payable to each employee in accordance with current legislation and collective labor agreements.

The Company makes periodic contributions for severance and integral social security: healthcare, professional risks and pensions, to the respective Funds or to the Colombian Social Security Institute which assume these obligations.

Estimated Liabilities and Provisions

They consist of all current obligations payable by the Company, whose ultimate value depends on a future but certain fact and which in complying with the principles of realization, prudence and accrual, require accounting recognition through provisions. The accounting recognition of estimated liabilities is made during the period in which they occur, affecting assets and/or results of the Company, as the case may be.

A liability is understood to exist and accounting recognition of its estimated amount is necessary when as a result of an economic fact, an obligation is generated, and even though its definite value is not known with certainty there are sufficient elements to calculate its value on a reasonable basis.

Retirement pensions

A retirement pension is a special labor 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 adjusted according to the indices stipulated by the Colombian Government or the parties, during the lifetime of the holder of the pension right or his or her legal beneficiaries, according to the parameters and procedures established by law or by contractual provisions.

Liability adjustments are made based on actuarial studies pursuant to legislation.

Pension payments are recorded directly in the income statement.

Recognition of income, costs and expenses

Sales revenues are recognized when the exchange transaction takes place; those revenues from leases are recognized in the same month they accrue, and revenues from services are recorded during the term of the contract or when services are provided. Costs and expense are recorded based on the accrual method.

Net profit per share

Net profit per share is calculated on the basis of outstanding subscribed shares at the end of the year, for 2011 447,604,316 (2010 – 333,333,632).

Debit and credit memorandum accounts

Commitments pending formalization and rights or contingent liabilities, such as guarantees granted, unused documentary credits, assets received under custody or guarantee, and contracts subscribed for the purchase of goods, property and equipment and hedging operations are recorded under debit and credit memorandum accounts. Also included are control accounts used for internal control of assets, management information or future financial situations. Furthermore, tax memorandum accounts are used to record differences between the accounting and tax figures, respectively.

Materiality Concept

The recognition and presentation of economic facts is determined in accordance with their relative importance.

An economic fact is material when due to its nature or amount, and the surrounding circumstances, knowing or not knowing it could significantly alter the economic decisions of information users. In the preparation of the financial statements, including its notes specific captions are broken down in accordance with legal provisions or on those representing 5% or more of total assets, current assets, total liabilities, current liabilities, working capital, equity and results of operations, as appropriate. Lower amounts are described when they are deemed to contribute to a better interpretation of the financial information.

Reclassifications

Certain items in the financial statements of 2010 have been reclassified only for comparative purposes and do not affect working capital.

Internal accounting and administrative control

There were no significant changes in the Company's internal accounting and administrative control during 2011 and 2010.

NOTE 3. TRANSACTIONS IN FOREIGN CURRENCY

Existing basic regulations allow the free negotiation of foreign currency through banks and other financial institutions at free rates of exchange. Nevertheless, for the company, most transactions in foreign currency still require official approval.

Operations and foreign currency balances are converted at the representative market rate certified by the Financial Superintendent of Colombia, which was used for the preparation of the financial statements at December 31, 2011 and 2010. The representative market exchange rate at December 31, 2011 was of $1,942.70* (2010 - $1,913.98*).

(*) Expressed in Colombian pesos

The Company had the following assest and liabilities in foreign currency, recorded at its equivalent in millions of Colombian pesos at December 31:

	2011		2010	
	In US$	Equivalent in millions of Colombian pesos	In US$	Equivalent in millions of Colombian pesos
ASSETS:				
Foreign currency cash	153,250	298	270,195	517
Banks	4,251,126	8,259	961,327	1,840
Debtors	3,056,455	5,938	71,905,309	137,625
Marketable investments	-	-	3,227,229	6,177
TOTAL CURRENT ASSETS	**7,460,831**	**14,495**	**76,364,060**	**146,159**
Investment abroad (1)	219,486,465	426,396	-	-
TOTAL CURRENT ASSETS	**219,486,465**	**426,396**	-	-
TOTAL ASSETS	**226,947,296**	**440,891**	**76,364,060**	**146,159**
LIABILITIES:				
Foreign suppliers	42,500,415	82,565	27,876,364	53,355
Foreign financial obligations (2)	35,956,797	69,853	152,833,211	292,520
Accounts payable	21,870,875	42,489	4,353,282	8,332
TOTAL LIABILITIES	**100,328,087**	**194,907**	**185,062,857**	**354,207**
NET ACTIVE (PASSIVE) MONETARY POSITION	**126,619,209**	**245,984**	**(108,698,797)**	**(208,048)**

(1) Investment in Spice Investments Mercosur S.A. (Uruguay) of US$218 million and Locatel Panamá of US$1 million.

(2) At December 31, 2011, the Company had no current SWAPs contracts; they were paid during the year. In 2010, it included SWAP hedges for credits of US$114 million and Forward hedges of US$36 million.

Exchange differences incurred in the year were recorded in the following accounts:

	2011	2010
Financial income	120,545	101,619
Financial expenses	(118,255)	(77,668)
Operational expense with hedges (*)	(7,344)	(20,540)
FINANCIAL (EXPENSE) INCOME, NET	**(5,054)**	**3,411**

(*) Effect of hedging operations contracted to cover investments, foreign suppliers and financial obligations in foreign currency.

An adjustment for exchange difference of investments in Carulla Vivero Holding Inc. and Locatel Panamá was recorded as follows:

	2011	2010
Financial income	449	6,390
Financial expenses	(424)	(17,815)
INCOME (EXPENSE) NET	**25**	**(11,425)**

NOTE 4. CASH

At December 31, the cash balance comprised:

	2011	2010
Banks and savings entities	932,944	449,446
Cash	453,563	64,941
TOTAL CASH	**1,386,507**	**514,387**

During 2011, the Company recorded interest from savings accounts in banks and savings entities of $23,167 (2010 -$9,836).

NOTE 5. MARKETABLE INVESTMENTS

Marketable investments at December 31 comprised:

	2011	Interest Rate		2010	Interest Rate	
Time deposit certificates	674,201	5.5%	Effective	250,609	3.0%-4.0%	Effective
Fiduciary rights	28,241	2.7%	Effective	17,143	1.5%	Effective
Investments in foreign currency	-		-	6,177	2.2%	Effective
Investment in repos	-		-	523	1.5%	Effective
TOTAL MARKETABLE INVESTMENTS	**702,442**			**274,452**		

During 2011 the Company recorded interest from marketable investments of $701 (2010 - $2,350) and solidarity bonds of $52 (2010 - $49).

None of these investments has restrictions or liens that limit their realization or marketability.

NOTE 6. DEBTORS, NET

The balance of debtors at December 31, comprised:

	2011	2010
CURRENT:		
Tax advances receivable (See note 19)	76,019	57,534
Clients	53,382	63,513
Provision for clients	(5,207)	(3,109)
SUBTOTAL	**124,194**	**117,938**
SUNDRY DEBTORS:		
Geant International (1)	35,163	138,578
Promotional bonds (2)	19,070	15,473
Employees fund	18,255	15,672
Concessionaires	16,476	14,148
Accounts receivable from related parties (See note 8)	15,663	21,746
From sale of fixed assets – Real Estate (3)	11,974	24,972
Compañía de Financiamiento Tuya S.A. (4)	6,338	36,918
Advances to contractors, suppliers and travel expenses	3,808	1,078
Interest	3,614	629
Other debtors (5)	27,251	37,461
Provision for accounts receivable(1)	(35,163)	(69,286)
SUBTOTAL SUNDRY DEBTORS	**122,449**	**237,389**
TOTAL CURRENT DEBTORS	**246,643**	**355,327**
NON CURRENT:		
Employees fund	21,062	25,058
Advances fixed assets purchases and contractors (6)	7,599	17,602
For sale of fixed assets – Real Estate (7)	6,274	7,872
Other sundry debtors	1,041	1,041
TOTAL NON CURRENT DEBTORS	**35,976**	**51,573**
TOTAL DEBTORS, NET	**282,619**	**406,900**

(1) Final installment of the sale of the investment in Cativén S.A. payable in November 2012. This permitted the reversal of provisions of $32,974 (See note 28), and the accrual only of 100% for the amount of this last installment. During 2011, credits of $101,679 were received, which had provisioned and therefore the corresponding reversal of the provision was made.

(2) This refers to the account receivable regarding agreements with the principal Family Subsidy Entities in the country, as well as several Employee Funds of public and private sector companies of our economy.

(3) For 2011, it includes $5,688 from the sale of the Marbella lot in Cartagena, $3,461 from the sale of the Simesa lot in Medellín, Ciudad del Río sector, $1,188 from the sale of the local where the Belén Distribution Center operated in Medellín to Comfenalco Antioquia, $520 for the sale of the Floresta local in Bogotá, $284 for the civil work of Éxito Rionegro in Antioquia, $232 for the sale of fiduciary rights of Centro Comercial San Pedro Plaza in Neiva and others for $601.

(4) Headings associated with the business operation of Éxito Card such as royalties, reimbursement of shared expenses and collection of coupons that will be paid in January and February 2012.

(5) For 2011, other debtors consist of: $8,933 from business sales agreements, $3,567 for tax claims, $2,897 for re-exportation, $2,092 from loans to Packaging Cooperatives, $1,870 from legal embargoes, $1,697 from advances to pensioners, $707 from the operation of utilities collections, $666 from loans to employees and other small items of $4,822.

(6) Advances given to contractors for the purchase of real estate and remodeling of stores, payment of which will be through the validation of work minutes and/or formalization of public deeds during 2012; however, they are classified as long term in accordance with their final purpose which is the acquisition of fixed assets.

(7) Account receivable generated from the sale of the local where the Belén Distribution Center operated in Medellín to Comfenalco Antioquia, at an agreed interest rate of DTF + 1 point semi-annually, which expires in 2014.

During 2011, the Company recorded an accounts receivable write off of $310 (2010 - $1,146) and included recovery of $32,025 generated mainly by the provision for accounts receivable of Geant International (2010 - $65,786).

Long-term debtors will be recovered as follows:

Years	Advances for purchases of fixed assets and to contractors	Accounts receivable from Employees Fund of Almacenes Éxito	Sundry debtors from sale of fixed assets – Real Estate	Other sundry debtors	Total
2013	-	3,996	2,375	-	6,371
2014	-	3,516	2,375	-	5,891
2015	-	2,760	1,524	-	4,284
2016	-	1,822	-	-	1,822
2017	-	1,584	-	-	1,584
2018 and there-after	7,599	7,384	-	1,041	16,024
TOTAL	**7,599**	**21,062**	**6,274**	**1,041**	**35,976**

NOTE 7. INVENTORIES, NET

The balance of inventories at December 31 comprised:

	2011	2010
Commercial goods for sale	860,077	807,193
Inventories in transit	25,259	19,257
Finished products	979	1,022
Materials, spare parts, accessories and packing	22,627	24,093
Products in process	1,782	1,431
Raw materials	3,014	3,051
Provision for protection of inventories	(48,306)	(33,439)
TOTAL INVENTORIES	**865,432**	**822,608**

NOTE 8. TRANSACTIONS WITH RELATED PARTIES

At December 31, balances and transactions with related parties comprised:

Operations with controlled companies	Type of operation and conditions	2011	2010
Didetexco S.A.	Current accounts payable (See Note 17)	459	743
	Suppliers: Term: 8, 15, 30 y 60 days	31,934	23,454
	Accounts receivable (See Note 6)	15,533	21,548
	Purchase of goods	162,180	139,092
	Purchase of supplies	1,829	3,891
	Net recovery of utilities	102	111
	Interest (2)	638	-
	Recovery of personnel expenses	121	-
	Lease and administration expense	(8,736)	(5,368)
	Shared publicity expense	(64)	-
	Other income	-	2,991
	Sundry expenses	(12)	(19)
Carulla Vivero Holding Inc.	Current accounts payable (See Note 17)	124	123
	Accounts receivable (See Note 6)	130	126
Almacenes Éxito Inversiones S.A.S.	Accounts receivable	2	-
Operations with other type of related parties, per Circular No. 2 of January 28, 1998 of the Financial Superintendence of Colombia:			
Internacional de Llantas S.A.	Suppliers: Term: 8 days	754	721
	Accounts receivable	102	26
	Purchase of goods	5,711	5,226
	Other incomes	40	40
Industrias Agrarias y Pecuarias El Imperio S.A.S.	Suppliers: Term: 8 days	10	4
	Purchase of goods	103	88
Productos Alimenticios La Cajonera S.A.	Suppliers Term: 7, 35 y 40 days	191	-
	Accounts receivable	24	-
	Purchase of goods	1,246	-
	Other incomes	202	-

(1) Loans granted to Didetexco S.A. in order that said company complies with the contract that would terminate the existing litigation for the right of use of the local in Unicentro, in Bogotá.

(2) Interest paid by Didetexco S.A. for loans granted in 2010.

During 2011 and 2010 the Company did not enter into commercial operations with members of its Board of Directors, Legal Representatives and Executives other than those reported in this note.
All operations inherent to the investments in related companies are disclosed in Note 10 “Investments in subordinated companies”.

During 2011 and 2010 there were no transactions between the Company and its related parties with the following characteristics:

1. Operations differing from those entered with third parties, involving differences in market prices for similar operation.
2. Loans without interest or compensation.
3. Services or advice without cost.
4. Transactions for other concepts, except for payments inherent to the direct relationship with members of the Board of Directors, Legal Representatives and Administrators.
5. Concerning administrative management, Almacenes Éxito S.A. has control over Didetexco S.A., Carulla Vivero Holding Inc. and Almacenes Éxito Inversiones S.A.S..

NOTE 9. PERMANENT INVESTMENTS

Permanent investments balances at December 31 comprised:

			2011						2010
Economic entity	Valuation Method	Date of intrinsic or market value	Book Value	Valuation (See Note 14)	Devaluation (See Note 14)	Provision	Realization value	Dividends received	Book value
1. Variable yield investments in non controlled, voluntary and participative entities									
Bonds Tuya S.A. (formerly, Sufinanciamiento) (1)			74,500	-	-	-	74,500	-	54,500
Predios del Sur S.A. "In liquidation"	Intrinsic	-	-	-	-	-	-	-	3,451
Automercados de la Salud S.A. Panamá	Intrinsic	October	2,370	922	-	-	3,110	801	2,335
Fogansa S.A.	Intrinsic	September	1,000	-	(217)	-	783	-	1,000
Promotora de Proyectos S.A.	Intrinsic	November	240	-	(196)	-	44	-	240
Central de Abastos del Caribe S.A.	Intrinsic	November	26	46	-	-	72	-	26
Other minor ones			328	35	-	(24)	339	-	617
2. Variable yield investments, in non controlled, forced and non participative entities									
Peace Solidarity Bonds (2)			1,375	-	-	-	1,375	-	1,375
SUBTOTAL VARIABLE YIELD INVESTMENTS			**79,839**	**1,003**	**(413)**	**(24)**	**80,223**	**801**	**63,544**
3. Investments in subordinated companies (See Note 10)			571,783	1,756	-	-	573,539	-	109,332
SUBTOTAL PERMANENT INVESTMENTS			**651,622**	**2,759**	**(413)**	**(24)**	**653,762**	**-**	**172,876**
Provision for protection of investments			(24)	-	-	-	-	-	(869)
TOTAL PERMANENT INVESTMENTS			**651,598**	**2,759**	**(413)**	**(24)**	**653,762**	**801**	**172,007**

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(1) Bonds issued by Compañía de Financiamiento Tuya S.A. (formerly Sufinanciamiento S.A.) as part of the publicity agreement shared with the company for "ÉXITO Card", for a nominal amount of $74,500 over a term of 10 years with a yield of IPC + 2% plus the profit percentage of the agreement.

(2) Peace Solidarity Bonds are securities issued by the State with a term of seven years and yielding annually the equivalent of 110% of the PAAG. Yields recorded in 2011 amounted to $52 (2010 - $49). The balance of the bonds corresponds to the investment made in 2007 for $1,375 which expiration will be in 2014.

Permanent investments do not have restrictions or liens limiting their marketability or realization, except for the investment the Company has in bonds of Tuya S.A. (formerly, Sufinanciamiento S.A.) which were issued as part of the publicity agreement shared with the EXITO card.

Below is additional information on permanent investments:

Type of investment in accordance with the economic entity	Economic activity	Type of share	Number of shares		% of participation on subscribed capital	
			2011	2010	2011	2010
Variable yield investments in non controlled, voluntary and participative entities						
Predios del Sur S.A. "In liquidation"	Construction	Ordinary	-	1.496.328.719	-	19.47
Promotora de Proyectos S.A.	Services	Ordinary	212.169	212.169	5.64	5.64
Central de Abastos del Caribe S.A.	Commerce	Ordinary	3.430	3.430	0.14	0.14
Automercados de la Salud S.A. Panamá	Commerce	Ordinary	20.000	20.000	20.00	20.00
Fogansa S.A.	Cattle raising	Ordinary	500.000	500.000	0.89	0.89

For investments in shares of these companies, the company has no immediate realization plans scheduled.

For investments where the intrinsic value was not available at December 31, 2011, the data available at September, October or November 2011 was taken and compared with the value recorded in the books at December 31, 2011 to determine its valuation or devaluation.

Companies in which the investment is greater than 10% of equity

Corporate purpose:

Predios del Sur S.A. "In liquidation", organized by public deed No. 3423 issued by the 25th Notary's Office of Medellín on December 6, 1996, as evidenced in Book Ninth, Page 1566 of the Chamber of Commerce of Medellín. Its corporate purpose is investing in the construction of real estate projects in general in urban or rural zones, and whatever the destination of the real estate, with the final objective of disposing of the real estate making up the respective projects.

The Company's dissolution was approved on December 17, 2009, in book 9 under number Nº 18157 of the 25th Notary's Office of Medellín, and it was liquidated in March 2011.

Automercados de la Salud S.A. Panamá, organized by public deed 3380 issued by the 5th Notary's Office of the Circuit of Panamá, on June 9, 2004. Its main corporate purpose is establishing, processing and carrying out the business of an investment Company; to buy, sell, and negotiate all type of consumables, shares, bonds and securities; to buy, sell, rent, acquire or dispose of real estate; to borrow and lend money, with or without guarantee, enter into, extend, comply and execute contracts of any nature; guarantee the realization and compliance with all contracts; and to carry on any business which is not prohibited, etc.

Evolution of assets, liabilities, equity and profit of companies with permanent investments in excess of 10%:

The figures shown below were taken from the certified financial statements subject to current legal regulations for permanent investments in excess of 10% at October 31, 2011 and November 30, 2010, respectively:

COMPANY	ASSETS		LIABILITIES		EQUITY		RESULTS		OPERATING INCOME	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Predios del Sur S.A. "En liquidación"	-	13,280	-	2	-	13,278	-	975	-	4,282
Automercados de la Salud S.A. Panamá	16,667	14,161	1,118	1,043	15,549	13,118	5,780	1,941	424	2,028
TOTAL	**16,667**	**27,441**	**1,118**	**1,045**	**15,549**	**26,396**	**5,780**	**2,916**	**424**	**6,310**

NOTE 10. INVESTMENTS IN SUBORDINATED COMPANIES

At December 31 investments in subordinated companies comprised:

	2011		2010	
ECONOMIC ENTITY	Book Valuation	Value	Book Valuation	Value
Variable yield investments in controlled, voluntary and participative entities				
Spice Investments Mercosur S.A.	449,179	-	-	-
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	117,758	1,756	104,971	2,628
Almacenes Éxito Inversiones S.A.S.	4,777	-	4,292	-
Carulla Vivero Holding Inc.	69	-	69	-
TOTAL INVESTMENT IN SUBORDINATED COMPANIES	**571,783**	**1,756**	**109,332**	**2,628**

The document to close the agreement whereby the Company acquired 100% of the shares of Spice Investments Mercosur S.A was signed on September 29, 2011. The latter is the Holding company that owns 96.5% of Lanin S.A. and 62.5% of Grupo Disco Uruguay S.A., which are the direct and indirect owners of the supermarket chains operating under the DISCO, DEVOTO and GEANT brands in the Republic of Uruguay.

The principal domicile of Spice Investments Mercosur S.A. is the Republic of Uruguay; the domicile of Didetexto S.A. and Almacenes Éxito Inversiones S.A.S. is the municipal jurisdiction of Envigado, and the British Virgin Islands is the principal domicile of Carulla Vivero Holding Inc.

The corporate purpose is the following:

Spice Investments Mercosur S.A. is a closed company, with nominative shares, organized on November 14, 2005 under the rules of Republic of Uruguay. Its principal purpose is making investments in general, and developing activities related with investments in the country and abroad.

Didetexco S.A. was organized on July 13, 1976. Its corporate purpose consists of acquiring, storing, transforming, manufacturing, selling and in general distributing under any modality all kinds of textile goods, manufactured locally or abroad and acquiring, renting, leasing real estate intended for the establishment of stores, shopping centers or other appropriate sites for the distribution of goods and the sale of goods or services.

Almacenes Éxito Inversiones S.A.S. was organized on September 27, 2010 in accordance with Colombian law. Its corporate purpose is setting up, financing, promoting, investing or agreeing individually or with other individuals or legal entities to organize entities, companies or businesses whose corporate purpose is the production or commercialization of goods or the rendering of services related with the operation of commercial establishments, and joining such companies as associate through contributions of money, goods or assets.

Carulla Vivero Holding Inc. was organized in the British Virgin Islands on September 14, 2000 by Carulla Vivero S.A., a shareholder of 100% of its capital at December 31, 2000. In 2010, as a result of the merger, Almacenes Éxito S.A. became the owner of 100%. The corporate purpose of Carulla Vivero Holding Inc. is to invest, buy, own, acquire in any way, sell, assign, and manage any property and real estate not prohibited or regulated by the laws of the British Virgin Islands.

Below is additional information on the investment in subordinated companies:

Type of investment in accordance with the economic entity	Economic Activity	Type of Share	Number of Shares		% of participation in subscribed capital	
			2011	2010	2011	2010
Variable yield investments, in controlled, voluntary and participative entities.						
Spice Investments Mercosur S.A.	Investment	Ordinary	8.305.872.345	-	100.00	-
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	Manufacturing	Ordinary	7.820.000	7.820.000	97.75	97.75
Almacenes Éxito Inversiones S.A.S.	Investment	Ordinary	300.000	300.000	100.00	100.00
Carulla Vivero Holding Inc.	Investment	Ordinary	385.900	385.900	100.00	100.00

At December 31, 2011 and 2010, the company has a participation in Didetexco of 94% directly (7.520.000 shares) and 3.75% indirectly (300.000 shares) through Almacenes Éxito S.A.S.

The effect of the application of the equity method was the following:

	2011		2010	
	Results	Equity	Results	Equity
Spice Investments Mercosur S.A.	24,816	336	-	-
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	3,694	9,092	1,194	289
Almacenes Éxito Inversiones S.A.S.	485	-	(508)	-
TOTAL	**28,995**	**9,428**	**686**	**289**

Evolution of assets, liabilities, equity and profit of investments in subordinated companies:
The figures shown below were taken from the certified financial statements subject to current legal provisions for subordinated companies at December 31, 2011 and 2010:

COMPANY	ASSETS		LIABILITIES		EQUITY		RESULTS		OPERATING INCOME	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Spice Investments Mercosur S.A.	761,326	-	312,147	-	449,179	-	24,816	-	290,764	-
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	167,910	161,997	40,768	47,530	127,142	114,467	3,002	1,354	176,066	150,682
Almacenes Éxito Inversiones S.A.S.	4,779	4,292	2	-	4,777	4,292	485	(508)	-	-
Carulla Vivero Holding Inc.	198	195	129	126	69	69	-	-	-	-
TOTAL	**934,213**	**166,484**	**353,046**	**47,656**	**581,167**	**118,828**	**28,303**	**846**	**466,830**	**150,682**

In compliance with numeral 12 of Circular 11 of 2005, jointly issued by the Financial Superintendent of Colombia and the Superintendent of Corporations, shown below is the equity composition of the subordinated companies at the close of 2011 and 2010.

Composition of equity of Spice Investment Mercosur S.A.:

	2011
Capital	365,989
Reserves	1,198
Equity	15,187
Non appropriated profits	41,989
Net income	24,816
TOTAL EQUITY	**449,179**

Almacenes Éxito S.A. recorded an increase of $336 through the equity method and income of $24,816 through the application of the equity method.

Composition of equity of Distribuidora de Textiles y Confecciones S.A. "Didetexto S.A."

	2011	2010
Capital	2,800	2,800
Capital surplus	78,250	78,250
Reserves	19,380	18,026
Equity revaluation	7,548	14,017
Net profit	3,002	1,354
Valuation surplus	16,162	20
TOTAL EQUITY	**127,142**	**114,467**

During 2011 Didetexco S.A. did not distribute dividends, and the profits of 2010 were transferred to reserves.

Almacenes Éxito S.A. reflected an increase of equity of $9,092 and income of $3,694 upon the application of the equity method, of which $2,934, correspond to profits of the year and $760 for unrealized profits in 2010 for goods sold in 2011.

Composition of equity of Almacenes Éxito Inversiones S.A.S.:

	2011	2010
Capital	300	300
Capital surplus	4,500	4,500
Accumulated loss	(23)	(508)
TOTAL EQUITY	**4,777**	**4,292**

The company was organized in September 2010.
Upon applying the equity method, Almacenes Éxito S.A. did not reflect the loss deriving from the application of the equity method of results or equity.

Composition of equity of Carulla Vivero Holding Inc.:

	2011	2010
Capital	720	709
Accumulated losses	(651)	(640)
TOTAL EQUITY	**69**	**69**

The equity method was not applied for this company since the adjustment for exchange difference in equity is equal to the exchange difference adjustment made to investment.

NOTA 11. PROPERTY, PLANT AND EQUIPMENT, NET

At December 31, property, plant and equipment, net comprised:

	2011			2010		
	Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net cost
Construction and buildings (1)	1,599,230	(588,189)	1,011,041	1,495,234	(507,574)	987,660
Land	462,972	-	462,972	487,811	-	487,811
Machinery and equipment	830,782	(534,751)	296,031	755,020	(473,920)	281,100
Office equipment	555,454	(375,100)	180,354	496,222	(344,104)	152,118
Construction in progress	55,858	-	55,858	94,106	-	94,106
Computers and communication equipment	228,526	(175,255)	53,271	253,671	(198,350)	55,321
Transportation equipment	38,238	(31,381)	6,857	37,530	(28,702)	8,828
Security armament	58	(44)	14	58	(38)	20
SUBTOTAL	**3,771,118**	**(1,704,720)**	**2,066,398**	**3,619,652**	**(1,552,688)**	**2,066,964**
Provision for property, plant and equipment	-	(13,515)	(13,515)	-	(16,114)	(16,114)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	**3,771,118**	**(1,718,235)**	**2,052,883**	**3,619,652**	**(1,568,802)**	**2,050,850**

(1) During 2011 the Company sold the following real estate:

Real estate	City	Sale amount	Net cost	Profit on sale
Pomona Oviedo	Medellín	11,486	5,458	6,028
Funza land	Funza	4,032	2,356	1,676
Cedi Vía 40	Barranquilla	6,800	5,131	1,669
Simesa land	Medellín	6,923	5,273	1,650
Vivero Centro	Barranquilla	1,500	1,000	500
Land portion Amarillo Crema	Cali	412	240	172
Commercial locals Bulevar Suramérica 102 y 104	Medellín	220	196	24
Marbella land Manzana 11	Cartagena	5,688	5,688	-
Manizales Bavaria land	Manizales	5,374	5,562	(188)
TOTAL (SEE NOTE 28)		**42,435**	**30,904**	**11,531**

Depreciation charged to the income statement during 2011 amounted to $205,395 (2010 – $202,201).
Property, plant and equipment do not have restrictions or liens limiting their realization or marketability and represent fully-owned assets.
The Company's assets are covered by insurance policies.

VALUATION OF PROPERTY, PLANT AND EQUIPMENT

At December 31, the summary of appraisals and provisions of the assets in accordance with the policy is as follows:

1. With appraisal

	2011			2010		
Type	Realization Value	Net Cost	Appraisal (See Note 14)	Realization Value	Net Cost	Appraisal (See Note 14)
Land and buildings	2,509,438	1,407,851	1,101,587	2,395,121	1,407,125	987,996
Machinery and equipment	211,412	130,683	80,729	261,756	189,177	72,579
Office equipment	106,273	68,189	38,084	101,858	78,671	23,187
Computers	15,594	7,497	8,097	21,863	14,863	7,000
Transportation equipment	5,886	2,611	3,275	8,968	4,514	4,454
TOTAL APPRAISALS	**2,848,603**	**1,616,831**	**1,231,772**	**2,789,566**	**1,694,350**	**1,095,216**

2. With provision

	2011			2010		
Type	Realization Value	Net Cost	Provision	Realization Value	Net Cost	Provision
Land and buildings	34,261	47,573	(13,312)	52,755	68,347	(15,592)
Machinery and equipment	344	495	(151)	3,412	3,884	(472)
Computers	19	50	(31)	-	-	-
Office equipment	552	573	(21)	18	68	(50)
TOTAL PROVISION	**35,176**	**48,691**	**(13,515)**	**56,185**	**72,299**	**(16,114)**

Technical appraisals of real estate and movable assets of the Company are made every three years in accordance with Article 64 of Decree 2649 of 1993 "Accounnting Principles Generally Accepted in Colombia".

NOTE 12. INTANGIBLES, NET

At December 31, the value of intangibles is represented by:

	2011			2010		
	Cost	Accumulated amortization	Net cost	Cost	Accumulated amortization	Net cost
Goodwill Carulla Vivero S.A. (1)	1,001,940	(108,866)	893,074	1,001,940	(78,643)	923,297
Goodwill Spice Investments Mercosur S.A. (2)	1,028,061	(6,348)	1,021,713	-	-	-
Fiduciary estate rights (3)	50,599	(12,384)	38,215	31,774	(10,624)	21,150
Brands (4)	32,363	(6,259)	26,104	32,363	(4,143)	28,220
Other rights (5)	21,970	(827)	21,143	22,827	-	22,827
Goodwill Home Mart	5,141	(1,480)	3,661	5,141	(370)	4,771
Goodwill others (6)	14,034	(11,433)	2,601	14,034	(9,384)	4,650
Rights in shares	18	-	18	18	-	18
TOTAL INTANGIBLES, NET	**2,154,126**	**(147,597)**	**2,006,529**	**1,108,097**	**(103,164)**	**1,004,933**

(1) Goodwill was recorded during 2007 and corresponds to the equity surplus paid by the Company for the acquisition of Carulla Vivero S.A. amounting to $ 692,101 (including all costs incurred by the Company for the purchase of said company).
In December 2009 the Company acquired an additional 22.5% of Carulla Vivero S.A. recording goodwill of $306,159. In 2010 an additional $3.680 was recorded.
At the close of the year there are no contingencies that could adjust or accelerate the amortization of the goodwill acquired with Carulla Vivero S.A. A valuation was made to confirm it had not lost value, in accordance with Joint Circular No. 011 of August 18, 2005 of the Superintendent of Securities (today Financial Superintendent of Colombia).

(2) The goodwill recorded during 2011 corresponds to excess equity paid by the Company for the acquisition of Spice Investments Mercosur S.A. for $1,028,061 (includes all costs incurred by the Company in the purchase of said entity).

(3) In 2010, the Company set up the Autonomous Capital Comercial Center San Pedro I and II in the city of Neiva for $26,998 (2010 – $16,436) and others for $11,217 (2010 - $4,714).

(4) Includes the Surtimax and Merquefacil brands, received from the merger with Carulla Vivero S.A.

(5) Includes amounts paid for purchases of establishments for $15,636, rights in Tesoro stage 3 for $2,268 (2010 – $1,457) and others for $3,239 (2010 – $1,952).

(6) Includes goodwill of Merquefácil and Carulla, among others, received from the merger with Carulla Vivero S.A.

NOTE 13. DEFERRED CHARGES, NET

Deferred charges at December 31 comprised:

	2011			2010		
	Cost	Accumulated amortization	Net cost	Cost	Accumulated amortization	Net cost
Prepaid expenses:						
Insurance	12,173	-	12,173	8,602	-	8,602
Leases	2,384	-	2,384	1,829	-	1,829
Maintenance	927	-	927	1,013	-	1,013
Publicity	827	-	827	-	-	-
SUBTOTAL PREPAID EXPENSES	**16,311**	**-**	**16,311**	**11,444**	**-**	**11,444**
Deferred income tax (See Note 19)	31,905	-	31,905	30,150	-	30,150
SUBTOTAL CURRENT DEFERRED CHARGES	**48,216**	**-**	**48,216**	**41,594**	**-**	**41,594**
Deferred charges:						
Leasehold improvements	312,085	(176,203)	135,882	251,049	(133,107)	117,942
Deferred income tax (See note 19)	66,133	-	66,133	67,430	-	67,430
Software (1)	158,817	(127,402)	31,415	140,096	(110,013)	30,083
Leases (2)	9,759	-	9,759	8,579	-	8,579
Deferred monetary correction	19,331	(15,962)	3,369	19,332	(14,722)	4,610
Deferred actuarial calculation	2,590	-	2,590	2,590	-	2,590
SUBTOTAL NON CURRENT DEFERRED CHARGES	**568,715**	**(319,567)**	**249,148**	**489,076**	**(257,842)**	**231,234**
TOTAL DEFERRED CHARGES IN ASSETS	**616,931**	**(319,567)**	**297,364**	**530,670**	**(257,842)**	**272,828**
Liabilities:						
Deferred financing interest income	311	-	311	-	-	-
SUBTOTAL CURRENT DEFERRED CHARGES IN LIABILITIES	**311**	**-**	**311**	**-**	**-**	**-**
Deferred income tax (See Note 19)	16,742	-	16,742	8,371	-	8,371
Deferred monetary correction	29,480	(24,242)	5,238	29,480	(22,683)	6,797
SUBTOTAL NON CURRENT DEFERRED CHARGES	**46,222**	**(24,242)**	**21,980**	**37,851**	**(22,683)**	**15,168**
TOTAL DEFERRED CHARGES IN LIABILITIES	**46,533**	**(24,242)**	**22,291**	**37,851**	**(22,683)**	**15,168**

(1) In 2011, the Company acquired computer software for its expansion program for $18,723 (2010 - $18,070).

(2) In 2011 the prepayment of lease contracts of the locals where the Éxito San Martín stores in Bogotá operated was $8,846 (2010 – $7,497) and Pomona San Lucas in Medellín for $913 (2010 - $1,082).

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NOTE 14. VALUATIONS

At December 31, the summary of valuations comprised:

	2011			2010		
	Valuation	Devaluation	Net valuation	Valuation	Devaluation	Net valuation
Construction and buildings (See Note 11)	1,101,587	-	1,101,587	987,996	-	987,996
Movable assets (See Note 11)	130,185	-	130,185	107,220	-	107,220
Fiduciary rights	21,130	-	21,130	23,076	-	23,076
Investments	2,759	(413)	2,346	2,991	(195)	2,796
TOTAL VALUATIONS	**1,255,661**	**(413)**	**1,255,248**	**1,121,283**	**(195)**	**1,121,088**

NOTE 15. FINANCIAL OBLIGATIONS

December 31 the balances comprised:

	2011						2010	
	Entity	Book value	Accrued interest payable	Interest rate	Maturity	Guarantee	Book value	Interest rate
SHORT TERM								
Credit cards	Bancolombia	100					-	
TOTAL LOCAL CURRENCY LOAN		**100**					-	
Foreign currency loan	JP Morgan	-					137,806	Libor 90 + 1.75
	Citibank	-					5,981	Libor 180 + 0.70
	Bancolombia	-					80,387	Libor 180 + 0.70
	Bancolombia	-					49,764	Libor 180 + 2.4
	Bancolombia	31,083	348	Libor 120 + 3.61	January 12, 2012	Promissory note	19,140	Libor 180 + 2.4
	Banco de Bogotá	38,854	412	Libor 120 + 3.4	January 12, 2012	Promissory note	-	
SWAP hedge operation	Citibank (*)	-					39,976	
	Bancolombia (*)	-					24,799	
Forward hedge operation	Bancolombia	-					(559)	
	Fiduciaria Corficolombiana	(3)					-	
	Helm Bank S.A.	(81)					-	
TOTAL FOREIGN CURRENCY LOANS		**69,853**	**760**				**357,294**	
TOTAL FINANCIAL OBLIGATIONS		**69,953**	**760**				**357,294**	

(*) Derivative Financial Instruments – SWAP.
In January 2007, the Company received funds of US$300 million corresponding to a syndicated loan contracted with JP Morgan Chase Bank for the acquisition of Carulla Vivero S.A. This loan was divided into two tranches: the first tranche of US$120 million expiring in three years with a single payment in 2010 and a second tranche of US$180 million over a five year term, with five separate repayments semi-annually beginning in the third year with the final payment in the second half of 2011.

In 2011, two additional foreign currency loans were negotiated, one with Bancolombia for US$42 million, expiring in May 2011 and another with Citibank for US$3,1 million, expiring in June 2011.
In 2011, in accordance with the rules of the Financial Superintendent on hedging accounting, the result of the valuation of these instruments $8,183 million was recorded in the Company's equity and an expense of $3,560 million was charged to results on the expiration date of each tranche of the SWAP.
At December 31, 2011, the company does not have any SWAP contracts in force.

The Company does not expect to restructure its borrowings. The Company amortizes its financial obligations on their respective due dates. None of the financial obligations is in arrears.

NOTE 16. SUPPLIERS

At December 31, the balance of suppliers comprised:

	2011	2010
Local	1,172,202	1,045,141
Foreign	82,566	53,355
TOTAL	**1,254,768**	**1,098,496**

NOTE 17. ACCOUNTS PAYABLE

At December 31, the balance accounts payable comprised:

	2011	2010
RELATED PARTIES (SEE NOTE 8)	**583**	**866**
DIVIDENDS PAYABLE (1)	**808**	**20,715**
SUNDRY CREDITORS:		
Costs and expenses payable	192,926	154,974
Contractors	36,642	30,096
Goods retirement orders pending utilization	33,564	27,847
Withholding tax payable	20,697	19,552
Social Security and payroll contributions (2)	818	15,031
Other sundry creditors	851	841
Account payable obligations for hedging	-	2,519
SUBTOTAL SUNDRY CREDITORS	**285,498**	**250,860**
TOTAL SHORT-TERM ACCOUNTS PAYABLE	**286,889**	**272,441**

(1) A quarterly dividend of $75 (*) per share was declared at the General Shareholders' Meeting held on March 18, 2011, payable in four installments between the sixth (6th) and the tenth (10th) business days of April, July and October, 2011 and January 2012.
(*) Expressed in Colombian pesos.

(2) Includes amounts payable for social security and payroll contributions at December 31, 2011 and 2010. Payments were made in advance in 2011.

At December 31, 2011 and 2010, the Company satisfactorily complied with all rules relating with the Social Security Law and payroll contributions.

The Company does not have accounts payable with a period exceeding five years.

NOTE 18. BONDS

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

Authorized amount:	$200,000
Amount placed at December 31, 2006:	$105,000
Nominal value:	$1
Payment:	Upon maturity
Maturity date:	26.04.2013
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. - DECEVAL S.A.

The prospectus for the placement of the 2006 common bonds of Almacenes Éxito S.A., stipulates the following general guarantee for the bonds:

"To respond to the holders of Common Bonds with all the assets, in the capacity of general collateral, for compliance with all commitments acquired as a result of the issue of the Common Bonds".

By means of Resolution No. 0335 issued on April 27, 2005 by the Colombian Superintendent of Securities (now Colombian Financial Superintendent), Carulla Vivero S.A. (the Company absorbed by Almacenes Éxito S. A. in 2010). was authorized to issue bonds with the following characteristics:

Authorized amount:	$150,000
Amount placed at May 31, 2005:	$150,000
Nominal value:	$10
Payment:	Upon maturity
Maturity date	05.05.2015
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A.

In the General Assembly of Bondholders of Carulla Vivero S.A. held in Bogotá on June 18, 2010, the change of issuer of these bonds to the name of Almacenes Éxito S.A. was approved.

At December 31, 2011, the market values were:

Date of issue	Value	Date of maturity	Term	Interest rate
26.04.2006	74,650	26.04.2013	7 years	IPC + 5.45% SV
05.05.2005	150,000	05.05.2015	10 years	IPC + 7.5%
TOTAL	**224,650**			

Interest and the capital of the issue of bonds maturing on April 26 were paid in 2011. A total amount of $22,859 (2010 - $20,134) interest was charged to results for these bonds. Accrued interest of $ 3,846 was recorded at December 31, 2011(2010 - $ 3,632).

NOTA 19. TAXES, DUTIES AND RATES

Advances and balance in favor, and taxes at December 31 comprised:

	2011	2010
Income tax	(69,686)	(51,483)
Industry and commerce tax and real estate tax advance	(3,723)	(3,822)
Industry and commerce tax withholdings	(2,445)	(2,192)
Sales tax in favor – importations	(165)	(37)
INCLUDED IN CURRENT ASSETS (SEE NOTE 6)	**(76,019)**	**(57,534)**
Current equity tax	46,865	-
Sales tax payable	46,458	35,607
Industry and commerce tax and property tax	20,398	24,148
Promotion installments	80	83
INCLUDED IN CURRENT LIABILITIES	**113,801**	**59,838**
LONG-TERM EQUITY TAX	**93,730**	**-**
TOTAL NET	**131,512**	**2,304**

The estimated current asset for income tax at December 31 comprised:

	2011	2010
LIABILITY – PROVISION FOR THE YEAR	**33,551**	**47,660**
Adjustment of the annual provision	-	(692)
TOTAL INCOME TAX LIABILITY	**33,551**	**46,968**
Less advances	-	(4,170)
Less tax withholdings	(103,237)	(94,281)
TOTAL INCOME TAX RECEIVABLE	**(69,686)**	**(51,483)**

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The movement of deferred income tax during the year comprised:

	2011	2010
BALANCE AT BEGINNING OF YEAR	**(89,209)**	**(70,176)**
NET ADJUSTMENT OF PRIOR YEARS' DEFERRED TAX	**-**	**(1,345)**
Deferred income tax in the year as a result of:		
Amortization / excess of presumptive over ordinary income(1):	2,402	(18,659)
Non deductible provision for estimated liabilities	(8,503)	(12,330)
Non deductible provision for inventory	(15,971)	(10,236)
Non deductible provision for taxes	(8,100)	(6,324)
Adjustment of depreciation expense for accounting and tax difference	634	865
Use of deductible accrued liability	12,882	7,416
Use of deductible inventory provision	10,236	7,150
Use of deductible tax provision	5,962	6,059
Amortization deduction for tax payable	8,371	8,371
NET MOVEMENT OF THE YEAR	**7,913**	**(17,688)**
BALANCE AT END OF YEAR (2)	**(81,296)**	**(89,209)**

(1) The movement in 2011 corresponds to 33% of $11,600 for the amortization of the excess of presumptive income over net ordinary income of prior years less 33% of $4,320 of the excess of presumptive income of 2010. The movement of 2010 corresponds to 33% of $56,543 of the excess of presumptive income over net ordinary income.

(2) Included in the balance sheet as follows:

	2011	2010
Current assets		
Deferred charges (See Note 13)	(31,905)	(30,150)
Non current assets		
Deferred charges (See Note 13)	(66,133)	(67,430)
Non current liabilities		
Deferred charges (See Note 13)	16,742	8,371
TOTAL	**(81,296)**	**(89,209)**

The reconciliation between accounting profit and taxable income for tax purposes comprised:

	2011	2010
Accounting profit before income tax	430,919	284,806
Plus:		
Loss on disposal of buildings and sale of investments	-	6,616
Provision for investments	11	-
Provision of fixed assets	-	1,736
Provision for unknown shrinkage	48,398	31,017
Provision for industry and commerce, real estate and stamp taxes	24,544	20,183
Provision for accounts receivable	-	69,726
Non deductible expenses for accrued liabilitie	13,131	22,947
Non deductible expenses	6,141	12,085
Recovery of depreciation on sale of fixed assets	5,984	4,818
Adjustment of depreciation expense for accounting and tax differences	1,322	3,243
ax on financial movements	13,888	606
Reimbursement of deduction for investment in fixed productive assets	639	1,203
Exchange difference on investment in Uruguay	11,648	-
Less:		
Deduction of 40% for investment in productive assets	(76,000)	(51,452)
Compensation of 2008 tax losses	(59,197)	-
Amortization of prior years' excess of presumptive income	(11,600)	-
Provision for prior year liabilities, deductible in the current year	(28,481)	(31,620)
Retirement of profit on sale of fixed assets to be declared for capital gains tax	(11,173)	(44,407)
Income / expense under equity method	(28,995)	508
Provision for prior years' inventories, deductible in the current year	(33,813)	(21,667)
Difference between the accounting and tax amortization of intangibles	(147,460)	(155,094)
Provision for industry and commerce tax and real estate tax of the prior year deductible in the current year.	(20,242)	(18,362)
Recovery of provision for assets (*)	(37,078)	(85,284)
Other non taxable income	(2,747)	(489)
Revenue not constituting income or capital gain	(52)	(50)
TOTAL ORDINARY TAXABLE INCOME	**99,787**	**51,069**

(*) In 2011, recoveries of provisions were recorded as follows: Cativén S.A. of $32,974 (2010 -$79,520), Predios del Sur of $857 (2010 - $451), for fixed assets $2,621 (2010 - $1,142), for other provisions of $626 (2010 - $479). In 2010, includes recovery of provision for construction contracts of $3,692.

For tax purposes, capital gains are as follows:

	2011	2010
Sales price of fixed assets - real estate sold (owned for more than two years)	42,214	13,497
Sales price of fixed assets - movables	2,633	3,001
Liquidation price / sale of investments liquidated	2,455	170,999
TOTAL SALES PRICE	**47,302**	**187,497**
Tax cost of real estate fixed assets sold	(36,815)	(9,020)
Tax cost of movable fixed assets sold	(2,731)	(2,847)
Tax cost of liquidated / sold investments	(3,450)	(136,621)
TOTAL COST	**(42,996)**	**(148,488)**
TAXABLE CAPITAL GAINS	**4,306**	**39,009**
TAX ON CAPITAL GAINS	**1,421**	**12,873**

Current liabilities from income tax were determined as follows:

	2011	2010
Prior year net equity at December 31(1)	3,385,667	3,839,796
Less net equity to be excluded	(59,434)	(375,675)
NET EQUITY PRESUMPTIVE INCOME BASE	**3,326,233**	**3,464,121**
Presumptive income on net equity	99,787	103,924
PRESUMPTIVE INCOME	**99,787**	**103,924**
Net ordinary income	99,787	51,069
NET TAXABLE INCOME	**99,787**	**103,924**
INCOME TAX BEFORE EARNINGS (33%)	**32,930**	**34,295**
Tax on capital gains	1,421	12,873
TOTAL CURRENT LIABILITY FOR INCOME TAX BEFORE TAX DISCOUNT	**34,351**	**47,168**
Tax discount for investment in cattle raising companies	(800)	(200)
TOTAL CURRENT LIABILITY FOR INCOME TAX	**33,551**	**46,968**
Current income tax expense	33,551	46,968
Net adjustment of prior year provision	-	692
Deferred taxes net movement	7,913	(17,688)
INCOME TAX EXPENSE	**41,464**	**29,972**

(1) In 2010 the amount corresponds to the sum of equities of Almacenes Éxito S.A. and Carulla Vivero S.A.

Reconciliation between accounting equity and tax equity:

	2011	2010
ACCOUNTING EQUITY AT DECEMBER 31	**7,241,226**	**4,417,222**
Plus:		
Net fixed asset and tax adjustments	187,263	187,847
Estimated liabilities for expenses	35,600	43,241
Provision for inventories (See Note 7)	48,306	33,439
Provision for fixed assets (See Note 11)	13,515	16,114
Provision for accounts receivable from clients (See Note 6)	-	3,109
Provision for long-term accounts receivable (See Note 6)	40,370	69,286
Elimination of accumulated depreciation due to difference in accounting and tax useful lives	1,552	3,243
Higher equity value of temporary investments	910	910
Deferred tax payable (See Note 13)	16,742	8,371
Provision for industry and commerce tax	2,025	1,836
Provision for investments (See Note 9)	24	869
Elimination of equity method of Almacenes Éxito Inversiones S.A.S.	23	508
Less:		
Valuations of fixed assets (See Note 14)	(1,231,772)	(1,095,216)
Valuations of investments (See Note 14)	(2,347)	(2,796)
Amortization of capitalized deferred charges	(81,783)	(81,783)
Deferred tax receivable (See Note 13)	(98,038)	(97,580)
Elimination equity method of Didetexco S.A.	(25,192)	(17,236)
Elimination of equity method of Spice Investments Mercosur S.A.	(25,153)	(327)
Difference between accounting and tax amortization of intangibles	(252,848)	(105,390)
TOTAL NET EQUITY	**5,870,423**	**3,385,667**

Income tax and capital gains

Current tax provisions applicable to the Company stipulate that:

a. As of 2008 taxable income is subject to the rate of 33%.

b. The base to determine income tax may not be lower than 3% of its net fiscal equity on the last day of the previous taxable year.

c. As of taxable year 2007, integral inflation adjustments were eliminated for tax purposes, and capital gains for legal entities is calculated on total income from this source during the taxable year.

d. The annual percentage for adjustment for the cost of movable assets and real estate having the nature of fixed assets, for 2011 is 3.65% (2010 – 2.35%).

e. As of taxable year 2007 and until taxable year 2009, the deduction for investments in productive fixed assets was 40%. Its use does not generate profit on which the partners or shareholders are taxed. Taxpayers that acquire fixed productive depreciable assets as of January 1, 2007 and use the deduction established herein, may only depreciate such assets by the straight-line system and are not be entitled to the tax audit benefit even if they comply with the tax

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regulations. Before January 1, 2007, this deduction on investments in fixed productive assets applied without the obligation to depreciate these assets by the straight-line method. In the event the assets on which the deduction benefit referred to above was taken are no longer used in income producing activity or are disposed of, the proportion of this deduction, equivalent to the remaining useful life at the time or their abandonment or sale, constitutes taxable income at the current rates.

Law 1370 of 2009 decreased for 2010 the rate for the deduction from 40% to 30% for investments made in productive fixed assets. Law 1430 of December 29, 2010 eliminated the special deduction for investment in productive fixed assets as of taxable year 2011. However, the possibility of stabilizing this rule for a maximum term of 3 years exists for those investors who submitted a request to access legal stability contracts before November 1, 2010.

The Company may request 40% of these investments until 2017 since article 158-3 of the Tax Code is included in the Legal Stability contract established in Law 963 of July 2005, signed with the State for a term of ten years beginning in August 2007.

f. At December 31, 2010, the Company had a tax loss of $54,820, which readjusted for tax purposes to December 31, 2011 amounts to $59.197. This will be compensated in the 2011 income tax return. In addition, the Company has an excess of presumptive income over ordinary income of $208,361 readjusted for tax purposes to December 31, 2011.

Pursuant to current tax provisions, from taxable year 2007, companies may compensate without limits of time or value readjusted tax losses against net ordinary income irrespective of the year. The excess of presumptive income over ordinary income as of taxable year 2007 may be compensated with net ordinary income determined within the following five (5) years, readjusted for tax purposes. Companies' losses are not transferable to the partners. Tax losses originated in revenues not constituting income or capital gains, and on costs and deductions not having a cause-effect relationship with the generation of taxable income may in not be compensated with the taxpayer's net income.

In applying articles 188 and 189 of the Tax Code for taxable year 2011 and 2010, the Company established its income tax liability by the presumptive income method.

The income tax returns from 2008 to 2010, and the equity tax returns for the taxable periods 2010 and 2011, are subject to review by the tax authorities. Legal counsel and the Company's management consider that no additional taxes will arise, other than those accrued at December 2011.

Equity tax for taxable years 2007 to 2010

In terms of Law 1111 of 2006, for taxable years 2007, 2008, 2009 and 2010, the equity tax created was payable by legal entities, individuals or de facto entities, and taxpayers declaring income tax. For purposes of this tax the wealth concept is equivalent to total net equity of the party with a value equal to or higher than three thousand million pesos ($3,000).

The base for the calculation of this tax corresponds to net tax equity at January 1, 2007 and was applied at the rate of 1.2%.

The tax for taxable year 2010 amounted to $21,372, and was recorded by the Company as a reduction of the equity revaluation.

Equity tax for taxable year 2011

The National Government approved Law 1370 of December 30, 2009 and introduced tax changes. The equity tax for taxable year 2011 is payable by legal entities, individuals and de facto companies, and taxpayers declaring income tax. For purposes of this tax, the concept of wealth is equivalent to total net equity of the obliged party, which amount is equal to or higher than three thousand million pesos ($3,000).

The base for the calculation of the tax corresponds to net equity at January 1, 2011 at the rate of 2.4% on equity equal to or higher than three thousand million pesos ($3,000) without exceeding five thousand million pesos ($5,000),and at 4.8% for equity equal to or higher than five thousand million pesos ($5,000).

The equity tax for 2011 should be paid in eight equal installments during 2011, 2012, 2013 and 2014, within the terms established by the National Government.

The tax for taxable year 2011 including the rate established by Decree 4825 of 2010 amounts to $187,461, and was recorded by the Company as a lower value of equity revaluation.

The National Government approved Law 1429 on December 29, 2010, and introduced tax changes for taxable year 2011, namely:

a. Clarification of the taxable base for purposes of applying the rate.

Article 296-1 of the Tax Code was amended to clarify that the tax rate is applied on the taxable base defined in article 295-1, when the taxpayer's equity exceeds the limits of $3,000 and $5,000 million established in Law 1370 de 2009.

b. Composition of the taxable base for purposes of determining the tax payable by taxpayers.
Two rules were included that seek to control decreases in the equity base of the tax:

1. If the taxpayer carried out spin-off processes during 2010, it must add back the equities of the spun-off and beneficiary companies in order to calculate the equity tax payable.
2. If during 2010 the taxpayer organized simplified stock companies, it should add to its equity, the equity of the new legal entities to determine the taxable base of the equity tax.

c. Certain additional considerations as a result of the social emergency decree 4825 of 2010
Upon the issue of the decree 4825 of 2010, the following additional measures were adopted:

1. The creation of an equity tax on net equities in excess of $1,000 and $2,000 million at the rate of 1% and 1.4%, respectively.
2. A surtax of 25% was established for taxpayers subject to equity tax law 1370 of 2009. The effective rate was increased from 2.4% to 3% (for net equities of $3,000 and $5,000 million), and from 4.8% to 6% (for net equities higher than $5,000 million).

NOTE 20. LABOR OBLIGATIONS

The balance of labor obligations at December 31 comprised:

	2011		2010	
	Current value	Non current value	Current value	Non current value
Salaries and other fringe benefits payable	22,974	-	12,206	-
Severance Law 50	22,037	-	18,974	-
Vacations and vacation bonus payable	12,017	-	13,021	-
Retirement pensions (See Note 21)	3,079	-	3,079	-
Interest on severance payable	2,758	-	2,383	-
Accumulated severance previous regime	392	558	400	575
TOTAL LABOR OBLIGATIONS	**63,257**	**558**	**50,063**	**575**

NOTE 21. RETIREMENT PENSIONS ESTIMATED LIABILITY

The amount of the Company's obligations for retirement pensions has been determined based on actuarial studies, taking into account Decree 4565 of December 7, 2010, whereby the technical bases for the preparation of such calculations were changed.

The Company is responsible for the payment of retirement pensions to employees who meet the following requirements:

- Employees who at January 1, 1967 had more than 20 years of services (fully responsibility).
- Employees and former employees with more than 10 years of services and less than 20, at January 1, 1967 (partial responsibility).

For other employees, the Social Security Institute or authorized pension funds assume responsibility for the payment of their pensions.

The actuarial calculations and the amounts recorded are detailed below:

	2011	2010
Actuarial calculation of the obligation (100% amortized)	20,799	19,923
Less: current portion (See Note 20)	(3,079)	(3,079)
NON CURRENT PORTION	**17,720**	**16,844**

At December 31, 2011, the actuarial calculation included 188 individuals (2010 - 196).

The benefits covered correspond to monthly retirement pensions, pension adjustments in accordance with legal provisions, dependent survivors' income, funeral allowances, and legally established bonuses payable in June and December.

The deferred retirement pension cost was amortized in accordance with tax regulations. For the Company, the net balance at December 31, 2011 and 2010 represents 100% of actuarial calculations of the total contingent obligation at the end of these years.

NOTE 22. ESTIMATED LIABILITIES AND PROVISIONS

The balance of estimated liabilities and provisions at December 31 comprised:

	2011	2010
Provision for loyalty programs (*)	15,165	15,165
Municipal taxes	10,448	4,616
Labor and civil processes	6,121	1,681
Legal stability contract	865	1,932
Organizational excellence expenses	-	15,844
Carulla Vivero S.A. integration processes	-	3,177
Other	2,140	107
TOTAL ESTIMATED LIABILITIES AND PROVISIONS	**34,739**	**42,522**

(*) Liability generated by brand loyalty programs for clients, denominated "Puntos ÉXITO" and CARULLA Supercliente.

NOTE 23. OTHER LIABILITIES

The balance of other liabilities at December 31 comprised:

	2011	2010
Collections received for third parties (1)	12,113	7,354
Installments received for "Reserve it Plan" (2)	2,301	2,342
Withheld in guarantee (3)	793	2,384
SUBTOTAL OTHER CURRENT LIABILITIES	**15,207**	**12,080**
Other non current liabilities (4)	62,118	42,795
TOTAL OTHER LIABILITIES	**77,325**	**54,875**

(1) For 2011 and 2010, includes collections for third parties for items such as: utilities, mobile telephone, cable TV, non bank correspondents and others.

(2) The sum of $198 was taken to results in 2011 and corresponds to items not claimed related to 2007 in accordance with agreements established in the regulations of the negotiation system.

(3) The balance account in 2011 includes the withholdings for investment in the project Predios del Sur of $1,141, Civil Works in Éxito Magangué of $107, Éxito Country of $45, Carulla Villa Campestre of $31, Selva Service station of $33, and others of $1,027.

(4) During 2010, the company signed a purchase-sale agreement for the construction of a Locatel building in the Centro Comercial Puerta del Norte in the municipal jurisdiction of Bello of $3,198 and Éxito Colombia for $1,133. In 2008, the Company signed three business cooperation contracts with EASY Colombia, whose corporate purpose is the delivery by Almacenes Éxito S.A. of the tenancy of locals in Éxito Occidente, Éxito Norte and Éxito Américas in Bogotá and permits EASY Colombia the installation and economic exploitation. The accumulated balance of the construction of these locals in 2011 was $61,254, of which $3,467 has been amortized.

NOTE 24. EQUITY

24.1 Capital

The Company's authorized capital is represented by 530,000,000 common shares with a par value of $10 (*) each. Subscribed and paid-in capital amounts to $4,482 (2010 - $3,340), the number of subscribed shares is 447,604,316 (2010 - 333.333.632) and the number of own shares reacquired each year is 635.835.

24.2 Additional paid-in capital

Additional paid-in capital represents the premium paid over the par value of the shares. In accordance with legal provisions, this balance may be distributed as profits on the liquidation of the Company or its value maybe capitalized. Capitalization is understood to be the transfer of the surplus to a capital account, as a result of the issue of a dividend in shares.

The capital movement and the additional paid-in capital during 2010 comprised:

	Shares	Price (*)	Capital	Additional paid-in Capital
Issue of shares - merger with Carulla Vivero S.A	159.628	18,310	2	2,921

The movement of capital and the additional paid-in capital during 2011 corresponded to:

	Shares	Price (*)	Capital	Additional paid-in Capital
Issue of common shares	114.270.684	21,900	1,142	2,553,877

(*) Expressed in Colombian pesos

24.3 Reserves

Except for the reserve for the reacquisition of shares, the other reserves were set-up with retained earnings and are at the free disposition of the Company's General Shareholders' Meeting.

The Company is required to appropriate as a legal reserve 10% of its net annual earnings until the reserve balance reaches 50% of subscribed capital. The reserve is not distributable before the liquidation of the Company but may be used to absorb or reduce losses. The appropriations made in excess of the above mentioned 50% are at the free disposition of the General Shareholders' Meeting.

24.4 Equity Revaluation

Inflation adjustments of balances of equity accounts accumulated until December 31, 2006, have been credited to this account, with the charge against results, but excluding the valuation surplus. In accordance with legal provisions, this balance may be distributed as profit upon the liquidation of the entity or its value may be capitalized. Capitalization is understood to occur when surplus is transferred to a capital account as a result of the issuance of a dividend in shares.

With the issuance of Law 1111 of December 27, 2006, the National Government eliminated the integral inflation adjustments for tax purposes. For accounting purposes, they were eliminated by means Decree 1536 of May 7, 2007 effective January 1, 2007.

During 2010, the Company's management recorded as a reduction of equity revaluation $21,372 for the equity tax established in Law 1111 of December 27, 2006.

Law 1370 of December 30, 2009 established the equity tax from 2011 to 2014. The Company recorded as a reduction of the revaluation of equity $187,461 corresponding to the tax payable over the 4 years (2011 to 2014).

NOTE 25. DEBIT AND CREDIT MEMORANDUM ACCOUNTS

At December 31, the balance of this account comprised:

	2011	2010
Hedge operations (1)	-	218,194
SUBTOTAL CONTINGENT RIGHTS	**-**	**218,194**
Tax debit accounts	1,387,537	540,892
SUBTOTAL TAX DEBIT ACCOUNTS	**1,387,537**	**540,892**
Unused credits in favor (2)	1,427,987	1,683,232
Property, plant and equipment fully depreciated	718,902	637,455
Non monetary assets inflation adjustments	219,083	241,631
Goods on consignment (5)	53,928	29,141
Assets given in trust (3)	43,705	43,040
Unused letters of credit	36,925	27,754
Litigation and lawsuits (4)	16,455	39,375
Postdated checks	2,879	3,772
Assets in financial leasing	-	222
SUBTOTAL CONTROL DEBIT ACCOUNTS	**2,519,864**	**2,705,622**
Operations with hedge	-	274,785
Other litigation and lawsuits (6)	30,647	28,606
Litigation and labor lawsuits	10,811	14,542
Other contingent obligations	-	5,599
Purchase-sale agreements	500	500
Assets and securities received in guarantee	343	337
SUBTOTAL CONTINGENT OBLIGATIONS	**42,301**	**324,369**
Tax credit accounts	366,321	466,301
SUBTOTAL TAX CREDIT ACCOUNTS	**366,321**	**466,301**
Equity inflation adjustments	134,267	321,728
SUBTOTAL CONTROL CREDIT ACCOUNTS	**134,267**	**321,728**
TOTAL DEBIT AND CREDIT MEMORANDUM ACCOUNTS	**4,450,290**	**4,577,106**

(1) To minimize the impact of interest rate variations, the Company has entered into hedging operations, with SWAP's. These operations include the syndicated loan and two dollar loans. During 2010, US$72 million was paid corresponding to the second tranche and during 2011 the remaining balance was US$72 million on which the hedge existed.

(2) Certain financial entities granted current credit limits, which are at the Company's disposition.

(3) Includes goods belonging to the following suppliers:

Supplier	2011	2010
Continente S.A.	14,585	11,601
Brighstar Colombia S.A.	3,846	662
Carvajal Educación	3,537	3,183
Jen S.A.	3,053	815
Pernod Ricard Colombia	2,383	-
Sociedad de Comercialización Internacional Pansell S.A.	1,820	1,619
Laboratorios de Cosméticos Vogue S.A.	1,812	-
C.I. Distrihogar S.A.	1,735	122
Challenger S.A.	1,676	-
Inval S.A.	1,441	653
Ad Electronics S.A.	1,072	61
Agencia Continental de Importaciones S.A.	872	270
Zapf S.A.	866	877
Innova Quality S.A.S.	646	10
Importaciones Espacri Colombia S.A.	612	-
Electrolux S.A.	607	407
J.E. Rueda Compañía Ltda.	589	122
Peláez Hermanos S.A.	533	-
Stilotex S.A.S.	518	36
Epson Colombia Ltda.	507	18
Other smaller amounts	11,218	8,685
TOTAL	**53,928**	**29,141**

(4) Includes the following real estate:

Project	2011	2010
San Pedro Plaza 2	27,012	16,436
San Pedro Plaza	6,012	3,546
Del Este	4,171	19,418
Tesoro stage 3	2,268	1,457
Project Spring	1,317	-
Vizcaya	1,095	1,278
Other merger rights Carulla - La Castellana	950	-
Deposit in guarantee (Corficolombiana)	751	731
Armenia land trust	107	107
Serrizuela	18	62
Bima land	4	5
TOTAL	**43,705**	**43,040**

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(5) The following legal processes, qualified as possible and/or remote and which, therefore, do not affect the Company's results are included for 2011:

- **a.** Various customs processes with the National Tax and Customs Administration of $3,253 (2010 - $2,442).
- **b.** Other processes with municipal jurisdictions for an approximate amount of $4,984 (2010 - $6,148).
- **c.** Recovery of Murillo Lot in Barranquilla of $3,325 (2010 – $3,325).
- **d.** Other minor items of $4,893 (2010 - $2,460).
- **e.** Processes concerning disloyal competition for comparative publicity in the "Guarantee of lower Price" campaign in 2010 of approximately $25,000.

(6) Includes among others the following processes qualified as possible and/or remote and that, therefore, do not affect the Company's results:

- Civil legal processes of approximately $8,488 for 2011 (2010 - $9,849).
- Other processes with municipalities and other third parties of approximately $6,866 for 2011 (2010 - $7,084).
- Litigation for the increase of the administration fee Centro Comercial Bello $2,500 (2010 – $2,500)
- Other minor items of $12,793.

NOTE 26. NET REVENUES

Net Revenues at December 31 comprised:

	2011	2010
NET SALES (1)	**8,105,601**	**7,151,445**
OTHER OPERATING REVENUES		
Special exhibition negotiation	183,673	158,386
Concessionaires, rentals and Royalties (2)	154,828	113,808
Discount sales – loyalty program (3)	35,958	36,635
Events	30,318	20,014
Services	15,901	16,356
Miscellaneous (4)	26,126	10,488
SUBTOTAL OTHER OPERATING REVENUES	**446,804**	**355,687**
TOTAL NET REVENUES	**8,552,405**	**7,507,132**

(1) Discounts granted in 2011 amounted to $ 280,181 (2010 - $169,705).

(2) Includes royalties of Éxito-Tuya S.A. alliance and business collaboration agreement with Cafam.

(3) Income received from the loyalty program and Tricolor (redemption of products with cash and points).

(4) Miscellaneous include: other uses $3,995 (2010 - $2,430), income from management and districts events $2,588 (2010 - $2,260), commercial local premium $2,299 (2010 - $2,133), other income of $16,690 (2010 - $3,205) and publicity $554 (2010 - $460).

Returns are recorded as a lower amount of sales, taking into account that the Company's policy is to change goods. When the client return an item, the client receives a change card to be used as a payment for other purchases.

NOTE 27. SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

At December 31, selling, general and administrative expense comprised:

	2011			2010		
	Administrative	Selling	Total operating expenses	Administrative	Selling	Total operating expenses
Personnel expenses	108,577	518,656	627,233	86,176	459,394	545,570
Services	8,155	255,999	264,154	7,548	238,794	246,342
Depreciation	20,938	181,047	201,985	19,476	182,725	202,201
Leases	1,445	180,913	182,358	878	152,132	153,010
Taxes	31,275	74,152	105,427	31,865	69,408	101,273
Amortization	58,617	46,026	104,643	50,600	34,479	85,079
Maintenance and repairs	3,176	43,302	46,478	6,084	35,429	41,513
Packing material and labeling	388	32,993	33,381	306	29,419	29,725
Debit and credit card commissions	-	24,902	24,902	-	22,779	22,779
Insurance	3,590	15,445	19,035	3,462	12,419	15,881
Participation in sales (1)	-	12,448	12,448	-	1,761	1,761
Fees	9,985	929	10,914	8,808	1,520	10,328
Travel expenses	7,227	3,108	10,335	4,573	2,657	7,230
Adaptation and facilities	790	5,615	6,405	496	4,357	4,853
Legal expenses	993	2,798	3,791	1,422	2,221	3,643
Contributions and affiliations	712	109	821	670	358	1,028
Miscellaneous (2)	4,755	66,568	71,323	5,315	55,745	61,060
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	**260,623**	**1,465,010**	**1,725,633**	**227,679**	**1,305,597**	**1,533,276**

(1) Business cooperation agreement between Almacenes Éxito and Cafam S.A.

(2) Miscellaneous expenses include, among others, cleaning materials and fumigation expenses of $6,839 (2010 - $5,998), store opening expenses of $5,776 (2010 - $6,489), stationery, supplies and forms $5,568 (2010 -$5,267), replacement of store items $5,291 (2010 -$5,701), cafeteria and restaurant $5,127 (2010 -$4,057), regional support $4,281 (2010 -$3,529), tools and storage materials $1,446 (2010 -$1,491) and other small items of $36,995 (2010 -$28,528).

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NOTA 28. OTHER NON OPERATING INCOME AND EXPENSES, NET

Other non operating income and expenses correspond to:

	2011	2010
NON OPERATING INCOME		
Recovery of provisions on the sale of investment in Catívén S.A.	32,974	5,349
Profit on sale of property, plant and equipment, investments and intangibles (1)	13,699	19,600
Recovery of provisions (2)	6,961	14,844
Amortization of deferred monetary correction credit on the elimination of inflation adjustments	1,559	1,559
Recovery of costs and expenses	1,011	2,124
Recovery of provision for account receivable from Geant International	-	79,520
Profit on sale of investments	-	34,381
Exchange differences	-	6,420
Other non operating incomes	1,354	5,198
TOTAL NON OPERATING INCOME	**57,558**	**168,995**
NON OPERATING EXPENSES		
Tax on financial movements (four per thousand)	(18,517)	(808)
Royalties expense	(9,599)	(5,910)
Amortization, bonuses and indemnities (3)	(5,157)	(29,701)
Legal fees	(3,006)	(355)
Donations	(2,478)	(2,092)
Losses on goods (4)	(1,655)	(1,116)
Special project expenses	(1,615)	(1,741)
Retirement pensions	(308)	(165)
Losses on sale and retirement of assets	(289)	(1,126)
Accounts receivable written off	(71)	(3,500)
Provision for property, plant and equipment	(22)	(7,429)
Other provisions	(12)	(713)
Provision for accounts receivable from Geant International	-	(69,286)
Exchange differences	-	(17,816)
Preoperative expenses	-	(2,917)
Legal stability	-	(1,210)
Loss on sale of investments	-	(2)
Other non operating expenses (5)	(19,438)	(12,833)
TOTAL NON OPERATING EXPENSES	**(62,167)**	**(158,720)**
TOTAL OTHER NON OPERATING INCOME AND EXPENSES, NET	**(4,609)**	**10,276**

(1) For 2011, $13,699 corresponds mainly to the sale of fixed assets (See Note 11)).
For 2010, this corresponds mainly to the sale of fiduciary rights of the autonomous capital of Commercial Center San Pedro Plaza in Neiva for $16,436.

(2) For 2011, this is the recovery of provisions for: labor processes of $1,263; restructuring of accounts receivable of $1,232; Investment in Predios del Sur S.A $857; legal processes of $626; and others of $2,983.
For 2010 this corresponds to the recovery of the provisions for: litigation and claims of $5,368; fixed assets Cedritos assignment of $3,692; use of the provision in Carulla Vivero S.A. of $3,004; appraisal of movables assets of $1,592; and others of $1,188.

(3) For 2011, $5,157 corresponds to the provisions for organizational excellence, institutional plans, "Azul" Project, non operating indemnities, reconversions, and others.
For 2010, $29,701 corresponds to: projects' bonus of $2,305, indemnities to Almacenes Éxito S.A. personnel of $11,552 and provision for organizational excellence of $15,844.

(4) For 2011 this corresponds to loss of goods $1,655.
For 2010 this corresponds to loss of goods $1,116.

(5) For 2011 this corresponds to the payment made to Geant International of $8,742, fines, penalties and litigation of $4,093, assumed taxes of $3,085, deferred monetary correction debit of $1,241, expenses inherent in to purchase and sale of goods of $879 and others of $1,398.
For 2010 this includes the amortization of the deferred monetary correction debit due to the elimination of inflation adjustments of $1,057, fines, penalties and litigation of $1,513, maintenance and security costs of non operated property of $295, assumed taxes of $670 and other expenses of $9,298.

NOTA 29. RELEVANT FACTS

2011

Issue of shares

An issue of shares of up to US$1,400 million without preferential subscription rights was approved at the extraordinary General Shareholders' Meeting held on July 6, 2011. This issue was of 114.270.684 common shares of the Company at a price of $21,900 (*) per share, increasing capital by $1,142 and additional paid-in capital by $2,553,877.

(*) Amount expressed in Colombian pesos

The Casino Group subscribed for shares in the proportion of its participation, which represented approximately US$750 million.

Resources obtained from the issue of shares will be dedicated to accelerate the local expansion strategy through coverage in large cities, penetration in medium sized cities and the development of real estate projects together with retail investments other than food, complementary businesses and the updating of the current logistical and technological platforms.

Likewise, Almacenes Éxito S.A. began its international expansion by acquiring the leading retail chains in Uruguay, called Disco and Devoto, for US$746 million.

Cativén S.A.

As a result of the sale of Cativén S.A. in 2010, Almacenes Éxito S.A. received during 2011 US$54.3 million equivalent to 60% of the sales price. The final installment of US$18.1 million included as an account receivable will be paid in November 2012.

US$54.3 million of the accounts receivable provision created for this operation was reversed in the financial statements of Almacenes Éxito S.A. at December 31, 2011. The US$18.1 million balance of the provision will be reversed at the time the last installment is received in 2012.

Acquisition in Uruguay

In September 2011, the company acquired 100% of Spice Investments Mercosur S.A., located in the Republic of Uruguay, for US$746 million. Spice is a holding company which owns 96.55% of Lanin S.A. and 62.49% of Grupo Disco Uruguay S.A., which are the direct or indirect owners of the supermarket chains operating under the Disco, Devoto and Geant brands.

These chains add 53 establishments and represent the largest retail operation in Uruguay, with a market participation of approximately 43%, close to double its closest competitor.

2010

Organization of Almacenes Éxito Inversiones S.A.S.

Per information published by the Financial Superintendent of Colombia on October 27, 2010, Almacenes Éxito Inversiones S.A.S., a Simplified Stock Company of Colombian nationality was organized and registered with the Chamber of Commerce of Aburrá Sur. It is wholly owned by Almacenes Éxito S.A., will have the nature of a subsidiary and its main corporate purpose will be to make investments in companies of the Grupo Empresarial Éxito.

This company has received as a contribution from Almacenes Éxito S.A. a total of three hundred thousand shares in Éxito's subsidiary company, Distribuidora de Textiles y Confecciones - Didetexco S.A. The shares were contributed at a value of sixteen thousand pesos each, for a total of four thousand eight hundred million pesos.

Finalization of the litigation regarding the Unicentro local in Bogotá, D.C.

On August 20, 2010, transaction contracts were entered into between the subsidiary Didetexco S.A., with Chevor S.A. and Industrias Alimenticias Aretama S.A. and Federación Nacional de Cafeteros (National Federation of Coffee Growers), whereby the parties agreed to finalize

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the existing differences with respect to the rights on the local where a store of the Éxito brand operates in Centro Comercial Unicentro of Bogotá D.C.

The transaction agreement involves the cessation of all civil and commercial actions between the parties and the abandonment of all civil actions of the parties in the penal processes.

Business Cooperation Agreement with CAFAM

In order to strengthen compliance and service from Almacenes Éxito S.A., a business cooperation contract was signed with Caja de Compensación Familiar Cafam whereby their store and drugstore businesses will be jointly developed. The commercial alliance is based on the strengths of each organization, the knowledge of Cafam in the handling of medicines and the experience of Almacenes Éxito S.A. in retail commerce, with the benefit this brings to its affiliates and clients.

On July 28, 2010, the Superintendent of Industry and Commerce resolved not to object to the integration operation deriving from the commercial alliance entered into between Cafam and Almacenes Éxito S.A., whereby both companies join their efforts to develop their business in the field of supermarkets, hypermarkets and drugstores. This will permit Cafam to operate and manage 91 drugstores located in Éxito, Ley and Pomona stores in 30 cities in the country, and Almacenes Éxito S.A. to operate and manage 31 supermarkets and hypermarkets of Cafam in Bogotá, Cundinamarca, and Melgar (Tolima).

Cativén S.A.

On November 26, 2010, Guichard Perrachon ("Casino") entered into an agreement with República Bolivariana of Venezuela for the sale of 80.1% of the shares of Cadena de Tiendas Venezolanas S.A. - Cativén S.A. All shares belonging to Almacenes Éxito S.A., equivalent to 28.62% of the capital of Cativén S.A. were covered by this percentage in accordance with a purchase-sale agreement of shares signed by Almacenes Éxito S.A. with Geant International, a subsidiary of Casino. For its part, Casino has retained a participation of 19.9% in Cativén S.A. to continue offering operating support and to cooperate with the new entity.

The agreed sale price was US$90.5 million. Payment of 20% of this amount was received during 2010, corresponding to US$18.1 million. The complete payment of accounts receivable has been agreed to be completed in November 2012. The payment of another 20% was received on January 31, 2011.

Financial indicators

AT DECEMBER 31, 2011 AND 2010

	2011	2010
1. LIQUIDITY INDEXES		
Current ratio	1.77	1.04
Working capital, net / Operating income	16.49	1.14
Inventories acid test	1.31	0.63
Suppliers / Goods inventorie	1.49	1.37
2. BORROWING INDEXES (%)		
Total borrowings	23.78	33.48
Concentration of short-term borrowings	81.38	86.50
Financial borrowings	3.10	9.22
Financial leverage	4.07	13.86
Short-term borrowings	23.74	63.31
Medium and long-term borrowings	76.26	36.69
Total borrowings in foreign currency	23.74	58.35
Total borrowings in local currency	76.26	41.65
Net financial expense on EBITDA	0.95	6.89
Gross debt on EBITDA (times)	0.42	1.02
Operating profit on net financial expense (times)	59.42	7.58
Operating income on total financial obligations (times)	29.03	12.26
3. PROFITABILITY INDEXES (%)		
Profit margin before operating income and non operating expenses	4.67	4.19
Net margin	4.55	3.39
Profitability of assets	4.10	3.84
Profitability of equity	5.38	5.77
EBITDA margin (*)	8.25	8.02
Gross profit / total operating income	24.84	24.62
4. INDEXES OF TREND AND OPERATING EFFICIENCY (TIMES)		
Total assets turnover	0.90	1.13
Inventory turnover	7.83	7.20
Suppliers' turnover	5.46	5.29
Hedge of gross profit over sales expenses	1.45	1.42
Fixed assets turnover	4.17	3.66
Administrative expenses / gross profit (%)	12.27	12.32
Selling expenses / gross profit (%)	68.95	70.64
Personnel expenses / operating income	7.33	7.27

(*) Profit before interest, taxes, amortization, depreciation and inflation adjustments.

The Company makes sales on a cash basis; therefore, the "Accounts Receivable Turnover" financial index calculation is not applicable.

Analysis of financial indicators

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

Liquidity indexes

The Company's working capital at December 31, 2011 is of $1,410,315 (2010 $85,284). The increase was generated by the cash from the shares' issue.

The Company has $1.77 to cover its short-term obligations and the ratio suppliers – inventories improved to 1.49 in 2011 compared to 1.37 of 2010, which demonstrates an improvement in the negotiation capacity with suppliers.

Borrowing indexes

The Company's total borrowings reflected a decrease of 9.7% in 2011 upon passing from 33.48% to 23.78% due to the payment of US$72 million of the syndicated loan acquired in 2007 for the acquisition of Carulla Vivero S.A. and US$42 million of Bancolombia.

The proportion financed with financial obligations is of 3.10%.

The borrowing concentration index during 2011 is 81.38% at short term, represented by the account payable to suppliers.

Borrowings with the financial sector at medium and long-term, includes the bonds' credit of $224 million expiring in 2013 and 2015.

Operating profit on financial expenses reflected a variation of 66 points obtained by financial yields on securities and savings account and the payment of the syndicated credit of US$72

Profitability indexes

The margin before interest, taxes, depreciation and amortization (EBITDA) shows the Company's cash generation capacity through its operation which during 2011 was of 8.25%.

During 2011, the Company generated a net margin of 4.55%.

Trend indexes and operating efficiency

The Company purchases inventory which is held by it for an average of 46 days and is paid over a term of 66 days.

Supplementary information

AT DECEMBER 31 2011 AND 2010
(Amounts expressed in millions of Colombian pesos)

	2011	2010
Total assets (without appraisals)	8,245,659	5,519,250
Liabilities	2,259,681	2,223,116
Net sales	8,105,601	7,151,445
Ordinary monthly dividend (*)	75	60
Equity value of the share (*)	16,178	13,246
SHARES		
Nominal value (*)	10	10
Average price in stock exchange (*)	24,297.18	19,778.66
Maximum price in stock exchange (*)	28,500	25,000
Minimum price in stock exchange (*)	21,000	16,020
Close price in stock exchange (*)	25,460	23,360
Number of shares issued by the Company	448.240.151	333.969.467
Number of own shares reacquired	635.835	635.835
Number of outstanding shares	447.604.316	333.333.632
BALANCE SHEET		
Current debtors	246,643	355,327
Goods for sale	860,077	807,193
Current assets	3,249,240	2,008,368
Property, plant and equipment, net	2,052,883	2,050,850
Valuations	1,255,248	1,121,088
Financial obligations	69,953	357,294
Current liabilities	1,838,925	1,923,084
Labor obligations	63,257	50,063
Shareholders' equity	7,241,226	4,417,222
Debit and credit memorandum accounts	4,450,290	4,577,106
CAPITAL		
Authorized	5,300	4,000
Subscribed and paid-in	4,482	3,340
Additional paid-in capital	4,843,466	2,289,589
EMPLOYMENT		
Employees	43.287	28.018
DIVIDENDS		
Payment date	5 business days as of the first day of each quarter	5 business days as of the first day of each quarter
Total cash per share (*)	300	240

	2011	2010
TAXES		
Income tax receivable	(69,686)	(51,483)
Sales tax payable	46,458	35,607
Industry and commerce and real-estate tax payable	20,398	24,148
Deferred income tax movement of the year	7,913	(17,688)
Income tax expense	41,464	29,972
OPERATIONS		
Cost of sales	6,427,755	5,658,967
Other operating administrative and selling expenses	791,772	700,426
Financial expenses	154,248	124,544
Salaries and fringe benefits	627,233	545,570
Depreciation and amortization expense	306,628	287,280
Financial income	160,963	83,026
RESERVES		
Mandatory	7,857	7,857
Occasional	576,879	413,304
PROFIT		
Gross	2,124,650	1,848,165
Operating	399,017	314,889
EBITDA (1)	705,645	602,169
Profit before income tax	430,919	284,806

(*) Amounts expressed in Colombian pesos

(1) Profit before interest, taxes, and amortization, depreciation and inflation adjustments.

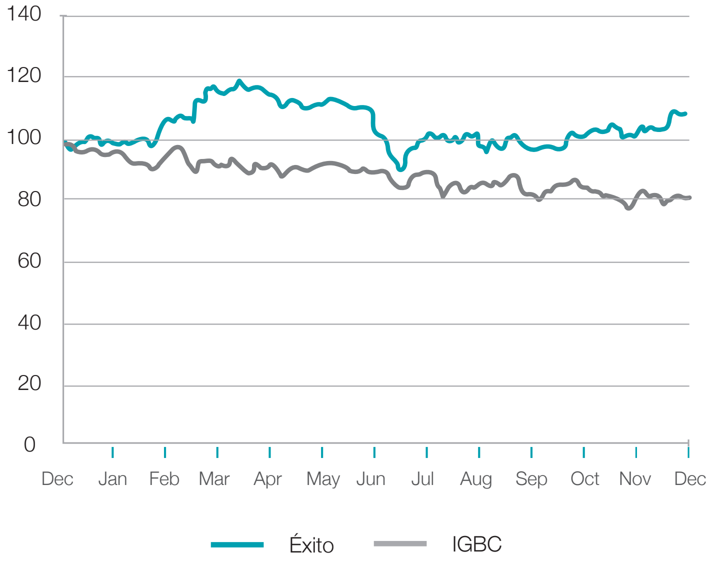
Stock Performance

(Colombia Stock Exchange: Éxito)

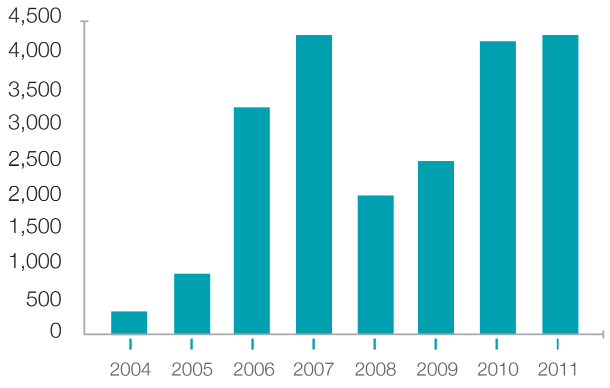
Stock price performance Colombia Stock Exchange, BVC

Year	2004	2005	2006	2007	2008	2009	2010	2011
Maximum trading price (*)	6,080	8,110	16,060	19,020	17,100	19,900	25,000	28,500
Minimum trading price (*)	3,399	4,400	7,510	13,420	7,360	9,000	16,020	21,000
Closing trading price (*)	4,650	7,610	15,920	17,100	10,160	19,500	23,360	25,460
Average trading price (*)	4,354	6,504	11,000	15,507	11,394	13,830	19,779	24,297
Average Volume (COP$ million)	282	786	3,332	4,192	1,997	2,535	4,147	4,199
Market Capitalization ($ million)	961,403	1,590,495	3,327,290	4,850,025	2,881,652	6,496,893	7,786,674	11,396,006

Price Performance Éxito vs IGBC



Average daily volume (COP$ million)



Ordinary share information

Year	2004	2005	2006	2007	2008	2009	2010	2011
Ordinary Dividend (COP$) (*)	25.0	25.0	25.0	25.0	60.0	60.0	60.0	75.0
Shares ($million)	209.0	209.0	209.0	283.6	283.6	333.2	333.3	447.6

(*) The dividend payment was quarterly based in 2011, 2010, 2009 and 2008, from 2003 to 2007 was monthly based.