Another year working to get customers to come back.

Annual report 2012

grupo éxito

Index

Journalistic and Graphic Edition: TALLER DE EDICIÓN

Management Report from the CEO and the Board of Directors

Dear Shareholders:

2012 was a year full of achievements and satisfactions for all the employees of Grupo Éxito. There are many reasons to celebrate, among them I want to share with you events such as the opening of 86 stores and the first shopping mall under the" Viva" brand in the country.

I celebrate with you the recognition by Great Place to Work, which ranked us second on the list of the best companies to work for in Colombia, in the category of those with more than 500 employees. This survey was made among 20,000 workers throughout the country.

The achievement which makes me most proud of is to be able to tell you that during the year, this Organization was the source of well-being for millions of clients, for hundreds of communities surrounding our stores and locations, for thousands of suppliers, as well as, for over 36,000 direct employees and 28,000 indirect employees and their families in Colombia.

Macroeconomic variables in the country remained stable. In 2012 inflation was controlled and reached 2.44%; the Central Bank reduced the benchmark rate to 4.25% and the unemployment rate at year-end was 10.4%. The GDP growth at the end of 2012 is expected to be 3.7%, below market expectations between 4.0% and 4.9%.

Some particular events such as the Tax Reform, the liquidation of the largest stock broker company in the country and the new peace talks certainly created some volatility in the market and affected consumer confidence, and as a consequence, impacted retail sales performance.

With regards to macroeconomic variables in Uruguay, during the third quarter of 2012 the GDP grew by 3.0% and the 12 month inflation rate reached 7.5%, with food inflation at 10.8%. The Central Bank maintained its monetary contraction policy and increased the intervention rate to 9.25%, with the purpose of controlling prices. In 2012 Standard & Poor's awarded Uruguay with the investment grade recognition.

Financial Results - 2012

Almacenes Éxito reached a Net Revenues of COP9,164,864 million which represents a growth of 7.2%. In real terms Net Revenues growth was 4.6%.

Allow me to share with you the acknowledgement made by the entity **Great Place to Work** which ranked us second among the best companies to work for in Colombia".

Gross profit amounted to COP2,308,836 million, representing 25.2% of Net Revenues, an increase of 8.7% over the previous year. Selling, general and administrative expenses came to COP1,882,442 million which represent 21.7% of Net Revenues.

EBITDA was COP758,405 million and represents 8.3% of Net Revenues, an increase of 7.5% compared to 2011.

As a result of the positive cash level, debt payments and proper management of financial resources, the Company reached a net financial income of COP9,754 million.

During the year investments in the amount of COP423,741 million were made. Net Income totaled COP475,305 million, an increase of 22%, representing 5.2% of Net Revenues, compared to 4.6% in 2011.

Financial obligations totaled COP224,661 million. Total assets amounted to COP10,031,667 million, an increase of 5.6%, while liabilities totaled COP 2,436,432 million, an increase of 7.8%. The shareholder´s equity showed an increase of 4.9%, amounting to COP7,595,235 million.

Our Growth

Thanks to a clear expansion strategy in all our formats, especially Surtimax with its cheerful and friendly offer, 16 municipalities that formerly had no prior presence of any of our brands, saw the arrival of Grupo Éxito´s stores. In addition to open 86 stores, we converted 15 into other brands and generated 3.478 new jobs.

Three brands clearly express our commercial offer in Colombia: Éxito, Carulla and Surtimax. In 2012 we concluded the conversion of the remaining stores: Cafam, Pomona and Ley. In the case of "Pomona" brand, it will be used in 2013 as a private label of gourmet food products.

Last year we also defined our retail business as a multi-channel activity. Thus, products and services of the stores in addition to complementary businesses such as credit card, travel, insurance and gas stations can be brought to our customers through diverse channels, such as virtual stores which are taking over the world of mobile devices.

In 2012, for example, exito.com had over two million visits through mobile devices, which represent 10.5% of the total visits to the site. exito.com grew 63% in sales in 2012 compared to 2011, totaling the amount of COP45,600 million; this consolidates the initiative as pioneer and leader of Internet sales in Colombia.

Also, last year we enhanced our presence in the shopping malls business. The first of these developments was Viva Laureles, a project that was permanently addressed to all of its stakeholders and today is an innovative, attractive space and friendly to the environment ideal for a shopping experience. Viva Sincelejo and Viva Villavicencio are pending to open in 2013 and 2014 respectively, as well as the third stage of San Pedro mall in Neiva. Later in 2015 and 2016, Viva Envigado and Viva Barranquilla will open in different stages.

Our actions in terms of sustainability have not stopped, and with the generation of employment and our contribution to formalization in the country we continue acting responsibly and showing respect to government entities.

Our greatest desire is that care for early childhood becomes a priority in the public agenda of our country, and therefore we continue to work to draw attention to the wellbeing of our children. In 2012 we carried out academic activities and events aimed at steering the country in this direction and to increase our aid to little ones. Over 35,000 children improved their nutrition in more than 300 institutions in Colombia thanks to Fundación Éxito, and received complementary stimulation aimed at providing them with tools for the future. In addition, 1,798 pregnant and nursing mothers enjoyed care.

We believe in Colombia and we know that the best way of showing our commitment to its progress is to continue offering welfare, development and more reasons to smile to all of our stakeholders.

"Grupo Éxito Net Revenues reached **COP10,229,673 million,** an increase of 15.7%".

Grupo Éxito results and Operations with Subsidiary Companies

During 2012, Grupo Éxito included Almacenes Éxito S.A., its subsidiaries Distribuidora de Textiles and Confecciones S.A. - Didetexco S.A., Almacenes Éxito Inversiones S.A.S., and its foreign subsidiaries Carulla Vivero Holding Inc. and Spice Investments Mercosur ("Spice").

Grupo Éxito's consolidated Net Revenues as of December 31, 2012 amounted to COP10,229,673 million, with a 15.7% increase compared to 2011; the EBITDA was COP858,725 million with a 15.6% growth which represents 8.4% of Net Revenues and Net Income came to totaled COP475,305 million, an increase of 22.0% compared to 2011.

According to the above, and under the terms of Law 222 of 1995, we reported that the main transaction carried out by Éxito with its subsidiary companies was the diversification in management of liquidity excess through investment operations of a portion of the Company's cash by means of a subscription of short-term bonds issued by a subsidiary of the Casino Group named Polca Holding SA, based in Belgium.

In 2012, the textile subsidiary Didetexco S.A. made sales in the amount of COP170,178 million to the parent company; for leases it billed the amount of COP9,590 million and for fees, the amount of COP516 million; for other concepts the sum of COP779 million.

The Company wish to clarify that there are no other operations that the company carried out in 2012, with its local or international subsidiaries worth mentioning in this report.

As Legal Representative of the Company I certify that there were no transactions with other entities or important decisions made or failed to be made under the influence and interest of the subsidiary companies that are worth mentioning in this report.

Corporate Governance

Some practices that foster an environment of credibility and stability among all participants in the market are listed below:

- Three out of nine members of the Almacenes Éxito Board of Directors are independent comply Colombian law. To optimize is management the Board is assisted by four specialized committees that meet periodically: the Audit Committee, Follow-up and Compensation, Good Governance Code Assessment Committee, Expansion Committee and Investments Committee.
- Through the Compensation, and Good Governance Code Assessment Committee an effective and responsible monitoring of the Code of Good Governance is carried out.
- The Board of Directors is governed by regulations that can be consulted on the Company's Website.
- Relevant information on Almacenes Éxito S.A. is published both in Spanish and in English at www.grupoexito.com.co
- Quarterly and annual individual and consolidated results are sent to the Colombian Financial Superintendence, shared with shareholders, investors, press, media and disclosed as relevant information to the market.
- In April 2012 the Best Corporate Practices "Country Code Survey" was conducted and published; it discloses good governance practices implemented by the Organization.

Control Systems and Financial Information Disclosure Reports

The Company reported that has an adequate performance of the disclosure and internal control systems.

The Company's Management presented financial statements, indicators and important reports to the Board of Directors on a bi-monthly basis and submitted them periodically to the consideration of the Audit Committee. This was also carried out with the financial statements at December 31, 2012.

In turn the statutory auditor certified, according to his competency, that the financial statements and the Company transactions as of December 31, 2012 did not contain any defects, inaccuracies or errors that would impede knowing its true situation regarding its equity.

In 2012, of Almacenes Éxito S.A. Internal Control System did not have deficiencies that might have impeded proper recording, processing, summarizing and adequately presenting financial information of the Company. There were no frauds that would have affected its quality nor were there any information assessment methodology changes.

Activities of the Internal Control System to be highlighted in 2012:

- Strengthening the internal control environment by aligning the objectives with the strategy of the Company; the implementation of the Transparency Program as a framework to prevent and mitigate the materialization of inappropriate behavior or frauds by employees and third parties linked to the company, the dissemination of the Ethics and Conduct Code, the implementation of mechanisms to file complaints or allegations and the definition of a gift receiving policy.
- The Company has a set of rules, policies and procedures for the adequate performance of control activities in the processes where management guidelines are defined to prevent the different risks to which it is exposed.
- There is also a Self - Control Program which covers the most critical risks and key controls of the business.

This enables the evaluation of the Internal Control System and provides reasonable security to the Organization.

The Audit Committee during its regular meetings monitors the financial information presented by the Finance and Administration Vice-Presidency; it monitors Statutory Audit activities; Risk Management of the Company and Internal Audit Activities.

The Audit Committee during its regular meetings monitors the financial information presented by the Finance and Administration Vice-Presidency; it monitors Statutory Audit activities; Risk Management of the Company and Internal Audit Activities.

In conclusion, Almacenes Éxito S.A. has adequate controls that reasonably cover the processes needed for the generation, disclosure and timely use of financial information; Statutory Audit and Internal Audit perform adequately and independently within the framework of their functions; management is making progress in the implementation of defined action plans.

Based on the above, as Legal Representative, I hereby certify that the financial information control and disclosure systems established in the Company were opportunely verified and are sufficient and adequate. Consequently they were in compliance with effective laws and regulations and ensured that the information at the December 31, 2012 cutoff delivered to our shareholders was appropriate and accurate.

Total Asset Laundry and Terrorism Financing Prevention and Control System

During 2012, Almacenes Éxito continued to strengthen its asset laundering and terrorism financing prevention and control policies.

"**16 mid-sized cities** that formerly had no presence of any of our brands saw the arrival of stores of our organization".

“More than 35.000 children improved their nutrition in over 300 institutions in the country thanks to Fundación Éxito”.

Among our efforts to mitigate such risks the Company employees were given training; management reports were presented to the Board of Directors; corresponding reports on compliance with valid regulations were remitted to the UIAF (Information and Financial Analysis Unit); periodical certifications were obtained from the entity that manages the secondary securities market of the Organization regarding the application of asset laundering and terrorism financing prevention and control policies; the Company also continued with the policy of not negotiating with individuals and corporations linked to asset laundering or related offenses; and periodically cross check its data bases with binding data bases for Colombia and have informed the respective entities.

In addition, a virtual training program was designed and a query service for restricted listings was hired for information on third parties which facilitates management of this risk.

Legal Perspectives

Sale of Shares of Company´s stake in Cadena de Tiendas Venezolanas S.A. (“Cativen S.A.”):

We are pleased to inform that according to the sale made in November, 2010 of the stake held by the Company in the Cadena de Tiendas Venezolanas S.A. (“Cativen”), the Company received the payment of USD18.1 million corresponding to the last quota equivalent to 28.62% of its stake in the above mentioned company. Thus, Éxito has received the total payment for this sale.

Significant agreements

- **Investment in a Casino Group Subsidiary**

  The General Shareholders’ Meeting in its extraordinary meeting held on December 13, 2012 approved a proposition related to consider an option to diversify management of a portion of its cash excess through the issuance of short term bonds (“the Bonds”) by “Polca”, a subsidiary of Casino Guichard Perrachon (“Casino Group”) dedicated to cash management operations. Based on this approval, an investment in bonds for USD $130 million was made. To date, the bonds matured and the Company received timely payment of principal and interest under the rules adopted by the General Shareholder Meeting, which assured the Company a return in line with the ones offered in the Colombian market. At the time of this report, the Éxito Group does not have any investment in bonds issued by the above mentioned Casino Group subsidiary.

- Energy Efficiency Contract with Green Yellow

  The Company signed a business agreement for energy efficiency (“the Contract”) with Green Yellow, a French subsidiary of the Casino Group Guichard Perrachon, that aims to analyze the implementation of energy-saving solutions in some of the Grupo Éxito´s stores which in the future is expected to represent substantial energy savings. This activity is part of one of the pillars of sustainability of the interest in becoming involved in the commitment against climate change and in reducing the environmental impact of the activities of the Company. The agreement will have an initial term of three years with investments up to COP41,000 million in the acquisition and installation of equipments, as well as in implementing these solutions. Such investments are subject under contract to the satisfactory results obtained from the energy efficiency program.

- **Intellectual Property**

  In compliance with Law 603 of 2000, we would like to inform that the company is in full compliance with intellectual property regulations. Thus, the Company’s management reports that the company owns the brands, names, emblems, slogans and logos used in its products and services, or authorized for use under a license agreement. The use of software products obeyed all effective applicable legislation.

Donations and Social Campaigns

During the 2012-2013 statutory period the Company made donations of COP2,189 million to individuals, institutions or programs of social benefit, and made contributions to individuals or corporations to support the strengthening of democratic practices in Colombia.

Post-closure events

On February 28, 2013 the Medellin Court of Appeal issued the final ruling in the dispute with the former minority shareholders of Cadenalco, who sought that the acts subsequent to the acquisition of a majority stake by Éxito were declared non-effective, which meant, among other effects, to undo the merger and revive Cadenalco. This judgment was favorable to Éxito’s interests and determined that there was no wrongdoing and therefore the plaintiffs’ claims were unfounded.

During 2013 so far there have been no events to be highlighted in this report, except for this process and the change in the Company´s Executive Management announced in February as Relevant Information.

2013, A Year full of Excitement

As always, throughout over 100 years of history, we are excited about the future. Every day we work, thinking about how to be innovative tomorrow, how to offer better services, how to make everything simpler and more efficient, and how to work as a team to get our customers to come back.

This is our mission, and with it in mind, we welcome our new competitors who share with us in the challenge of providing wellbeing and joy to Colombia. We will continue to grow, we will arrive at more small and intermediate cities, working in partnership with our suppliers; we will be innovators in our contact channels and we will seek not only the preference of our clients but their affection by working with transparency, with solid values, effective contributions to the community that surrounds us, to early childhood and to the care of the environment.

Acknowledgements

In 2013, Fundación Éxito will celebrate 30 years of work. I do not want to end this shareholders’ meeting without thanking those who have supported us over the last three decades, especially those customers who invested in the welfare of children through “Goticas” or their contributions. This not only contributes to the care of children from 0 to 6 years of age in Colombia, but it also shows their confidence in the management of Fundación Éxito.

Thank you for believing in this profitable investment which ensures the comprehensive care of early childhood.

There are many unforgettable moments that mark 2012, and you were there for all of them. We are encouraged to know that our main asset is the trust that the customers, the suppliers, the employees and the shareholders show us.

We will continue to work to get customers always to come back; you can count on our full commitment.

Signed

Board of Directors
Arnaud Strasser
Yves Desjacques
Luis Carlos Uribe Jaramillo
Philippe Alarcon
Patrick Careil
Nicanor Restrepo Santamaría
Felipe Ayerbe Muñoz
(Independent Member)
Guillermo Valencia Jaramillo
(Independent Member)
Luisa Fernanda Lafaurie Rivera
(Independent Member)

And by
Gonzalo Restrepo López
President CEO

Consolidated Financial Statements

TO THE SHAREHOLDERS OF ALMACENES ÉXITO S. A.
Medellín

The statutory consolidated financial statements of Almacenes Éxito S. A. at December 31, 2012 and 2011 have been prepared in conformity with accounting principles generally accepted in Colombia. Ms. Sandra Milena Buitrago Estrada of our office, acted as statutory auditor of these consolidated financial statements and her report thereon is dated February 19, 2013. Her statutory audit examination was made in accordance with auditing standards generally accepted in Colombia.

At your request, we have prepared the enclosed English language translation of the statutory consolidated financial statements and the statutory audit report of Ms. Sandra Milena Buitrago Estrada thereon.

Very truly yours,

Medellín, Colombia
February 19, 2013

Statutory Auditor's Report

Medellín, Colombia
February 19, 2013

TO THE SHAREHOLDERS OF
ALMACENES ÉXITO S.A. AND SUBSIDIARY COMPANIES

I have audited the accompanying consolidated financial statements of Almacenes Éxito S.A. and its subsidiary companies, which comprise the consolidated balance sheets as at December 31, 2012 and 2011 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, 2012 and 2011, 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, and accounting instructions issued by the Superintendencia Financiera de Colombia, consistently applied.

Sandra Milena Buitrago Estrada
Statutory Auditor
Professional Card 67229-T
Designated by Ernst & Young Audit Ltda. TR-530

Certification of consolidated financial statements

GENERAL SHAREHOLDERS' MEETING OF ALMACENES ÉXITO S.A.
Envigado

THE UNDERSIGNED, LEGAL REPRESENTATIVE AND PUBLIC ACCOUNTANT OF THE PARENT COMPANY 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 parent company and its subsidiary companies at December 31, 2012 and 2011, 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 assets and liabilities of the parent company 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 parent company 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 19, 2013.

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

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 PARENT COMPANY ALMACENES ÉXITO S.A.

CERTIFIES:

That the financial statements and the operations of the parent company and its subsidiary companies at December 31, 2012 and 2011, 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 19, 2013.

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

Consolidated Balance Sheet

AT DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

Assets

Assets	Notes	2012	2011
CURRENT ASSETS			
Cash	4	1,591,110	1,487,540
Marketable investments	5	916,067	786,142
Debtors, net	6	359,780	327,700
Inventories, net	7	1,106,138	994,501
Deferred charges, net	11	45,037	51,401
TOTAL CURRENT ASSETS		4,018,132	3,647,284
NON CURRENT ASSETS			
Debtors, net	6	40,775	37,401
Permanent investments, net	8	124,956	84,154
Property, plant and equipment, net	9	2,248,909	2,265,785
Intangibles, net	10	2,105,218	2,099,133
Deferred charges, net	11	350,604	343,459
Other assets		285	285
Valuations	12	1,433,123	1,330,894
TOTAL NON CURRENT ASSETS		6,303,870	6,161,111
TOTAL ASSETS		10,322,002	9,808,395
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	23	4,594,827	4,512,991

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

grupo éxito

AT DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

Liabilities And Shareholders' Equity

Liabilities And Shareholders' Equity	Notes	2012	2011
CURRENT LIABILITIES			
Financial obligations	13	2,722	73,030
Suppliers	14	1,654,026	1,443,809
Accounts payable	15	397,580	351,462
Taxes, duties and rates	17	131,843	116,406
Labor obligations	18	86,394	84,575
Estimated liabilities and provisions	20	45,017	44,182
Deferred charges, net	11	450	311
Bonds	16	74,650	-
Other liabilities	21	35,526	23,388
TOTAL CURRENT LIABILITIES		2,428,208	2,137,163
NON CURRENT LIABILITIES			
Taxes, duties and rates	17	49,291	96,965
Labor obligations	18	540	558
Retirement pensions estimated liability	19	16,636	17,720
Bonds	16	150,000	224,650
Deferred charges, net	11	12,884	21,980
Other liabilities	21	58,986	62,118
TOTAL NON CURRENT LIABILITIES		288,337	423,991
TOTAL LIABILITIES		2,716,545	2,561,154
MINORITY INTEREST		13,678	9,517
SHAREHOLDERS' EQUITY, SEE ATTACHED STATEMENT	22	7,591,779	7,237,724
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,322,002	9,808,395
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	23	4,594,827	4,512,991

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

Claudia Patricia Alvarez

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

Sandra Milena Buitrago Estrada
Statutory Auditor of Almacenes Éxito S.A.
Professional Card 67229-T
(Designada por Ernst & Young Audit Ltda. TR-530
(See my report of February 19, 2013)

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Consolidated Income Statement

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(Amounts expressed in millions of Colombian pesos)

	Notes	2012	2011
NET REVENUES			
Sales		9,705,414	8,390,801
Other operating revenues		524,259	453,909
TOTAL NET REVENUES	24	10,229,673	8,844,710
COST OF SALES		(7,559,872)	(6,610,665)
GROSS PROFIT		2,669,801	2,234,045
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and fringe benefits		(878,621)	(669,037)
Other operating administrative and selling expenses		(932,455)	(822,024)
Depreciation and amortization		(364,558)	(319,662)
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	25	(2,175,634)	(1,810,723)
OPERATING INCOME		494,167	423,322
NON OPERATING INCOME AND EXPENSES			
Financial income		226,390	164,537
Dividends and participations		533	933
Financial expenses		(139,972)	(157,771)
Other non operating income (expenses) net	26	(20,146)	(7,553)
TOTAL NON OPERATING INCOME AND EXPENSES, NET		66,805	146
INCOME BEFORE TAXES AND MINORITY INTEREST		560,972	423,468
MINORITY INTEREST PARTICIPATION		(2,118)	(566)
INCOME BEFORE TAXES		558,854	422,902
INCOME AND COMPLEMENTARY TAX			
Current		(66,440)	(32,786)
Deferred		(17,109)	(661)
TOTAL INCOME AND COMPLEMENTARY TAX	17	(83,549)	(33,447)
NET INCOME AND COMPLEMENTARY TAX		475,305	389,455
NET INCOME PER SHARE	2	1,061.89*	870.09*

(*) Expressed in 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)

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

Sandra Milena Buitrago Estrada
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(See my report of February 19, 2013)

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Consolidated Statement of Changes in Equity

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(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, 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 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 financial instruments			11,743											11,743
Net effect of consolidation adjustments												639		639
Equity tax 2011	22									(193,930)				(193,930)
Increase in valuation surplus													150,302	150,302
Net income to 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
Appropriations by the General Shareholders' Meeting: Dividend in cash of $ 108.75 (*) per share and quarter, from April 2012 to March 2013 on 447.604.316 outstanding shares of Almacenes Éxito S.A.											(194,708)			(194,708)
Transfer of earnings without appropriation and tax reserves to reserve for future expansion and improvements					194,747				194,747		(194,747)			-
Exchange difference foreign investment	22		(28,095)											(28,095)
Effect of valuation financial instruments			(577)											(577)
Net effect of consolidation adjustments												(4,111)		(4,111)
Increase in valuation surplus													106,241	106,241
Net income to December 31, 2012	2										475,305			475,305
Balance at December 31, 2012		4,482	4,826,441	7,857	750,939	19,266	-	1,419	779,481	127,797	475,305	3,508	1,374,765	7,591,779

(*) 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)

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

Sandra Milena Buitrago Estrada
Statutory Auditor of Almacenes Éxito S.A.
Professional Card 67229-T
(Designada por Ernst & Young Audit Ltda. TR-530)
(See my report of February 19, 2013)

grupo éxito

Consolidated Statement of Changes in Financial Position

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	Notes	2012	2011
FINANCIAL RESOURCES PROVIDED BY:			
Net income		475,305	389,455
Plus (less) charges (credits) to operations not affecting working capital: Depreciation of property, plant and equipment	9	226,001	213,342
Amortization of deferred charges		70,571	63,855
Amortization of intangibles		72,137	46,527
Profit on sale of property, plant and equipment, net	26	(3,213)	(13,139)
Profit on sale of intangibles	26	(2,069)	(297)
Increase in long-term deferred tax		12,279	2,379
Increase in provisions for property, plant and equipment, net		(2,510)	(2,599)
Increase of amortization of long-term actuarial calculation	19	823	876
Decrease of provision for protection of investments, net		(251)	(1,311)
Adjustment for exchange difference on foreign investments, net		155	(25)
Amortization of prepaid lease		223	169
Loss on sale of investments		-	995
Adjustment of debt reduction securities		-	(5)
Amortization of deferred monetary correction	11	(557)	(318)
Fiduciary rights yield		(7)	(7)
Minority interest		2,118	567
Trust profits		(3,901)	(3,270)
Dividends and participations received		(534)	(933)
Advance of profits from trusts		2,306	-
Provision for protection of assets		2,223	-
Depreciation of autonomous equities		(2,650)	-
Others		(814)	2,142
WORKING CAPITAL PROVIDED BY OPERATIONS		847,635	698,403
FINANCIAL RESOURCES GENERATED BY OTHER SOURCES:			
Proceeds from sale of property, plant and equipment, net		8,192	46,445
Sale of investments		-	165
Proceeds from sale of intangibles		4,500	348
Decrease in long-term labor obligations	18	(18)	(17)
Issue of shares	22	-	1,142
Premium on issue of shares	22	-	2,553,877
Increase in other long-term liabilities	21	(3,132)	19,323
Redemption of debt reduction securities		54	129
Transfer from long to short term of bonds and commercial paper	16	(74,650)	-
Differences in conversion rates with Uruguay		950	1,577
Working capital Spice Investments Mercosur S.A. at September 30, 2011		-	66,883
TOTAL FINANCIAL RESOURCES PROVIDED		783,531	3,388,275

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

grupo éxito

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	Notes	2012	2011
FINANCIAL RESOURCES USED IN:			
Acquisition of investments		45,203	432,378
Acquisition of property, plant and equipment, and other assets		243,420	229,597
Increase of intangibles		63,879	1,045,889
Decrease in non current debtors		3,374	(15,528)
Increase in non current deferred assets		101,122	85,678
Dividends declared		194,708	100,000
Increase in taxes, levies and rates	17	-	(96,965)
Equity tax		47,674	193,930
Transfer of short term debtors to intangibles		(3,000)	11,181
Effect of valuation of derivative financial instruments		577	(11,743)
Transfer of short-term debts to property, plant and equipment		5,688	-
Amortization of actuarial calculation		1,083	-
TOTAL FINANCIAL RESOURCES USED		703,728	1,974,417
INCREASE IN WORKING CAPITAL		79,803	1,413,858
ANALYSIS OF CHANGES IN WORKING CAPITAL INCREASE (DECREASE) IN CURRENT ASSETS			
Cash	4	103,570	971,215
Marketable investments	5	129,925	505,409
Debtors	6	32,080	(13,841)
Inventories	7	111,637	153,592
Deferred charges	11	(6,364)	9,654
TOTAL INCREASE IN CURRENT ASSETS		370,848	1,626,029
(INCREASE) DECREASE IN CURRENT LIABILITIES			
Financial obligations	13	70,308	284,295
Suppliers	14	(210,217)	(353,932)
Accounts payable	15	(46,118)	(77,565)
Taxes, duties and rates		(15,437)	(54,556)
Other liabilities	21	(12,138)	(5,058)
Labor obligations	18	(1,819)	(33,734)
Estimated liabilities	20	(835)	(1,660)
Commercial paper and short-term bonds	16	(74,650)	30,350
Deferred charges	11	(139)	(311)
TOTAL INCREASE IN CURRENT LIABILITIES		(291,045)	(212,171)
INCREASE IN WORKING CAPITAL		79,803	1,413,858

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

Claudia Patricia Álvarez Agudelo
Public Accountant of Almacenes Éxito S.A.
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(See attached certification)

Sandra Milena Buitrago Estrada
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(See my report of February 19, 2013)

grupo éxito

Consolidated Statement of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	2012	2011
CASH RECEIVED FROM SALE OF GOODS, SERVICES AND OTHERS:		
Goods, services and others	11,244,574	9,974,407
Paid to suppliers	(8,187,661)	(7,239,996)
Paid for wages, salaries and fringe benefits	(878,257)	(675,585)
Paid for administrative expenses	(91,537)	(79,055)
Paid for selling expenses	(935,791)	(806,186)
Paid for sales tax	(143,732)	(178,386)
Paid for income tax	(121,351)	(105,645)
TOTAL CASH GENERATED BY THE OPERATION	886,245	889,554
Acquisition of property, plant and equipment, net	(262,331)	(202,066)
Acquisition of deferred charges	(100,788)	(84,389)
Income from sale of property, plant and equipment, net	54,042	56,612
Acquisition of investments	(45,203)	(433,179)
Acquisition of intangibles	(63,879)	(1,045,821)
Income from sale of intangibles	4,500	348
SUBTOTAL CASH USED IN CAPITAL ASSETS	(413,659)	(1,708,495)
Purchases of marketable investments	(131,362)	(423,340)
Income from sale of permanent investments	-	107,700
Interest received	150,689	72,204
Dividends and participations received	534	933
Advances of profits from trusts	2,306	-
SUBTOTAL NET CASH GENERATED BY (USED IN) OTHER INVESTMENTS	22,167	(242,503)
TOTAL NET CASH USED IN INVESTING ACTIVITIES	(391,492)	(1,950,997)
Loans received	185,312	2,319,697
Payment of installments of loan capital	(244,284)	(2,539,022)
Dividends declared and paid	(146,016)	(119,814)
Issue of shares	-	2,553,877
Interest paid on loans and bonds	(70,907)	(137,741)
Payment of certificate of indebtedness	-	(30,350)
TOTAL NET CASH (USED IN) GENERATED BY FINANCING ACTIVITY	(275,895)	2,046,647
Cash received from other headings	4,236	14,534
Outflow of cash from payment of equity tax	(53,858)	(50,937)
Outflow of cash from other headings	(66,616)	(48,626)
Cash income of the subsidiary Spice Investments Mercosur S.A.	-	69,462
Effect from translation of operating accounts with the subsidiary Spice Investments Mercosur S.A.	950	1,579
TOTAL NET CASH USED BY OTHER HEADINGS	(115,288)	(13,988)
TOTAL NET INCREASE OF CASH	103,570	971,215
INITIAL CASH BALANCE	1,487,540	516,325
ENDING CASH BALANCE	1,591,110	1,487,540

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	2012	2011
RECONCILIATION OF NET INCOME WITH NET CASH GENERATED BY THE OPERATION		
NET INCOME	475,305	389,455
Adjustments to reconcile net income with net cash provided by operating activities: Amortization of deferred monetary correction	(557)	(317)
Depreciation of property, plant and equipment, net	226,986	213,342
Amortization of deferred charges	69,586	63,855
Amortization of intangibles	72,137	46,527
Amortization of prepaid leases	(111)	169
Increase of amortization of the actuarial calculation	(1,083)	875
Adjustment of prepaid expense	-	(1,349)
Profit from sale of property, plant and equipment, net	(3,135)	(13,138)
Decrease of provision for protection of investments, net	(239)	(1,350)
Decrease of provisions for property, plant and equipment, net	(288)	(2,599)
Adjustment for exchange difference of non controlled investments abroad, net	155	(25)
Loss on sale of investments	-	995
Profit on sale of intangibles	(2,069)	(297)
Variations in non operating accounts	(53,447)	6,764
Accrued expenses	9,608	482
Donations	2,383	2,695
Tax on financial movements	11,435	19,326
Decrease in inventory	(111,635)	(54,456)
Increase in suppliers	224,159	191,613
Increase in labor obligations	1,222	(7,664)
Interest received	(150,869)	(72,147)
Interest paid	70,796	137,954
Dividends and participations received	(535)	(933)
Equity tax	4,149	2,333
Taxes payable	40,562	(33,144)
Minority interest	1,730	567
Others	-	21
NET CASH PROVIDED BY OPERATIONS	886,245	889,554

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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Notes to Consolidated Financial Statements

AT DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos y en dólares estadounidenses)

Note 1. Parent company and Its Subsidiares

Almacenes Éxito S.A., parent company, 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, in 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 parent company and its subsidiaries. At December 31, 2012 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., 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 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 with other individuals or legal entities the provision of networks, services and telecommunication added values, particularly all those telecommunication, mobile cellular telephony and added value service activities permitted in Colombia or abroad.

Its principal domicile is located in Envigado, Colombia, carrera 48 Nº 32 Sur – 139. The company's duration is indefinite.

Carulla Vivero Holding Inc. was a subsidiary of Carulla Vivero S.A., which as a result of the merger became a subsidiary of the parent company Almacenes Éxito S.A. Carulla Vivero Holding Inc. was formed on September 14, 2000 under the laws of the British Virgin Islands. Its corporate purpose is to doing business to invest, purchase, own, acquire in any way, sell, assign, and manage any movable asset or real estate which is not prohibited or regulated by the laws of the British Virgin Islands.

In September 2011, Almacenes Éxito S.A. acquired 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, Its principal domicile is in Montevideo, Avenida General José María Paz No. 1404.

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 and 100% of Fandale S.A. which in turn owns 51% of Mablicor S.A. (owner of a real estate).

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.

Note 2. Principal Accounting Policies and Practices

For the preparation of the financial statements used for consolidation, the parent company 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 parent company 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 parent company financial statements, with the previous elimination in the parent company 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 parent company has joint or shared control, the parent company 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 parent company responsibility.

The consolidated financial statements include the accounts of the parent company 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 parent company and its subsidiaries at December 31, certified and with the opinion of the statutory auditor in accordance with current legal provisions:

COMPANY	Assets		Liabilities		Equity		Results	
	2012	2011	2012	2011	2012	2011	2012	2011
Almacenes Éxito S.A.	10,031,667	9,500,907	2,436,432	2,259,681	7,595,235	7,241,226	475,305	389,455
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A." (1)	181,072	167,910	37,584	40,768	143,488	127,142	6,718	3,002
Almacenes Éxito Inversiones S.A.S. (2)	5,381	4,779	14	2	5,367	4,777	240	485
Carulla Holding Inc	181	198	117	129	64	69	-	-
Spice Investments Mercosur S.A.	788,336	764,602	314,924	315,423	473,412	449,179	56,192	24,816
TOTAL (3)	11,006,637	10,438,396	2,789,071	2,616,003	8,217,566	7,822,393	538,455	417,758

(1) Didetexco S.A. sales of 2012 amounted to $173,278 and selling, general and administrative, as a proportion of sales, represented 8.8%; the operating income of $8,666 and net income $6,718.

(2) The percentage of participation of Almacenes Éxito S.A. in Almacenes Éxito Inversiones S.A.S. at December 31, 2012 and 2011 amounted to 100%.

(3) Total of the individual financial statements without the elimination of intercompany operations and balances.

Effects of consolidation on assets, liabilities, equity and results of the parent company:

	Amounts before consolidation		Amounts after consolidation	
	2012	2011	2012	2011
Total Assets	10,031,667	9,500,907	10,322,002	9,808,395
Total Liabilities	2,436,432	2,259,681	2,716,545	2,561,154
Minority Interest	-	-	13,678	9,517
Total Equity	7,595,325	7,241,226	7,591,779	7,237,724
Total Results	475,305	389,455	475,305	389,455

Reconciliation of the parent company net income and the results of its subsidiaries with the consolidated net income:

	2012	2011
Net income of Almacenes Éxito S.A.	475,305	389,455
Net income of Didetexco S.A.	6,718	3,002
Net income (loss) of Almacenes Éxito Inversiones S.A.S.	240	485
Net income of Spice Investments Mercosur S.A.	56,192	24,816
NET INCOME BEFORE CONSOLIDATING	538,455	417,758
Equity method Almacenes Éxito Inversiones S.A.S.	(240)	(485)
Equity method Didetexco S.A.	(6,359)	(3,694)
Minority interests Didetexco S.A.	(403)	(180)
Unrealized profit in inventories	44	872
Equity method Spice Investments Mercosur S.A	(56,192)	(24,816)
NET CONSOLIDATED INCOME	475,305	389,455

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 a 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.

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.

Translation of financial statements

The financial statements of subsidiary Spice Investments Mercosur S.A., domiciled in Uruguay, are translated into Colombian pesos at the closing rate for 2012 of $91.14* (2011 - $97.62*) date for asset and liability accounts, at the monthly average rate for 2012 of $92.69* (2011 – $96.91*) for the income statement and at the historical rate for equity.

(*) Expressed in Colombian pesos

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 and equivalents

Cash represents immediate liquid resources the parent company 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 parent company and its subsidiaries are recorded at cost, which is calculated monthly using the retail method.

Inventories of materials manufactured by the parent company are recorded at cost, which is calculated using the weighted average method. Inventories of materials, spare parts and accessories of the parent company 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 return rate 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 affecting 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 parent 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 parent company, 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 parent company , increasing or decreasing the investment cost.
- Changes in equity of the subordinated entities arising from the year net results will affect the parent company income statement.

- Variations of the subordinated companies' equity not deriving from its income statement will not affect the parent company 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 amount estimated of investments of controlling entities is lower than the adjusted cost, a provision for impairment is recorded and charged to results.

In respect to the investment in the Uruguayan company, Spice Investments Mercosur S.A., that country's 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 parent company and subsidiaries equity accounts in compliance with Decree 4918 of 2007.

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 / debit in the valuation account and credited 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 parent 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 they either accrue 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% and 20% for machinery and equipment
- 10% for vehicles

Upon the parent company and its subsidiaries' policy, the residual value of fixed assets established for calculating depreciation is zero (0).

1. 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 parent company 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 parent company 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 parent company 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 parent company and the subsidiaries' equity.

No appraisals are made of property, plant and equipment of Spice Investments Mercosur S.A. and its subsidiaries as they are recorded at their market value. Incluir en el de español.

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 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. Computer software** is amortized at annual rates of 33% and 20% depending on its acquisition purpose and considering the estimated useful life.

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 parent 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 and in Spice Investments Mercosur S.A. In the event this occurred, they would be taxed in Uruguay.

   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 parent company 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 parent 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 and application of implicit derivatives.

The parent 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 and follows IFRS 9 and IAS 39 for the valuation and recording of implicit derivatives in the absence of a Colombian explicit accounting standard.

In evaluating them the parent company 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 in its effective part and the differential in results of operations.

Suppliers and accounts payable

These represent obligations payable by the parent company 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

They represent the value of general and mandatory taxes payable by the parent company 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

They include liabilities payable by the parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company at the end of the year, for 2012 and 2011 of 447.604.316.

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 financial information

Reclassifications

Certain items in the financial statements of 2011 have been reclassified only for comparative purposes and do not affect working capital.

Accounting and administrative internal control

There were no significant changes in the parent company and its subsidiaries internal accounting and administrative control during 2012 and 2011.

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 parent company 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, 2012 and 2011. The representative market exchange rate at December 31, 2012 was of $1,768.23* (2011 - $1,942.70*).

(*) Expressed in Colombian pesos

The financial statements of Spice Investments Mercosur S.A., domiciled in Uruguay, are translated into Colombian pesos at the closing rate for 2012 of $91.14* (2011 - $97.62*) asset and liability accounts, with the monthly average rate for 2012 of $92.69* (2011 – $96.91*) for the income statement and with the historical rate for equity.

(*) Expressed in Colombian pesos.

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

	2012		2011	
	In US$	Equivalent in millions of Colombian pesos	In US$	Equivalent in millions of Colombian pesos
ASSETS:				
Marketable investments (1)	176,596,290	312,263	22,512,932	43,736
Banks	44,316,107	78,361	24,696,742	47,978
Accounts receivable	30,480,892	53,897	3,252,977	6,320
Cash - foreign currency	56,407	100	155,943	303
TOTAL CURRENT ASSETS	251,449,696	444,621	50,618,594	98,337
Investment abroad	1,221,500	2,160	-	-
TOTAL NON CURRENT ASSETS	1,221,500	2,160	-	-
TOTAL ASSETS	252,671,196	446,781	50,618,594	98,337
LIABILITIES:				
Foreign suppliers	95,470,507	168,814	52,174,070	101,358
Foreign financial obligations (2)	8,969,498	15,860	21,870,875	72,925
Accounts payable	1,531,308	2,708	37,538,150	42,489
TOTAL ASSETS	105,971,313	187,382	111,583,095	216,772
NET ASSET (PASSIVE) MONETARY POSITION	146,699,883	259,399	(60,964,501)	(118,435)

(1) Includes the investment in subsidiary Casino Groupe Polca (Belgium) of US$129,8 million and another investment in securities abroad of US$15,0 millions and the investments of the subsidiary Spice investments Mercosur S.A. of US$31,80 millions.

(2) At December 31, 2012, the parent company and its subsidiaries had no liability in foreign currency and in 2011 it corresponded to synthetic credits.

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

	2012	2011
Financial income from exchange differences	110,087	122,599
Financial expenses from exchange differences	(104,360)	(121,598)
Income (Expense) of hedge operations (*)	22,953	(7,344)
FINANCIAL INCOME (EXPENSE), NET	28,680	(6,343)

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

An adjustment for exchange difference of investments Locatel Panamá was recorded as follows:

	2012	2011
Financial income from exchange differences	294	449
Financial expenses from exchange differences	(449)	(424)
NET (EXPENSE) INCOME	(155)	25

At December 31, 2012, the adjustment for exchange difference of the investment in Spice Investments Mercosur S.A. and Carulla Vivero Holding Inc was recorded as capital surplus, as follows:

	2012	2011
Spice Investments Mercosur S.A. exchange difference	(28,095)	11,648
Carulla Vivero Holding Inc. exchange difference	(65)	11
(DECREASE) INCREASE IN EQUITY	(28,160)	11,659

Note 4. Cash

At December 31 the balance of cash comprised:

	2012	2011
Banks and savings entities	1,285,974	1,030,453
Cash	305,136	457,087
TOTAL CASH	1,591,110	1,487,540

During 2012, the parent company and its subsidiaries recorded interest from savings accounts in banks and savings entities of $28,653 (2011 - $24,489).

Cash has no restrictions or liens that limit its disposition.

Note 5. Marketable Investments

Marketable investments at December 31 consisted of:

	2012	Interest Rate	2011	Interest Rate
Time deposit certificates	519,085	6.32% Efective	674,201	5.5% Efective
Investment in bonds(*)	254,052	5.5% Efective	27,559	7.9% - 9.6% Efective
Investments in foreign currency	109,544	6.09% Efective	43,736	1.8% Efective
Fiduciary rights	32,055	6.43% Efective	28,241	2.7% Efective
Investments in local currency	1,252	2.8% - 3.9% Efective	12,405	6.75% Efective
National taxes refund securities	76	-	-	-
Investment in repos	3	6.10% Efective	-	-
TOTAL MARKETABLE INVESTMENTS	916,067		786,142	

(*) Contains the investment made in Polca Holding, subsidiary of the Casino Group in Belgium, which was paid on January 28, 2013 for $229,857 (See detail Note 27).

During 2012 the parent company recorded interest from marketable investments of $47,181 (2011 - 18,604).

None of these investments has restrictions or liens that limit their realization or marketability except for the investment in Polca bonds, as they may only be negotiated in companies of the Casino Group.

Note 6. Debtors, Net

The balance of debtors at December 31 consisted of:

	2012	2011
CURRENT:		
Clients	152,565	92,370
Tax advances receivable (See Note 17)	107,710	118,545
Provision for clients	(88)	(84)
SUBTOTAL	260,187	210,831
SUNDRY DEBTORS:		
Other debtors (1)	38,135	40,278
Promotional bonds (2)	17,677	19,070
Employees' Fund	14,581	18,255
Concessionaires	12,722	16,476
Compañía de Financiamiento Tuya S.A. (3)	8,455	6,338
Advances to contractors, suppliers and travel expenses	9,440	5,943
From sale of fixed assets – real estate (4)	3,377	11,974
Interest	849	3,614
Parent company	72	72
Geant International (5)	-	35,163
Provision for account receivable	(5,715)	(40,314)
SUBTOTAL SUNDRY DEBTORS	99,593	116,869
TOTAL CURRENT DEBTORS	359,780	327,700
NON CURRENT:		
Employees' fund	20,660	21,237
Advances for purchases of fixed assets and contractors (6)	11,219	7,650
From sale of fixed assets – real estate (7)	5,680	6,274
Other sundry debtors	3,216	2,240
TOTAL CURRENT DEBTORS	40,775	37,401
TOTAL DEBTORS, NET	400,555	365,101

(1) For 2012, other debtors consist of: account receivable from Casino of $5,030, accounts receivable from employees of $3,590, tax claims (VAT and tariffs for indicative prices in imports) of $3,509, legal embargoes of $3,476, business sales agreements of $3,040, agreements of alternate channels of $3,015, advances to retired people of $1,522, rents pending collection of $834, assignment of contracts Sodimac Colombia of $488, Familias en Acción of $432, Hogar Sacerdotal (formerly, Arquidiócesis de Medellín) of $169 and other small accounts of $13,030 (of which $8,273 was recorded in Spice Investments Mercosur S.A.).

(2) This refers to the account receivable related with agreements with the various family subsidy entities of the country, as well as with numerous employee funds of public and private sector companies of our economy.

(3) This covers headings associated with the business operation of the Éxito Card, such as royalties, reimbursement of shared expenses and charge for collection of coupons that will be paid in January and February 2013.

(4) For 2012 this consists of: $2,097 for the barter of Avenida Estación business premises in Cali, $460 for the barter of the business premises 9954 of Centro Comercial Este in Medellín, $284 for the civil Works of Éxito Rionegro in the Department of Antioquia, $261 for the sale of the business premise 9936 of Centro Comercial Este in Medellín, $240 for the sale of the business premise where Centro de Distribución Belén operated in Medellín to Comfenalco Antioquia and others for $35.

(5) The payment of the last installment of the investment in Cativén S.A. was received during 2012, which enabled the payment of the account receivable of $35,163 and recover the provision for the same amount.

(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 2012, the parent company and its subsidiaries recorded a accounts receivable written off for $1,687 (2011 - $310) and included the recovery of $35,302 (2011 - $32,049).

Long-term debtors of the parent company 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
2014	11,219	4,112	4,390	209	19,930
2015	-	3,356	1,290	-	4,646
2016	-	2,418	-	-	2,418
2017	-	1,680	-	-	1,680
2018	-	1,365	-	-	1,365
2019 and there-after	-	7,729	-	3,007	10,736
TOTAL	11,219	20,660	5,680	3,216	40,775

Debtors have no restrictions or liens that limit their marketability or realization and are duly insured against all risks.

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Note 7. Inventories, Net

The balance of inventories at December 31 comprised:

	2012	2011
Commercial goods for sale	1,059,002	965,641
Inventories in transit	51,170	27,031
Finished product	4,154	6,025
Materials, spare parts, accessories and packing	22,275	24,189
Products in process	8,145	13,479
Raw materials	5,896	8,441
Provision for protection of inventories	(44,504)	(50,305)
TOTAL INVENTORIES	1,106,138	994,501

Inventories have no restrictions or liens that limit their marketability or realization and are duly insured against all risks.

Note 8. Permanent Investments, Net

Balances or permanent investments at December 31 comprised:

Economic Entity	Valuation method	Date of Intrinsic or market value	2012 Book value	2012 Valuation (See Note 12)	2012 Devaluation (See Note 12)	2012 Provision	2012 Realization Value	2012 Dividends received	2011 Book value
1. Variable yield investments, in non-controlled, voluntary and participative entities									
Bonds - Tuya S.A. (formerly Sufinanciamiento) (1)			119,500	-	-	-	119,500	-	74,500
Automercados de la Salud S.A. Panamá	Intrinsic	July	2,157	1,101	-	-	3,258	-	2,370
Fogansa S.A.	Intrinsic	November	1,000	-	(184)	-	816	-	1,000
Other smaller ones			477	23	-	(25)	475	5	327
Promotora de Proyectos S.A.	Intrinsic	November	240	-	(200)	-	40	-	240
Central de Abastos del Caribe S.A.	Intrinsic	November	26	45	-	-	71	-	26
Spice Investments Mercosur S.A.			206	-	-	-	206	-	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			124,981	1,169	(384)	(25)	125,741	5	84,178
Provision for the protection of investments			(25)	-	-	-	-	-	(24)
TOTAL PERMANENT INVESTMENTS			124,956	1,169	(384)	(25)	125,741	5	84,154

(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 $119,500 of which $ 45,000 were issued during 2012 for a term of 10 years and a yield of IPC + 2% plus the agreement profit percentage.

(2) Peace Solidarity Bonds are securities issued by the State to the bearer with a seven year term, which yield annually 110% of the Percentage of Adjustment of the Taxable Year (PAAG, its Spanish acronym). Yields recorded in 2011 amounted to $42 (2011 - $52). The balance of the bonds corresponds to the investment made in 2007 for $1,375, which expires in 2014.

Permanent investments do not have restrictions or liens that limit their marketability or realization, except for the investment of the parent company 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 2012	Number of shares 2011	% of participation on subscribed capital 2012	% of participation on subscribed capital 2011
Variable yield investments, in non-controlled, voluntary and participative entities						
Promotora de Proyectos S.A.	Services	Common	212.169	212.169	3.49	5.64
Central de Abastos del Caribe S.A.	Commerce	Common	3.430	3.430	0.14	0.14
Automercados de la Salud S.A. Panamá	Commerce	Common	20.000	20.000	20.00	20.00
Fogansa S.A.	Cattle raising	Common	500.000	500.000	0.89	0.89
Maostar S.A	Real-estate holder	Common	55.000	55.000	50	50
Paynel S.A.	Travel agency	Common	7.000.000	7.000.000	50	50
Ferosan S.A.	Without activity	Common	-	90.505	-	100
Aljuba S.A.	Without activity	Common	-	95.394	-	100
Almirez S.A.	Without activity	Common	-	95.376	-	100
Deira S.A.	Without activity	Common	-	110.479	-	100
Bedal S.A.	Without activity	Common	-	55.370	-	49
Falaris S.A.	Without activity	Common	-	90.400	-	100

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

Investments in Ferosan S.A., Aljuba S.A., Almirez S.A., Deira S.A., Bedal S.A. and Falaris S.A., inactive companies, were liquidated in 2012.

For investments where the intrinsic value was not available at December 31, 2012, the data available at July and November, 2012 was taken and compared with the value recorded in the books at December 31, 2012 to determine its valuation or devaluation.

Companies where the investment is higher than 10% of equity

Corporate purpose:
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 investor 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 liquidated in 2012), 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 net income of the company with permanent investment higher than 10%:

The figures shown below were taken from the certified financial statements subject to the stipulations of current legal regulations of permanent investment at July 31, 2012 and Decembre 31 2011, respectively:

Company	Assets		Liabilities		Equity		Results		Net Revenues	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Automercados de la Salud S.A. Panamá	16,192	17,598	447	1,044	15,745	16,554	492	6,416	-	442

Note 9. Property, Plant and Equipment, Net

At December 31 property, plant and equipment and depreciation consisted of:

	2012			2011		
	Cost	Accumulated Depreciation	Net cost	Cost	Accumulated Depreciation	Net cost
Construction and buildings (*)	1,842,021	(726,806)	1,115,215	1,800,679	(648,986)	1,151,693
Land	503,530	-	503,530	498,915	-	498,915
Machinery and equipment	936,494	(634,773)	301,721	832,347	(573,369)	258,978
Office equipment	685,189	(476,735)	208,454	630,045	(439,035)	191,010
Construction in progress	81,786	-	81,786	123,597	-	123,597
Computers and communication equipment	259,536	(204,817)	54,719	250,059	(192,601)	57,458
Transportation equipment	40,240	(34,878)	5,362	39,662	(32,760)	6,902
Security armament	58	(50)	8	58	(44)	14
SUBTOTAL	4,348,854	(2,078,059)	2,270,795	4,175,362	(1,886,795)	2,288,567
Provision for property, plant and equipment	-	(21,886)	(21,886)	-	(22,782)	(22,782)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	4,348,854	(2,099,945)	2,248,909	4,175,362	(1,909,577)	2,265,785

(*) During 2012, the parent company sold the following land:

Real Estate	City	Sales Value	Net Cost	Profit on sale
Carulla Buga	Buga	1,660	1,429	231
Commercial locals Bulevar Suramérica 101	Medellín	300	246	54
Commercial locals Bulevar Suramérica 103	Medellín	130	109	21
Commercial locals Bulevar Suramérica 122	Medellín	115	104	11
Commercial locals Bulevar Suramérica 124	Medellín	125	111	14
Commercial locals 9936 shopping mall del Este	Medellín	277	190	87
Commercial locals 9954 shopping mall del Este	Medellín	460	460	-
Commercial locals Bulevar Suramérica 135	Medellín	66	62	4
Commercial locals Avenida Estación	Cali	2,097	57	2,040
Surtimax Sogamoso	Sogamoso	2,100	1,726	374
TOTAL (SEE NOTE 26)		7,330	4,494	2,836

Depreciation charged to the income statement during 2012 amounted to $229,240 (2011 – $213,342).

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

	2012			2011		
Type	Realization Value	Net Cost	Appraisal (See Note 12)	Realization Value	Net Cost	Appraisal (See Note12)
Land and buildings	2,823,256	1,557,518	1,265,738	2,717,977	1,538,995	1,178,982
Machinery and equipment	146,909	82,233	64,676	211,412	130,683	80,729
Office equipment	62,608	37,578	25,030	106,295	68,205	38,090
Computers	11,270	3,099	8,171	15,594	7,497	8,097
Transportation equipment	4,514	1,399	3,115	5,887	2,611	3,276
TOTAL VALUATION	3,048,557	1,681,827	1,366,730	3,057,165	1,747,991	1,309,174

2. With provision

	2012			2011		
Type	Realization Value	Net Cost	Provision	Realization Value	Net Cost	Provision
Land and buildings	40,010	61,376	(21,366)	61,698	84,179	(22,481)
Machinery and equipment	4,308	4,800	(492)	624	873	(249)
Computers	19	32	(13)	19	50	(31)
Office equipment	219	234	(15)	552	573	(21)
TOTAL PROVISION	44,556	66,442	(21,886)	62,893	85,675	(22,782)

Technical appraisals of real estate and movable assets of the parent company and its subsidiaries are made every three years in accordance with Article 64 of Decree 2649 of 1993 "Accounting Principles Generally Accepted 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.

Note 10. Intangibles, Net

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

	2012			2011		
	Cost	Accumulated amortization	Net cost	Cost	Accumulated amortization	Net cost
Goodwill in the parent company of Spice investments Mercosur S.A. (1)	1,027,979	(32,176)	995,803	1,028,061	(6,348)	1,021,713
Goodwill Carulla Vivero S.A. (2)	1,001,940	(141,157)	860,783	1,001,940	(108,866)	893,074
Goodwill of the subsidiary Spice investments Mercosur S.A. (3)	150,752	(72,425)	78,327	161,449	(68,881)	92,568
Real estate (land) fiduciary rights (4)	113,948	(35,980)	77,968	50,599	(12,384)	38,215
Brands (5)	27,648	(3,571)	24,077	32,363	(6,259)	26,104
Other rights (6)	68,650	(4,868)	63,782	21,970	(827)	21,143
Goodwill Home Mart	5,141	(2,590)	2,551	5,141	(1,480)	3,661
Goodwill, others (7)	14,034	(12,161)	1,873	14,034	(11,433)	2,601
Rights in shares	54	-	54	54	-	54
TOTAL INTANGIBLES, NET	2,410,146	(304,928)	2,105,218	2,315,611	(216,478)	2,099,133

(1) Goodwill was recorded during 2011 and corresponds to the equity surplus paid by the parent company on the acquisition of Spice Investments Mercosur S.A. for $1,028,061 (including all costs incurred by the Company for the purchase of said company).

(2) The goodwill was recorded during 2007 and corresponds to the equity surplus paid by the parent company 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 has 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 of 2012 , for the group companies: Lanin $97,401 (2011 - $104,312), Devoto Hermanos S.A. $2,707 (2011- $2,899) y Grupo Disco Uruguay S.A. $50,644 (2011 - $54,238).

(4) Includes in 2012, the contributions to the Autonomous Equity Centro Comercial San Pedro in Neiva of $33,990 (2011 - $26,998), the contributions tos et-up the Autonomous Equity Viva Laureles in Medellín for $28,578 (2011 - $0) and others for $15,400 (2011 - $11,217).

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

(6) Includes in 2012 amounts paid for purchases of establishments for 44,689 (2011 - $15,636), fiduciary rights AESA, Tesoro rights stage 3 for $0 (2011 - $2,268) and others for $19,093 ($2011 - $3,239).

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

Note 11 Deferred Charges, Net

At December 31 deferred charges comprised:

	2012			2011		
	Cost	Accumulated Amortization	Net Value	Cost	Accumulated Amortization	Net Value
PREPAID EXPENSES:						
Insurance	12,801	-	12,801	12,492	-	12,492
Leases	2,230	-	2,230	2,938	-	2,938
Publicity	1,384	-	1,384	2,073	-	2,073
Others	1,130	-	1,130	1,066	-	1,066
Maintenance	722	-	722	927	-	927
SUBTOTAL PREPAID EXPENSES	18,267	-	18,267	19,496	-	19,496
Deferred income tax (See Note 17)	26,770	-	26,770	31,905	-	31,905
SUBTOTAL CURRENT DEFERRED CHARGES	45,037	-	45,037	51,401	-	51,401
DEFERRED CHARGES: Leasehold improvements (1)	508,708	(295,864)	212,844	445,976	(259,338)	186,638
Deferred income tax (See Note 17) (2)	86,694	-	86,694	109,172	-	109,172
Computer software (3)	185,586	(149,141)	36,445	167,068	(135,137)	31,931
Leases (4)	9,924	-	9,924	9,759	-	9,759
Deferred monetary correction	19,331	(16,965)	2,366	19,331	(15,962)	3,369
Deferred actuarial calculation	2,331	-	2,331	2,590	-	2,590
SUBTOTAL NON CURRENT DEFERRED CHARGES	812,574	(461,970)	350,604	753,896	(410,437)	343,459
TOTAL DEFERRED CHARGES IN ASSETS	857,611	(461,970)	395,641	805,297	(410,437)	394,860
LIABILITIES: Deferred income from financing interest	450	-	450	311	-	311
SUBTOTAL NON CURRENT DEFERRED CHARGES	450	-	450	311	-	311
Deferred income tax (See Note 17)	9,204	-	9,204	16,742	-	16,742
Deferred monetary correction	29,481	(25,801)	3,680	29,480	(24,242)	5,238
SUBTOTAL NON CURRENT DEFERRED CHARGES	38,685	(25,801)	12,884	46,222	(24,242)	21,980
TOTAL DEFERRED CHARGES IN LIABILITIES	39,135	(25,801)	13,334	46,533	(24,242)	22,291

(1) Leasehold improvements consist of adaptations made in 2012 by subsidiary Spice Investments Mercosur S.A. of $131,158 (2011 - $133,891),, plus the improvements made by the parent company of $377,550 (2011 - $312,085).

(2) Non-current deferred income tax in 2012 includes deferred income taxes of the parent company of $39,387 (2011 - $66,133) and of Spice Investments Mercosur S.A of $47,307 (2011 - $43,039).

(3) In 2012, the parent company acquired computer software for a cost of $19,078, for its expansion program.

(4) In 2012 the prepayment of lease contracts of the locals where the Éxito San Martín stores operated in city of Bogotá was included for $9,180 (2011 - $8,846) and Pomona San Lucas in the city Medellín for $744 (2011 - $913).

Note 12. Valuations

At December 31 the summary of valuations is as follows:

	2012			2011		
	Valuation	Devaluation	Net Valuation	Valuation	Devaluation	Net Valuation
Constructions and buildings (See Note 9)	1,265,738	-	1,265,738	1,178,982	-	1,178,982
Movable assets (See note 9)	100,992	-	100,992	130,192	-	130,192
Fiduciary rights	65,607	-	65,607	21,130	-	21,130
Investments	1,170	(384)	786	1,003	(413)	590
TOTAL VALUATIONS	1,433,507	(384)	1,433,123	1,331,307	(413)	1,330,894

Note 13. Financial Obligations

Balances at December 31 comprised:

		2012	2011
	Entity	Book value	Book value
SHORT TERM			
Credit cards	Bancolombia	15	105
TOTAL LOCAL CURRENCY LOAN		15	105
Credit cards	BBVA	476	1,892
	HSBC	1,664	608
	Santander	567	496
	ACAC	-	59
	Marketing	-	17
Foreign currency loan	Bancolombia	-	31,083
	Banco de Bogotá	-	38,854
Forward hedge operation	Fiduciaria Corficolombiana	-	(3)
	Helm Bank S.A.	-	(81)
TOTAL FOREIGN CURRENCY LOANS		2,707	72,925
TOTAL FINANCIAL OBLIGATIONS		2,722	73,030

The parent company and its subsidiaries does not expect to restructure its borrowings.

The parent company amortizes its financial obligations on their respective due dates.

None of the financial obligations is in arrears.

Note 14. Suppliers

At December 31, the balance of suppliers comprised:

	2012	2011
Local	1,485,225	1,342,450
Foreign	168,801	101,359
TOTAL SUPPLIERS	1,654,026	1,443,809

Note 15. Accounts Payable

At December 31, the balance of short-term accounts payable comprised:

	2012	2011
DIVIDENDS PAYABLE (1)	49,697	1,006
SUNDRY CREDITORS:		
Costs and expenses payabler	203,699	206,031
Withholding tax payable	59,986	50,968
Orders for retirement of goods to be used	39,772	33,564
Contractors	38,074	53,618
Contribution to the Social Security Law and payroll contributions (2)	4	797
Other sundry creditors	6,348	5,478
SUBTOTAL SUNDRY CREDITORS	347,883	350,456
TOTAL SHORT TERM ACCOUNTS PAYABLE	397,580	351,462

(1) A quarterly dividend of $108.75 (*) per share was declared at the General Shareholders' Meeting of parent company held on March 16, 2012, payable in four installments between the sixth (6th) and the tenth (10th) business days of April, July and October, 2012 and January 2013.

(*) Expressed in Colombian pesos.

(2) Includes amounts payable for Social security and payroll contributions at December 31, 2012 and 2011.

At December 31, 2012 and 2011, the parent company and its subsidiaries satisfactorily complied with all rules relating with the Social Security Law and payroll contributions.

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

Note 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 form:	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 the parent company, 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.(company absorbed by Almacenes Éxito 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 form:	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:

Issue Date	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			

During this year 2012, the parent company charged interest from these bonds of $22,715 (2011 - $22,859, to results. Accrued interest was recorded at December 31, 2012 of $3,608 (2011 - $3,846).

Note 17. Taxes, Duties and Rates

Advances and balance in favor an taxes, duties and rates at December 31 were comprised of the following:

	2012	2011
Income tax	(75,346)	(86,905)
Excesses in private liquidation of tax of subsidiary Spice Investments Mercosur S.A.	(7,750)	(7,412)
Industry and commerce and real estate tax advance	(4,399)	(3,723)
Industry and commerce tax withholdings receivable	(2,980)	(2,445)
Sales tax in favor and VAT withholdings	(9,743)	(11,793)
Real estate tax advance of the subsidiary Spice Investments Mercosur S.A.	(7,485)	(6,256)
Tax advance upon organization of companies	(7)	(11)
INCLUDED IN CURRENT ASSETS (SEE NOTE 6)	(107,710)	(118,545)
Income tax payable of the subsidiary Spice Investments Mercosur S.A.	9,898	5,286
Current equity tax payable	55,100	58,822
Sales tax payable	44,282	31,820
Industry and commerce and real estate tax	22,491	20,398
Promotion installments	72	80
INCLUDED IN CURRENT LIABILITIES	131,843	116,406
LONG TERM EQUITY TAX	49,291	96,965
TOTAL TAXES, DUTIES AND RATES, NET	73,424	94,826

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

	2012	2011
LIABILITIES – PROVISION FOR THE YEAR	66,440	32,786
Adjustment of prior periods provision	-	7,186
TOTAL INCOME TAX LIABILITY	66,440	39,972
Less advances	(12,555)	(12,211)
Less tax withholding	(119,333)	(109,380)
TOTAL INCOME TAX RECEIVABLE (*)	(65,448)	(81,619)

(*) This amount is composed of $75,346 (2011 - $86,905) recorded in current assets of the parent company and $9,898 (2011 $5,286) recorded in current liabilities of the subsidiary Spice Investments Mercosur S.A.

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The movement of deferred income tax during the year was the following:

	2012	2011
BALANCE AT BEGINNING OF YEAR	(124,335)	(124,942)
Deferred income tax in the year from:		
Non deductible accrued expenses	(7,426)	(8,503)
Non deductible provision for inventories	(10,620)	(15,971)
Non deductible taxes in the current year	(8,639)	(8,100)
Adjustment of depreciation expense for accounting and tax difference	436	634
Deferred tax payable - Actuarial calculation	544	-
Use of deductible accrued liabilities	8,503	12,882
Use of deductible provision for inventories	5,633	10,236
Deductible taxes	8,100	5,962
Deferred tax receivable on fiscal leases in subsidiary Spice Investments Mercosur S.A. losses	(7,234)	(7,290)
Amortization / excess of presumptive over ordinary income (1)	24,330	2,440
Deferred tax payable – goodwill deduction	(8,371)	8,371
Tax reform efect - income tax rate changes	11,853	-
NET MOVEMENT OF YEAR	17,109	661
ADJUSTMENT FROM CURRENCY CONVERSION	2,966	(54)
BALANCE AT END OF YEAR (2)	(104,260)	(124,335)

(1) The movement of 2012 corresponds to 33% of the amortization of excess of presumptive income over net ordinary income of prior years of $73,726 of the parent company. The movement of the year corresponds to 33% of the amortization of excess of presumptive income over net ordinary income of prior years of $11,600 and to 33% of the higher excess of presumptive income of 2010 of $4,320 also of the parent company.

(2) Included in the balance sheet as follows:

	2012	2011
Current assets		
Deferred Charges (See Note 11)	(26,770)	(31,905)
Non current assets		
Deferred charges, net (See Note 11)	(86,694)	(109,172)
Non current liabilities		
Deferred charges (See Note 11)	9,204	16,742
TOTAL	(104,260)	(124,335)

The reconciliation between accounting profit and taxable income for tax purposes is as follows:

	2012	2011
Accounting profit before income tax	558,854	422,902
Plus:		
Provision for investments	1	11
Provision for property, plant and equipment	2,223	-
Provision for other assets	168	526
Non deductible expenses for accrued liabilities	6,494	13,131
Provision for unknown shrinkage	32,360	48,398
Tax on financial movements	8,575	14,495
Industry and commerce tax and equity tax expense provision	26,179	24,544
Non deductible expenses	12,510	6,269
Recovery of depreciation on sale of assets	1,360	5,984
Exchange differences of Subsidiary Spice Investments Mercosur S.A.	-	11,648
Depreciation expense adjustment for accounting and tax difference	-	1,322
Reimbursement of deduction for investment in productive fixed assets	260	639
Effect on subsidiaries	62,910	82,218
Less:		
Retirement of profit on sale of fixed assets declared due to capital gains	(3,771)	(11,173)
Recovery of provision for assets (*)	(37,989)	(37,078)
Provision for prior years' liabilities, deductible in the current year	(10,331)	(28,481)
Payments of the year of industry and commerce and equity tax	(24,544)	(20,242)
Deduction of goodwill additional to accounting	(125,912)	(147,460)
Provision for prior year inventories, deductible in the current year	(29,017)	(33,958)
Tax adjustments of subsidiary Spice Investments Mercosur S.A.	(19,264)	(64,558)
Income upon equity method of results	(62,791)	(28,995)
Revenue not constituting income or capital gains	(43)	(52)
Other non taxable income	(1,132)	(2,766)
Deduction of 40% for investment in income producing assets	(77,651)	(76,000)
Amortization of excess of presumptive income of prior years	(73,726)	(11,713)
Compensation of prior years' tax losses	(4,914)	(73,984)
Deduction for exchange difference of the investment in the subsidiary Spice Investments Mercosur S.A	(29,973)	-
TOTAL ORDINARY INCOME	210,836	95,627

(*) In 2012, recoveries of provisions were recorded as follows: Cativén S.A. of $35,163 (2011 - $32,974),recovery of provisions for fixed assets of $2,510 (2011 - $2,621), recovery of provision for other investments of $316 (2010 - $626), recovery of provision for Predios del Sur S.A. "in liquidation" for $0 (2011 - $857).

For tax purposes, capital gains are as follows:

	2012	2011
Sales price of fixed assets real estate sold (owned for more than two years)	5,856	42,214
Sales price of movable fixed assets	1,119	2,633
Liquidation / sales price of investments liquidated/sold	-	2,455
TOTAL SALES PRICE	6,975	47,302
Tax cost of real estate fixed assets sold	(5,856)	(36,815)
Tax cost of movable fixed assets sold	(1,025)	(2,731)
Tax cost of liquidated / sold investments	-	(3,450)
TOTAL COST	(6,881)	(42,996)
TAXABLE CAPITAL GAINS	94	4,306
TAX ON CAPITAL GAINS	31	1,421

Current liability from income tax was determined as follows:

	2012	2011
Net equity at December 31 of the prior year	6,326,370	3,500,301
Less: net equity to be excluded	(71,240)	(59,434)
NET EQUITY BASE OF PRESUMPTIVE INCOME	6,255,130	3,440,867
Presumptive income on net equity	171,243	103,226
Ordinary net income	210,836	95,628
NET TAXABLE INCOME (*)	210,836	95,628
Income tax before capital gains (33%)	66,049	32,165
Tax on capital gains	31	1,421
Tax discount for investment in cattle raising companies	-	(800)
TOTAL CURRENT LIABILITY FOR INCOME TAX	66,440	32,786
Current income tax expense	66,440	32,786
Income tax expense from prior year adjustment	-	-
Deferred taxes net movement	17,109	661
INCOME TAX EXPENSE	83,549	33,447

(*) For 2012, the group net taxable income comprised the parent company presumptive income of $167,893, plus presumptive income of the subsidiary Didetexco S.A. of $3,351, at a rate of 33% plus less tax loss of the subsidiary Spice Investments Mercosur S.A. of $39,592 at the rate of 25%.

Reconciliation between accounting equity and tax equity:

	2012	2011
ACCOUNTING EQUITY AT DECEMBER 31	7,591,779	7,237,724
Plus:		
Cleaning of net fixed assets and tax adjustments	243,510	189,406
Effect of subsidiaries	618,645	578,066
Provision for fixed assets (See Note 9)	21,886	22,782
Tax items of subsidiary Spice Investments Mercosur S.A.	-	191,527
Provision for investments (See Note 8)	25	24
Estimated liabilities for expenses	33,588	35,600
Provision for inventories(See Note 7)	44,504	50,305
Deferred tax payable (See Note 11)	9,204	16,742
Provision for industry and commerce tax	2,127	2,025
Tax adjustments for temporary investments	2,684	2,684
Elimination of accumulated depreciation from difference in accounting and tax useful lives	-	1,881
Provision for accounts receivable (See Note 6)	5,803	40,398
Equity method of Almacenes Éxito Inversiones SAS	-	23
Less:		
Valuations of fixed assets (See Note 12)	(1,366,730)	(1,309,174)
Valuations of investments (See Note 12)	(786)	(590)
Deferred tax receivable (See Note 11)	(113,464)	(141,077)
Excess of tax amortization of intangible over accounting amortization	(789,985)	(458,462)
Elimination of equity method of Spice Investments Mercosur S.A.	(77,480)	(25,153)
Elimination of equity method of Didetexco S.A.	(40,601)	(25,192)
Elimination of equity method of Almacenes Gato Inversions S.A.S	(567)	-
Amortization of capitalized Expenses deferred charges	(81,783)	(81,783)
Difference between accounting and tax for income tax balance in favor	-	(1,386)
TOTAL NET EQUITY	6,102,359	6,326,370

Income tax and capital gains applicable to the parent company and its subsidiaries Didetexco S.A. and Almacenes Éxito Inversiones S.A.S.

On December 26, 2012, the Colombian Congress approved the Tax Reform Law 1607 which introduces significant changes in income tax as well as the creation of the CREE tax, intended mainly for the financing of SENA, ICBF, Institutions and the health care social security system, which will become effective as of 2013 and which we will discuss in detail hereinafter.The current tax provisions applicable to the parent company and its subsidiaries Didetexco S.A. and Almacenes Éxito Inversiones S.A.S. stipulate that:

a. Until 2012 taxable income is subject to the rate of 33%.

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

c. As of taxable year 2007, integral inflation adjustments were eliminated for tax purposes and the tax on capital gains was reactivated also at the rate of 33%, for legal entities, calculated on total revenues earned under this heading by taxpayers during the taxable year.

d. The percentage of annual readjustment for the cost of movable assets or real estate having the nature of fixed assets for 202 is of 3.04% (2011 – 3.65%).

e. As of taxable year 2007 and until taxable year 2009, the deduction for effective investments made in real productive fixed assets is of 40% and its use does not generate profit taxed in the name of partners or shareholders.

Taxpayers who 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 method and will not be entitled to the audit benefit even if they comply with the premises established to access to it in tax regulations. Before January 1, 2007, this deduction applied on investments in fixed productive assets without the obligation to depreciate these assets by the straight-line method. In the event that the assets on which the deduction benefit indicated above was claimed cease being used in the income generation activity or are disposed of, the proportion of this deduction, equivalent to the remaining useful life at the time of their abandonment or sale, constitute taxable income at the current rates.

Law 1370 of 2009 decreased for 2010 the deduction rate for effective investments made in real productive fixed assets from 40% to 30%; Law 1430 of December 29, 2010 eliminates the special deduction for investment in real productive fixed assets as of 2011. However, for those investors who have filed a request to access to legal stability contracts before November 1, 2010, the likelihood of stabilizing this rule for a term of maximum three years is authorized.

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

f. At December 31, 2011, the parent company had a readjusted tax loss of $59,197, which was compensated in the 2011 income tax return. At December 31, 2012, the parent company has excess of presumptive income over net income readjusted for tax purposes of $228,381, of which $73,726 is expected to be compensated in the 2012 income tax return for a final balance pending compensation of $154,655. At December 31, 2012, the subsidiary Didetexco S.A. has a readjusted tax loss of $25,516 pending compensation.

In accordance with current tax regulations, as of taxable year 2007, companies may compensate, without percentage limitation and at any time, tax losses readjusted for tax purposes, with net ordinary income notwithstanding the presumptive income of the year. Excess of presumptive income over ordinary income made 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 will not be transferable to partners. Tax losses originated in revenues not constituting income or capital gains and in costs and deductions not having a cause-effect relationship with the generation of taxable income, in no case may be compensated with net income of the taxpayer.

In applying articles 188 and 189 of the Tax Code for taxable year 2012 and 2011, the parent company and its subsidiaries established their tax liability on income by the presumptive income system.

The parent company tax returns of 2008 (showed tax loss) and 2011 (tax loss was compensated) are subject to review for 5 years counted as of their filing date; the parent company tax return of 2010 is subject to review until 2013. The tax returns of the subsidiary Didetexco S.A. since 2008 (reflected tax loss) and until 2011 (compensation of tax losses) are subject to review for 5 years counted as of their filing date. The equity tax returns for the taxable periods 2010 and 2011 are subject to the review of the tax authorities. Tax counsel and the company's management consider that no higher taxes payable will arise other than those accrued at December 31, 2012.

Equity tax for taxable year 2011

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

The base for the calculation of this tax corresponds to net equity at January 1, 2011 and the rate is 2.4% for equities which taxable base is equal or higher than three thousand million pesos ($3,000), without exceeding five thousand million pesos ($5,000) and of 4.8% for equities which taxable base is equal 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 surtax established in Decree 4825 of 2010 amounts to $187,461 which was recorded by the company as a reduction of the equity revaluation.

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

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

a. Clarification of the taxable base to be taken into account for purposes of applying the rate

Article 296-1 of the Tax Code is amended clarifying that the tax rate is applied on the taxable base defined in article 295-1, when net equity exceeds the limits of three thousand million pesos ($3,000) and five thousand million pesos ($5,000) established in Law 1370 of 2009.

b. Composition of the taxable base in order to determine the tax due by taxpayers

Two rules are included which seek to control the decreases of equities which are the base of the tax:

1. If the taxpayer carried out spinoff processes during 2010, it should add the equities of the spun-off companies and beneficiaries in order to calculate the tax due.
2. If during 2010 the taxpayer formed simplified stock companies, it should add to its equity the new legal entities in order to determine the taxable base of the equity tax.

c. Certain additional considerations of the social emergency Decree 4825 of 2010

Upon the issuance of Decree 4825 of 2010, the following additional measures to take into account were adopted:

1. The creation of an equity tax on net equities exceeding one thousand million pesos ($1,000) and two thousand million pesos ($2,000) at the rate of 1% and 1.4%, respectively.
2. A surtax of 25% is established for equity taxpayers of Law 1370 of 2009, for whom the effective rate would pass from 2.4% to 3% for net equities ranging from three thousand and five thousand ($3,000 and $5,000) and from 4.8% to 6% for net equities in excess of five thousand million pesos ($5,000).

Tax Reform Law 1607 of December 26, 2012

1. **Income Tax Rate**
   The income tax rate is reduced from 33% to 25% as of 2013. The formula to calculate non taxed dividends is changed to avoid double taxation for the shareholder, the concepts of permanent establishment, sub-capitalization and the abuse in tax matters are introduced to the tax system and business reorganizations are limited.

2. **Income tax CREE)**
   The CREE income tax is created as of January 1, 2013 as a contribution of companies and legal entities, and assimilated companies that are declarers of income tax for the benefit of employees, the generation of employment and the social investments with contributions to SENA, ICBF, the health care social security system and transitorily to public universities and to social investment of the farming and livestock system.

   The rate is of 8%, however, transitorily and for the years 2013, 2014 and 2015 the rate will be of 9%.

   The taxable base is gross revenues of the year, including capital gains less returns, rebates and discounts, less revenues not constituting income or capital gains (incrngo), less costs and deductions but without including donations, contributions to mutual investment funds, the deduction in income generating fixed assets and deductions for science and technology and the environment, and finally less certain exempt income. The CREE does not permit the compensation of tax losses or the compensation for excess of presumptive income.

3. **Exoneration of payroll contributions and contributions to health care**
   Employers who are legal entities declarers of income tax are exempt from the contributions to SENA, ICBF, the health care social security regime, in respect of employees who earn up to 10 minimum monthly salaries.

4. **Dividends or participation in profits**
   Included in the definition of dividends is the transfer of Colombian source income earned through agencies, permanent establishments or branches in Colombia in favor of foreign related parties; the revenue is accrued at the time of the transfer of profits abroad.
   The rule changes to determine non taxed dividends in the name of shareholders for profits earned as of January 1, 2013, thus avoiding the double taxation of the partner-shareholder.

5. **Capital gains**
   The tax rate for capital gains upon the sale of fixed assets owned for more than two years or from the perception of dinations is reduced from 33% to 10%.

Taxes applicable to the subsidiary Spice Investments Mercosur S.A.

Current tax provisions applicable to the subsidiary Spice Investments Mercosur S.A. stipulate that the income tax rate of the business activity (IRAE) is of 25% for 2012 and 2011. The tax is applied to net income (difference between tax income and disbursements), with a deduction of 7% on dividends distributed from the Uruguayan income.

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

Note 18. Labor Obligations

At December 31, the balance of labor obligations of the parent company and its subsidiaries comprised:

	2012		2011	
	Current Value	Non current value	Current Value	Non current value
Vacations and vacation bonus payable (1)	31,686	-	27,584	-
Severance Law 50	25,206	-	22,226	-
Salaries and other fringe benefits payable (2)	23,034	-	28,514	-
Retirement pensions (See Note 19)	3,079	-	3,079	-
Interest on severance payable	2,997	-	2,780	-
Accumulated severance previous regime	392	540	392	558
TOTAL LABOR OBLIGATIONS	86,394	540	84,575	558

(1) For 2012 includes the subsidiary Spice Investments Mercosur S.A. of $13,179 (2011 - $14,152).

(2) For 2012 includes the subsidiary Spice Investments Mercosur S.A. of $6,096 (2011 - $6,956).

Information on the parent company and its subsidiaries' employees

	Headcount		Personnel expenses (1)		Balance of loans granted	
	2012	2011	2012	2011	2012	2011
Management (1)	938	699	80,987	51,284	983	737
Other (2)	43.239	42.588	609,578	482,174	985	1,323
TOTAL	44.177	43.287	690,565	533,458	1,968	2,060

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

(2) Includes salaries and fringe benefits paid.

For the Disco company included in the financial statements of Spice Investments Mercosur S.A., data at 100% of the number of employees are taken and their expenses reflected in the financial statements at 62.49% of participation of the parent company.

Note 19. Retirement Pensions Estimated Liability

The amount of the parent company 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 parent 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 (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 Colpensiones (before 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:

	2012	2011
Actuarial calculation of the obligation (100% amortized)	19,715	20,799
Less: Current portion (See Note 18)	(3,079)	(3,079)
NON CURRENT PORTION	16,636	17,720

At December 31, 2012, the actuarial calculation includes 176 individuals (2011 - 188).

The benefits covered correspond to monthly retirement pensions, pension readjustments 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 parent company, the net balance at December 31, 2012 and 2011 represents 100% of actuarial calculations of the total contingent obligation at the end of such years.

Note 20. Estimated Liabilities and Provisions

At December 31, the balance of estimated liabilities and provisions comprised:

	2012	2011
Provision for brand loyalty (*)	25,616	24,009
Municipal taxes	9,623	10,448
Labor and civil processes	7,458	6,720
Legal stability contract	-	865
Other	2,320	2,140
TOTAL ESTIMATED LIABILITIES AND PROVISIONS	45,017	44,182

(*) Liability generated by brand loyalty programs of clients, denominated "ÉXITO Points" and "CARULLA Superclient" for 2012 of $15,165 (2011 - $15,165) and Liability generated by the brand loyalty programs of clients, denominated "Hypermiles" of Supermercados Devoto and "Tarjeta Mas" of Supermercados Disco of Uruguay S.A. for 2012 of $10,451 (2011 - $8,844).

Note 21. Other Liabilities

At December 31 the balance of other liabilities comprised:

	2012	2011
Collections received for third parties (1)	23,138	12,335
Project advances (2)	7,416	7,943
Withheld in guarantee (3)	3,130	808
Installments received for "Reserve it Plan" (4)	1,842	2,302
SUBTOTAL OTHER CURRENT LIABILITIES	35,526	23,388
Other non current liabilities (5)	58,986	62,118
TOTAL OTHER LIABILITIES	94,512	85,506

(1) For 2012 and 2011, includes collections for third parties for items such as: utilities, mobile telephone, TV by cable, non bank correspondents, remittances and others.

(2) Advance received by Disco for the sale of the Punta Carretas commercial locals.

(3) The account balance in 2012 includes payment of withholdings made from Cooperativa Nacer of $572 and civil works in Éxito Simón Bolívar in Cali of $972, Pomona Calle 110 in Bogotá of $193, Carulla Calle 82 in Bogotá of $128, Exito Soledad in Barranquilla of $122 and other smaller ones of $1,143.

(4) In 2012, the heading of uses was charged to results, corresponding to unclaimed items of $322 during the period from January 2008 to June 30, 2009, and in 2011, $198 was recorded for unclaimed items in 2007 for the same heading.

(5) During 2010, the parent company signed a purchase-sale agreement for the construction of a Locatel building in Centro Comercial Puerta del Norte in the municipal jurisdiction of Bello for $3,198 and Éxito Colombia for $1,163. 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 $6,629 has been amortized.

Note 22. Equity

22.1 Capital

The parent company 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 (2011 - $4,482), the number of subscribed shares amounts to 447.604.316 and the number of own shares reacquired each year is 635.835.

(*) Expressed in Colombian pesos.

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 is 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 shares 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 $28,095 (2011 - $11,648).

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 parent company General Shareholders' Meeting.

The parent 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.

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.

Law 1370 of December 30, 2009 established the equity tax from 2011 to 2014. The parent company 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).

Note 23. Debit and Credit Memorandum Accounts

At December 31, the balance comprised:

	2012	2011
Recovered accounts receivable	11	13
SUBTOTAL CONTINGENT RIGHTS	11	13
Tax debtors	1,604,985	1,446,242
SUBTOTAL TAX DEBTORS	1,604,985	1,446,242
Unused credits in favor (1)	1,463,972	1,427,987
Property, plant and equipment fully depreciated	820,188	722,286
Inflation adjustments of non monetary assets	202,496	219,083
Assets given in trust (2)	94,110	43,705
Goods on consignment (3)	82,140	53,928
Litigation and lawsuits (4)	15,529	16,455
Unused letters of credit	26,154	36,925
Postdated checks	1,758	2,879
SUBTOTAL CONTROL DEBIT ACCOUNTS	2,706,347	2,523,248
Other litigation and lawsuits (5)	43,626	30,647
Litigation and labor lawsuits	10,438	10,811
Other contingent liabilities (6)	9,600	-
Purchase-sale agreements	500	500
Assets and securities received in guarantee	337	343
SUBTOTAL CONTINGENT LIABILITIES	64,501	42,301
Tax credit accounts	84,199	366,321
SUBTOTAL TAX CREDIT ACCOUNTS	84,199	366,321
Equity inflation adjustments	134,267	134,267
Baskets	517	599
SUBTOTAL CONTROL CREDIT ACCOUNTS	134,784	134,866
TOTAL DEBIT AND CREDIT MEMORANDUM ACCOUNTS	4,594,827	4,512,991

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

(2) Includes the following real estate:

Project	2012	2011
San Pedro Plaza 2	33,990	27,012
Viva Laureles	28,578	-
San Pedro Plaza 3	11,518	-
San Pedro Plaza	7,707	6,012
Del Este	4,507	4,171
Surtimax Girardot	4,001	-
Vizcaya	1,957	1,095
Other merger rights Carulla- La Castellana	954	950
Iwana	880	-
Serrizuela	18	18
Tesoro Etapa 3	-	2,268
Proyecto Spring	-	1,317
Deposit in guarantee (Corficolombiana)	-	751
Terreno Armenia Trust	-	107
Bima Lot	-	4
TOTAL	94,110	43,705

(3) Includes goods belonging to the following suppliers:

Supplier	2012	2011
Continente S.A.	20,667	14,585
Jen S.A.	3,400	3,053
Brightstar Colombia S.A.	3,203	3,846
Ad Electronics S.A.	2,652	1,072
Challenger S.A.	2,532	1,676
Carvajal Educación	2,522	3,537
Pernod Ricard Colombia	2,210	2,383
Laboratorios de Cosméticos Vogue S.A.	2,065	1,812
Sociedad de Comercialización Internacional Pansell S.A.	2,017	1,820
Distribuidora de Vinos y Licores	1,756	36
C.I. Distrihogar S.A.	1,753	1,735
Industrias Cannon	1,728	365
Zapf S.A.	1,575	866
Baby Universe S.A.S.	1,173	-
C.I. Creytex S.A.	1,042	-
Impobe S.A.	951	462
Jhon Restrepo A. y C.	951	-
Altipal S.A.	927	109
J.E. Rueda Compañía Ltda.	881	589
Industria Colombiana	858	112
Inval S.A.	848	1,441
Other smaller amounts	26,429	14,429
TOTAL	82,140	53,928

(4) For 2012, includes the following legal processes qualified as possible and/or remote and which, therefore, do not affect the parent company or its subsidiaries' results:

a. Various customs processes with the National Tax and Customs Administration of $3,629 (2011 - $3,253).
b. Other processes with municipal jurisdictions for an approximate amount of $ $5,331 (2011 - $4,984).
c. Recovery of Murillo Lot in Barranquilla of $3,325 (2011 – $3,325).
d. Other minor items of $3,244 (2011 - $4,893).

(5) Includes for 2012, among others the following processes, qualified as possible and/or remote and which, therefore, do not affect the results of the parent company or of its subsidiaries (*):

(*) 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.

a. Extra-contractual civil responsibility processes of approximately $33,479 (2011 - $21,281).
b. Other processes with municipalities and other third parties for approximately for $7,647 (2011 - $6,866).
c. Litigation concerning the claim due to the increase in the management fee of Centro Comercial Bello for $2,500 (2011 – 2,500).

(6) Independent bank guarantee with Bancolombia S.A.

Note 24. Net Revenues

At December 31 net revenues consisted of:

	2012	2011
NET SALES (1)	9,705,414	8,390,801
OTHER OPERATING REVENUES		
Special exhibition negotiation	202,765	184,358
Concessionaires, leases and royalty(2)	183,683	157,450
Revenues from events	48,718	30,658
Sales with discounts – loyalty program(3)	42,162	36,060
Miscellaneous (4)	29,443	29,364
Services	17,448	16,019
SUBTOTAL OTHER OPERATING REVENUES	524,259	453,909
NET REVENUES	10,229,673	8,844,710

(1) Discounts granted by the parent company in 2012 amounted to $405,753 (2011 - $280,181).

(2) Includes royalties of Éxito-Tuya S.A. Suramericana de seguros, Avianca Taca S.A. and business collaboration agreement with Cafam.

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

(4) Miscellaneous includes: other uses of $4,427 (2011 - $3,995), commission revenues from non bank correspondents of $4,178 (2011 - $2,535), premium in commercial locals of $3,133 (2011 - $2,299), income from home delivery service of $1,899 (2011 - $1,360), publicity of $800 (2011 - $554) and other income of $15,006 (2011 - 18,621).

Returns of goods are recorded as a reduction of sales, taking into account that the parent company policy is changing goods. When the customer returns an item, the client receives a change card to be used as a payment for other purchases.

Note 25. Selling, General and Administrative Expenses

At December 31 Selling, general and administrative expenses corresponded to:

	2012			2011		
	Administrative	Selling	Total operating Expenses	Administrative	Selling	Total operating Expenses
Personnel expenses	128,861	749,760	878,621	116,332	552,705	669,037
Services	9,708	277,106	286,814	8,908	269,911	278,819
Depreciation	18,180	204,675	222,855	21,142	188,688	209,830
Leases	3,115	219,368	222,483	2,227	178,331	180,558
Taxes	33,279	87,866	121,145	31,284	76,526	107,810
Amortization	78,079	63,624	141,703	60,831	49,001	109,832
Maintenance and repair	4,163	60,795	64,958	3,341	46,857	50,198
Packing material and labeling	275	48,563	48,838	411	36,883	37,294
Debit and credit card commissions	-	34,398	34,398	-	27,238	27,238
Insurance	3,652	19,509	23,161	3,823	15,681	19,504
Participation in sales (1)	-	13,312	13,312	-	12,501	12,501
Fees	14,497	1,475	15,972	10,861	1,227	12,088
Travel expenses	6,941	3,069	10,010	7,415	3,130	10,545
Adaptations and facilities	374	5,317	5,691	823	5,615	6,438
Legal expenses	1,439	3,218	4,657	1,000	2,844	3,844
Contributions and affiliations	601	773	1,374	771	109	880
Miscellaneous (2)	6,604	73,038	79,642	6,107	68,200	74,307
TOTAL OPERATING ADMINISTRATIVE AND SELLING EXPENSES	309,768	1,865,866	2,175,634	275,276	1,535,447	1,810,723

(1) Includes business cooperation agreement between Almacenes Éxito and Cafam S.A. of $$13,261.

(2) Miscellaneous expenses include for 2012, among others, cleaning materials and fumigation expenses of $7,643 (2011 - $7,006), store opening expenses of $6,275 (2011 - $5,776), stationery, supplies and forms of $6,250 (2011 - $5,722), replacement of store items of $5,556 (2011 -$5,291), cafeteria and restaurant of $4,894 (2011 - $5,132), regional supports of $4,072 (2011 - $4,281), tools and storage materials of $1,278 (2011 - $1,440), fuels for energy plants of $708 (2011 - $567), and other small items of $42,966 (2011 - $39,092).

Nota 26. Other Non Operating Income and Expenses, Net

Other non operating income and expenses corresponded to:

	2012	2011
NON OPERATING INCOME		
Recovery of provisions for the sale of the investment in Cativén S.A.	35,163	32,974
Profit on sale of property, plant and equipment, investments and intangibles (1)	5,282	13,730
Recovery of provisions (2)	3,701	7,448
Amortization of deferred monetary correction upon the elimination of inflation adjustments	1,559	1,559
Recovery of costs and expenses	310	1,097
Other non operating income	2,369	1,515
TOTAL NON OPERATING INCOME	48,384	58,323
NON OPERATING EXPENSES		
Tax on financial movements (four per thousand)	(11,435)	(19,327)
Royalty expense Compañía de Sufinanciamiento Tuya S.A.	(10,982)	(9,599)
Amortizations, bonuses and indemnities (3)	(10,635)	(5,157)
Legal fees, claims and legal processes	(8,372)	(3,242)
Equity tax (4)	(6,482)	(2,334)
Costs of losses	(3,975)	(1,655)
Donations	(2,383)	(2,696)
Provision for property, plant and equipment	(2,223)	(111)
Special project expenses	(1,560)	(1,615)
Retirement pensions	(154)	(308)
Losses on sale and retirement of assets	-	(289)
Accounts receivable written off	-	(71)
Other non operating expenses (5)	(10,329)	(19,472)
TOTAL NON OPERATING EXPENSES	(68,530)	(65,876)
TOTAL OTHER NON OPERATING INCOME (EXPENSES), NET	(20,146)	(7,553)

(1) For 2012 corresponds mainly to the sale of fixed assets, real estate Carulla Buga, land in Sogamoso, business premises in Commercial Centers and business premise in Avenida Estación in the city of Cali f $2,836 (See Note 9), movable fixed assets of $377, sale of fiduciary rights AESA Tesoro Etapa III in Medellín of $2,046 and others of $23.

For 2011 this corresponds mainly to the sale of fixed assets, real estate 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 $11,531 and movable fixed assets and intangibles of $2,168 and smaller ones of $31.

(2) For 2012 this is the recovery of the provisions for real estate of $2,511, provision for labor proceedings of $578, provision for legal processes of $279 and others of $333.

For 2011, this is the recovery of the provisions for labor processes of $1,263, restructuring of accounts receivable of $1,232, investment in Predios del Sur S.A. of $857, legal processes of $626 and others of $3,470.

(3) For 2012 this corresponds to the R1 program of $4,330, bonuses and indemnities of $4,161, organizational excellence of $1,120 and others of $1,024.

For 2011, this is the provision for organizational excellence, institutional plans, blue Project, non operating indemnities, reconversions, and others of $5,157.

(4) For 2012 and 2011 this is the equity tax paid by Spice Investments Mercosur S.A.

(5) For 2012, this is the payment made to Padron Guillermo and Asociates of $4,009, taxes assumed of $3,110, deferred monetary correction debit of $1,002 and others $2,208.

For 2011, this is the payment made to Geant International of $8,742, fines, taxes assumed of $3,085, deferred monetary correction debit of $1,241, expenses inherent to purchase and sale of assets of $879, and others $1,432.

Nota 27. Relevant Facts

2012

Cativén S.A.

On December 2012, the market was informed that the parent company had received the payment of US$18.1 million corresponding to the last installment from the sale of Cadena de Tiendas Venezolanas S.A. – Cativén S.A., equivalent to 28.62% of that company's capital.

The provision for accounts receivable set-up for this operation was reversed upon the credit of the last installment.

Investment in Grupo Casino Subsidiaries

The General Shareholders' Assembly for parent company in an extraordinary meeting held on December 13, 2012, approved a proposition related with the generation o fan option for the diversification of the management of part of the head office's liquidity excesses by means of the acquisition of short-term bonds ("The Bonds"), issued by a subsidiary of Casino Guichard Perrachon ("Casino Group"), dedicated to the administration of cash within the Casino Group.

By means of this mechanism, an additional alternative would be generated to invest temporarily a part of the resources available of head office Almacenes Éxito S.A., complementing its current investment alternatives in financial entities.

It is worth noting that in order to ensure liquidity for parent company Almacenes Éxito S.A., the Casino Group has offered a liquidity guarantee under which the bonds should be acquired at any time and without any condition, is so required by Éxito S.A.

The investment in bonds will take place only under the assumption that the net return is equal or higher than the net return mean granted by the current investments of Grupo Éxito through the principal banks in Colombia.

In accordance with the provisions of article 23 of Law 222 of 1995 and Decree 1925 of 2009, as well as by the head office's Good Government Code, the transaction was submitted to the consideration of the General Shareholders' Meeting since the deal is a transaction between related parties which implementation corresponds to the Board of Directors, where members participate that are also employees of the Casino Group.

Opening of the Centro Comercial under the "VIVA" brand

In November 2012, the parent company Almacenes Éxito S.A. opened its first business premise in Centro Comercial under its "VIVA" brand developed in alliance with "Arquitectura & Concreto", a firm with origin in Antioquia, the new commercial center "VIVA Laureles". It has as anchor store an Éxito hypermarket– the fourth in sales of the organization – which has operated since 1997. New and recognized local and international brands offer in 86 business premises, their products and services with an extensive offer of restaurants, banks and clothing.

This real estate project is the first one of its class and was constructed in line with the parent company expansion plan of openings in several principal and intermediate cities in Colombia.

Generalities of the project

- GLA (area for leasing): 20.500 m² (approximately, including Éxito anchor store)
- Quantity of business premises: 86
- Investment of Grupo Exito: COP93,000 million

VIVA Villavicencio

The parent company and Grupo Argos S.A. ("Argos") agreed on the investment and development conditions of a real estate project in Villavicencio, denominated Centro Comercial VIVA Villavicencio ("The Project").

In "The Project" the parent company has the capacity of promoter, developer, administrator and investor, with a participation of 51% thereof and Grupo Argos will have the capacity of investor with a participation equivalent to 49%.

The investment for the development of "The Project" will be of approximately $213,000, in regard to which the head office will make an estimated contribution of $109,000 and Grupo Argos of $104,000.

The contribution of parent company Almacenes Éxito S.A. consists of a contribution of 54 of the 58 business premises making up the Centro Comercial La Sabana – Propiedad Horizontal, located in calle 7 N° 45 – 185 of the municipality of Villavicencio in Department of Meta, representing 90.05% of the coefficients of the co-ownership and a lot for future development inside the stated Commercial Center. These contributions in kina are valued at an equivalent amount of $63,000, which are complemented with a capital contribution of approximately $46,000.

The Centro Comercial Viva Villavicencio will have approximately 159 business premises and 1.569 parking spaces. It will open its doors in the second half of 2014, in the place where the Centro Comercial La Sabana operates.

Convergence to International Financial Reporting Standards

In accordance with the provisions of Law 1314 of 2009 and the regulatory decrees 2706 and 2784 of December 2012, the parent company is required to initiate the convergence process of accounting principles generally accepted in Colombia to international financial reporting standards (IFRS) as they are issued by the IASB (International Accounting Standards Board).

Taking into account that this convergence to IFRS is complex and will have significant effects for the companies, the Public Accounting Technical Council classified the companies under three groups for the transition, where the Company belongs to group one (1), which mandatory transition period starts on January 1, 2014 and the issuance of its first comparative financial statements under IFRS will be December 31, 2015.

The parent company should submit to the Financial Superintendence of Colombia an implementation plan to IFRS before February 28, 2013, which should be approved by the Board of Directors, the executive council or the body which exercises equivalent functions in the entity, and additionally, should be informed in the next shareholders' meeting or highest corporate body of the entity.

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 of $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, Disco and Devoto, for US$746 million.

Cativén S.A.

As a result of the sale of Cativén S.A. in 2010, the parent company Almacenes Éxito S.A. received during 2011 the sum of 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.

The provision for accounts receivable created for this operation was reversed by the same proportion in the financial statements of parent company Almacenes Éxito S.A. at December 31. 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 parent 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.

Comments to the consolidated financial results year 2012

Operating revenues:
For the year ended in December 2012 they reached $10,229,673 million. The figure for 2011 amounted to $8,844,710 million, increasing by 15.6%.

Gross profit:
It amounted to $2,669,801 million, reflecting an increase in respect of the prior year of 19.5%, upon reaching 26.1% of operating revenues. This trend was due to the good handling of the sales margin and to the revenues generated by the development in real estate.

Operating administrative and selling expenses:
They reflected an increase of 20.2% reaching $2,175,634 million.

Operating profit:
It reached $494,167 million in 2012 compared to $423,322 million in 2011. This corresponds to 4.8% of operating revenues in 2012 and 2011.

EBITDA:
With an amount of $858,725 million for 2012, it reached 8.4% as a percentage of operating revenues, decreasing by 0.01% in respect of 2011, due to the efficiency in the handling of expenses and the margin.

Financial income and expenses:
The net financial income showed an increase of $86,418 million in 2012 versus income of $6,766 million of 2011, explained mainly by financial yields on securities and savings accounts and the decrease of the financial debt.

Other non operating income and expenses:
For 2012 the parent company and its affiliates reflect a net expense of $20,146 million, versus a net expense of $7,553 million in 2011.

Income tax:
This provision reached $83,549 million in 2012 compared to $33,447 million in 2011.

Net profit:
This heading amounted to $475,305 million in 2012. As a percentage of operating revenues it represents 4.6% and 4.4% in 2011.

Consolidated Financial Indicators

AT DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	2012	2011
1. LIQUIDITY INDEXES		
Current ratio	1.65	1.71
Net working capital / Operating income	15.54	17.07
Inventories acid test	1.21	1.25
Suppliers / Goods inventories	1.53	1.49
2. BORROWING INDEXES (%)		
Total borrowing	26.32	26.11
Concentration of short term borrowing	89.39	83.45
Financial borrowing	2.20	3.03
Financial leverage	2.99	4.11
Short-term borrowing	1.20	24.53
Medium and long-term borrowing	98.80	75.47
Total borrowing in foreign currency	1.20	24.53
Total borrowing in local currency	98.80	75.47
Net financial expense on EBITDA	10.06	0.91
Gross debt on EBITDA (times)	0.26	0.40
Operating profit on net financial expenses (times)	5.72	62.57
Operating income on total financial obligations (times)	44.99	29.71
3. PROFITABILITY INDEXES (%)		
Profit margin before operating income and expenses	4.83	4.79
Net margin	4.65	4.40
Asset profitability	4.60	3.97
Equity profitability	6.26	5.38
EBITDA margin (*)	8.39	8.40
Gross profit / Total operating income	26.10	25.26
4. TREND AND OPERATING EFFICIENCY INDIXES (TIMES)		
Total assets turnover	0.99	0.90
Portfolio turnover	10.73	-
Inventory turnover	7.36	7.39
Suppliers turnover	4.88	5.22
Hedge of gross profit over selling expenses	1.43	1.45
Fixed assets turnover	4.55	3.90
Administrative expenses / gross profit (%)	11.60	12.32
Selling expenses / gross profit (%)	69.89	68.73
Personnel expenses / operating income	8.59	7.56

(*) Earning before interest, taxes, amortization, depreciation and inflation adjustments.

Analysis of Financial Consolidated Indicators

AT DECEMBER 31, 2012 AND 2011

(Amounts expressed in millions of Colombian pesos)

Liquidity indexes

The working capital of parent company and its subsidiaries at December 31, 2012 is of 1,589,924 (2011 -$1,510,121) and solidity index has a capacity of 3.80 financial demostrating Consistency.

The parent company counts upon $1.65 to cover its short-term obligations, and the suppliers' inventories ratio improved to 1.53 in 2012 compared to 1.49 of 2011, which demonstrates an improvement in the negotiation capacity with suppliers.

Borrowing indexes

The parent company and its subsidiaries total of borrowing reflects an increase of 0.21% in 2012 upon passing from 26.11% to 26.32%.

The proportion financed with financial obligations is of 2.20%.

The index of borrowing concentration during 2012 is 89.39% in the short term, represented in the account payable to suppliers.

Medium and long-term borrowings with the financial sector include the bonds credit of $224 million with expiration in 2013 and 2015.

Operating income over financial expenses reflected a variation of 56.85 points obtained from financial yields from securities and savings accounts, upon passing from 62.57 in 2011 to 5.72 in 2012.

Profitability indexes

The margin before interest, taxes, depreciation and amortization (EBIDTA) shows the capacity for the generation of cash of the parent company and its subsidiaries through its operation, which was of 8.39% during 2012.

The parent company and its subsidiaries generated a net margin of 4.65% during 2012.

Trend and operating efficiency indexes

The parent company and its subsidiaries purchases inventory which is held on average 49 days and are paid over a term of 74 days.

A 3.8% of the parent company and its subsidiaries´s sales are credit sales with accounts receivable turnover of 10.73 equivalent 34 days.

Consolidated Operational Indicators

AT DECEMBER 31, 2012

(Amounts expressed in millions of Colombian pesos)

Number of stores, selling area (owned/leased)

COLOMBIA

	Stores	%	Area (sqm)	%
Own	145	34	424,087	57
Leased	282	66	315,453	43
TOTAL	427	100	739,540	100

URUGUAY

	Stores	%	Area (sqm)	%
Own	13	25	25,575	34
Leased	39	75	47,802	66
TOTAL	52	100	73,377	100

Number of stores and selling area by brand

Brand	Stores	Selling area (sqm)
Éxito	224	594,000
Carulla - Pomona	79	72,619
Surtimax	119	64,681
Others	5	8,239
TOTAL COLOMBIA	427	739,540
Devoto	24	33,118
Disco	27	29,285
Geant	1	10,974
TOTAL URUGUAY	52	73,377
TOTAL GRUPO ÉXITO	479	812,917

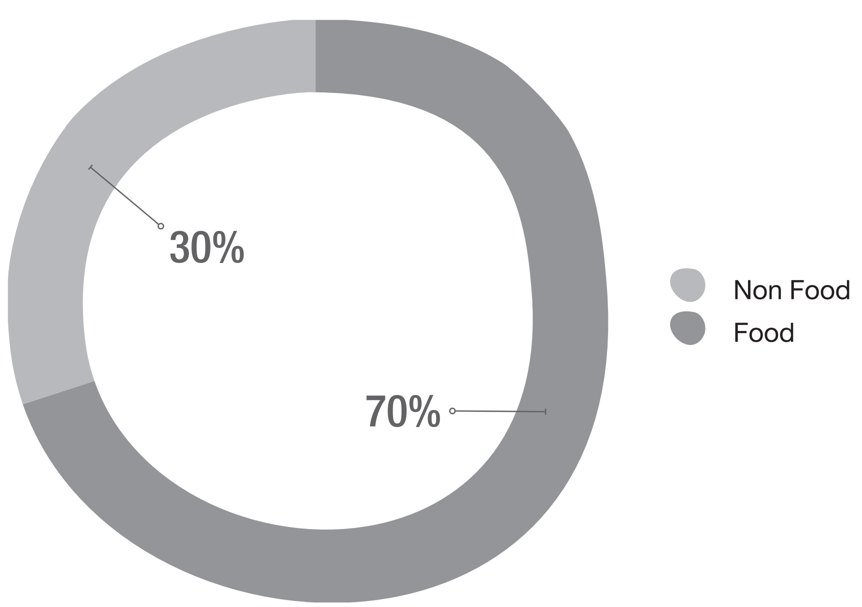
Openings, closings and convertions for the twelve month period ended on December 31, 2012

Brand	Opened	Closed	Converted	
Éxito	38	8 (Express)	4	From Cafam, Ley and Surtimax brands
Carulla - Pomona	4	-	11	From Pomona brand
Surtimax	44	2	-	
Other: Ley, Homemart, Cafam	-	-	-	
Disco	-	-	-	
Devoto	-	-	-	
Geant	-	-	-	
TOTAL GRUPO EXITO	86	10	15	

Capex executed in 2012

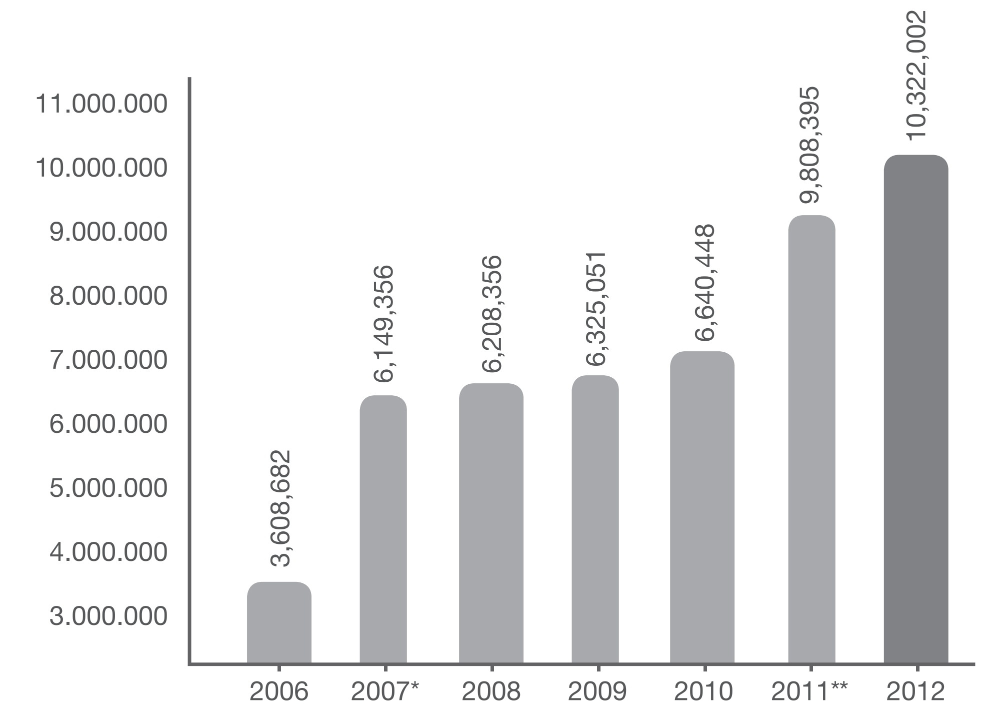
	COP Million
For expansion in Colombia: 71% openings, conversions and remodelings and 29% IT for IT, logistics and others	429,510
Uruguay	42,542
TOTAL CAPEX GROUP ÉXITO	472,052

Sales Mix in 2012

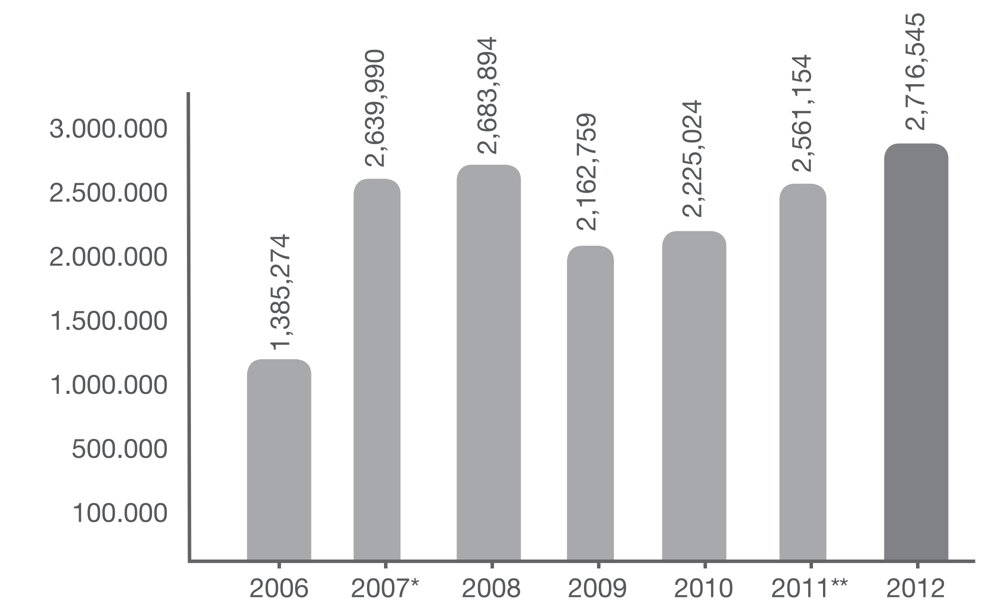


Consolidated statistics charts

Asset



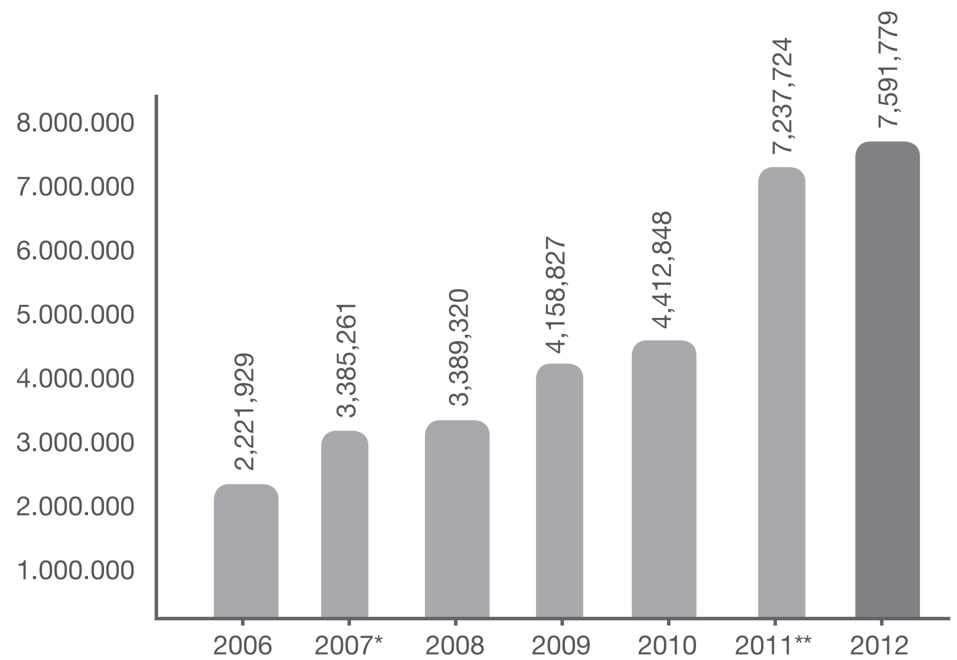
Liabilities



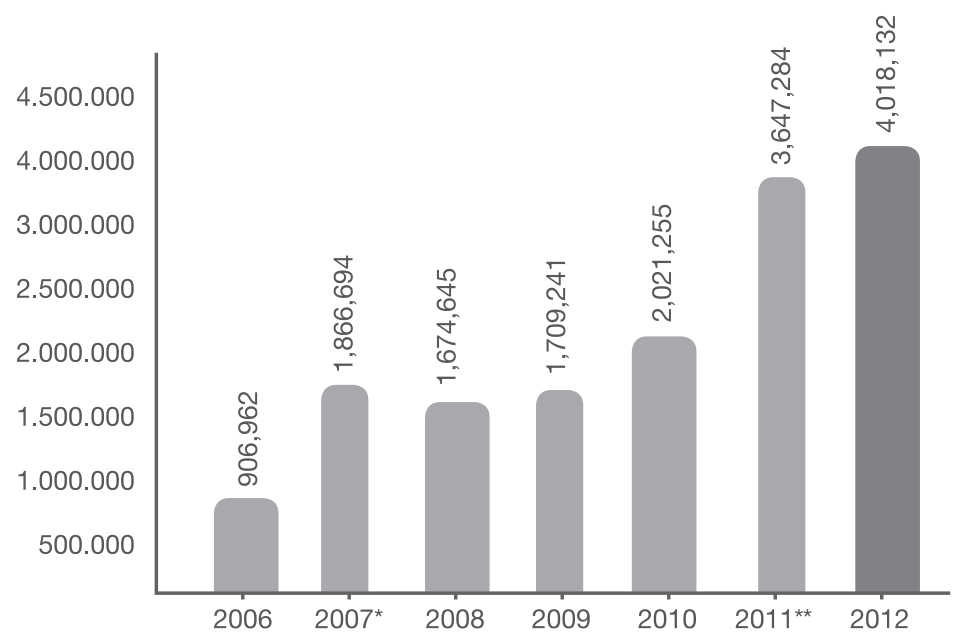
* Year 2007 Acquisition of Carulla Vivero S.A.

** Year 2011 Acquisitión of Spice Investments Mercosur S.A.

Equity



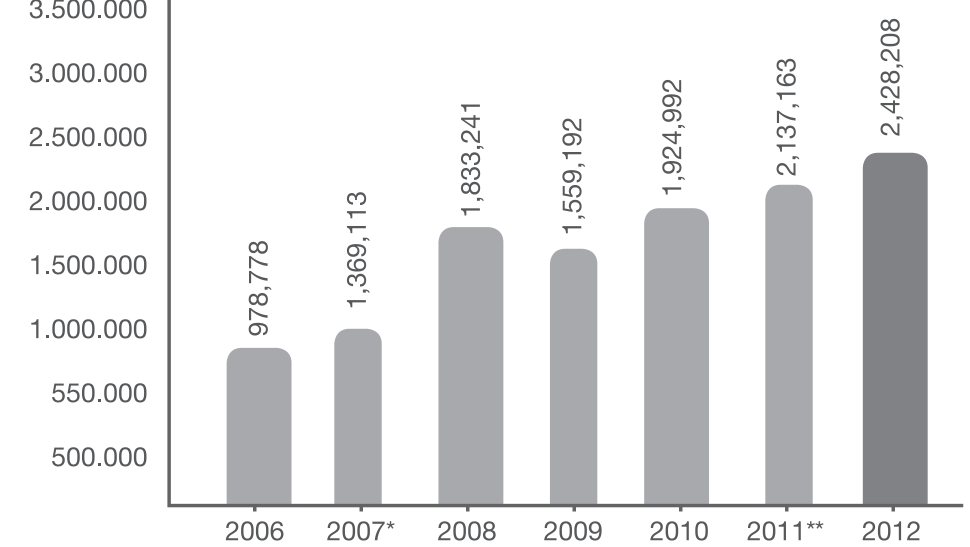
Current Asset



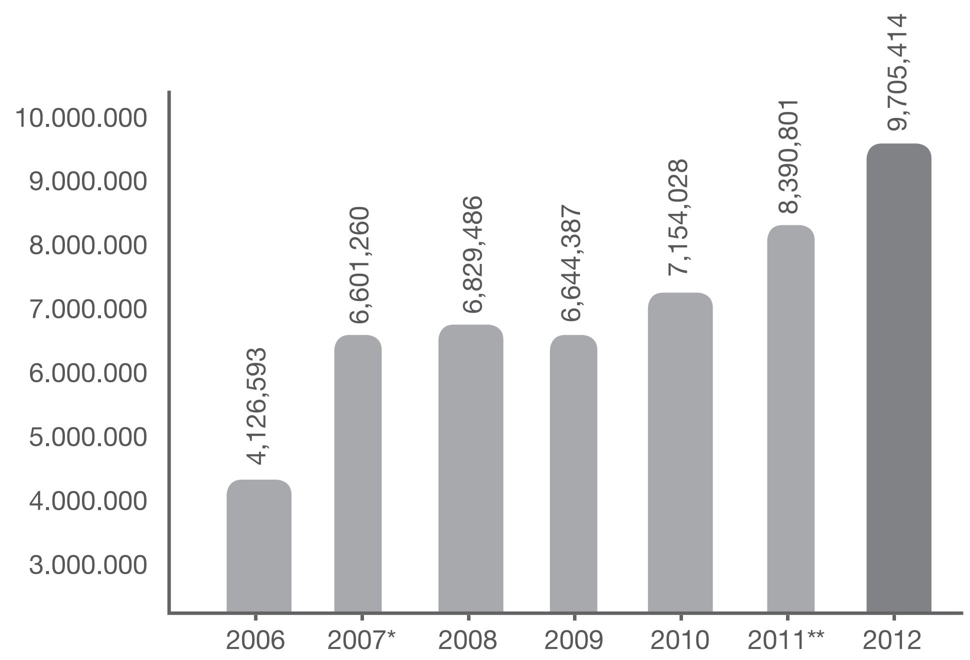
* Year 2007 Acquisition of Carulla Vivero S.A.

** Year 2011 Acquisitión of Spice Investments Mercosur S.A.

Current Diabilities



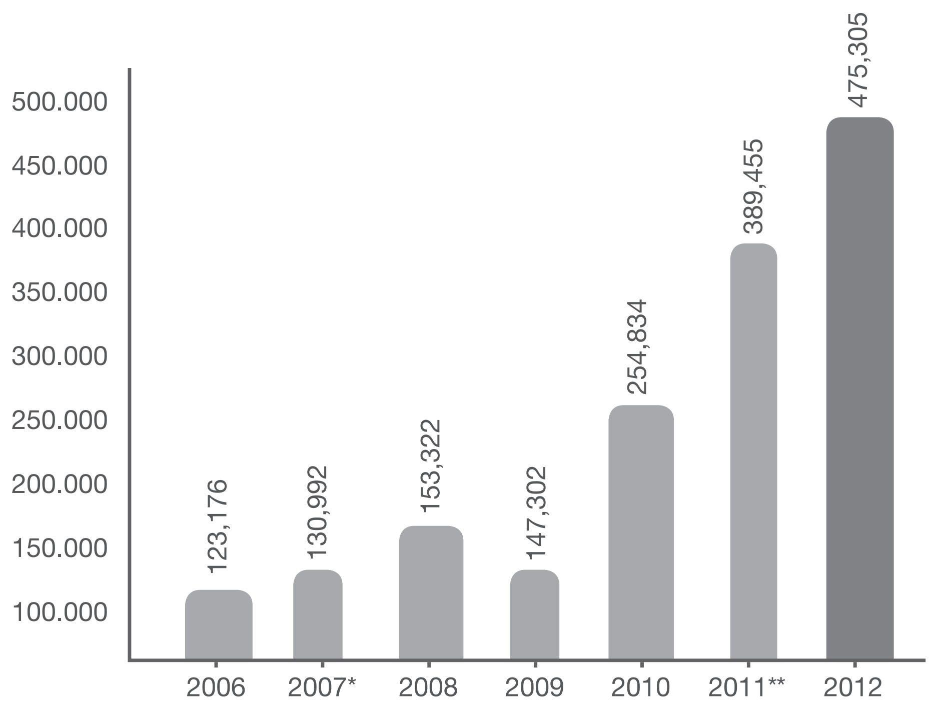
Sales



* Year 2007 Acquisition of Carulla Vivero S.A.

** Year 2011 Acquisitión of Spice Investments Mercosur S.A.

Net Revenues



* Year 2007 Acquisition of Carulla Vivero S.A.

** Year 2011 Acquisitión of Spice Investments Mercosur S.A.

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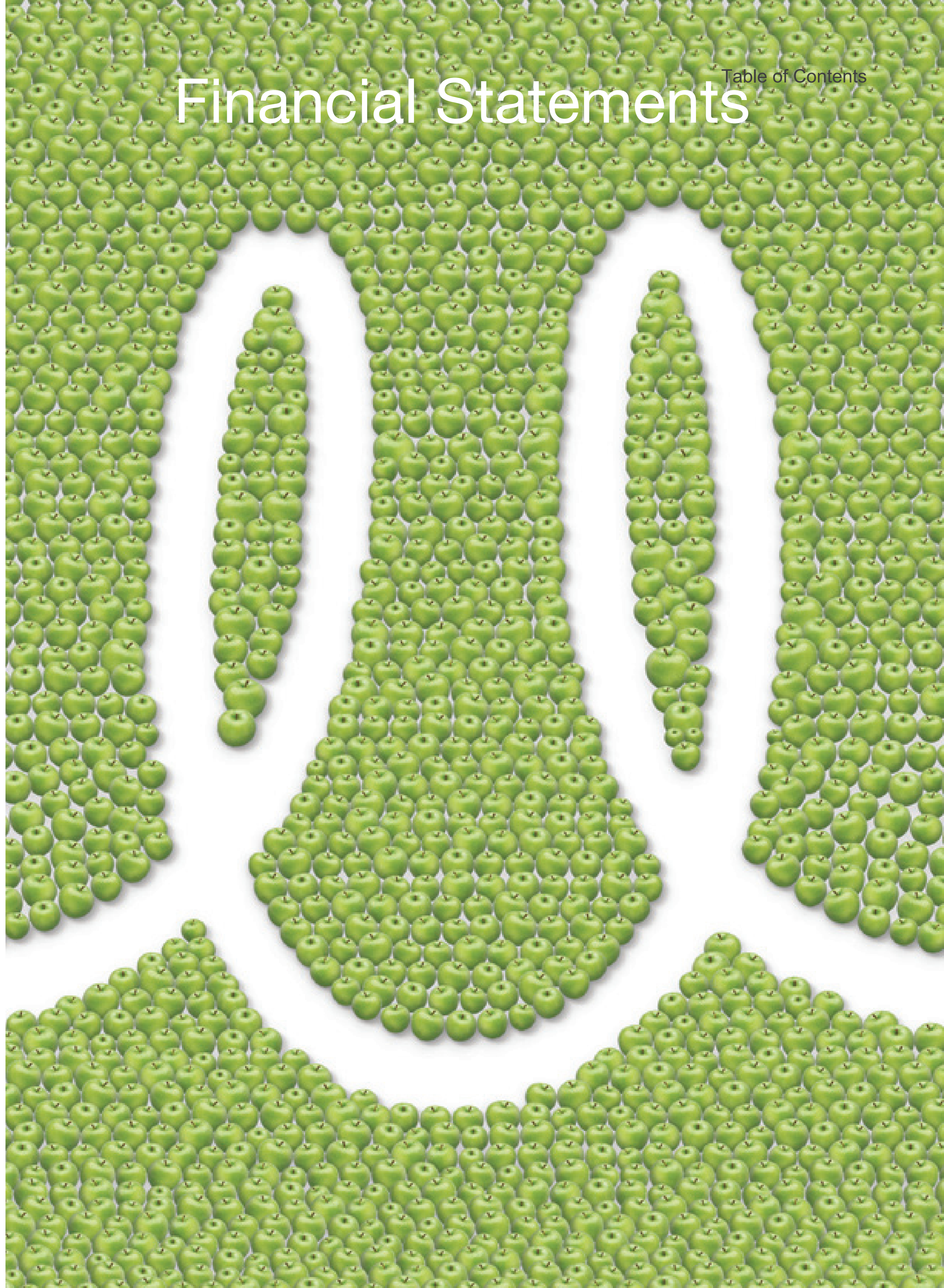
Financial Statements



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Statutory Auditor's Report

To the Shareholders of
Almacenes Exito S.A.

I have audited the accompanying non consolidated financial statements of Almacenes Exito S.A., which comprise the non consolidated balance sheets as at December 31, 2012 and 2011 and the related non 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 non consolidated 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 non 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 non consolidated financial statements present fairly, in all material respects, the non consolidated financial position of Almacenes Éxito S. A. as of December 31, 2012 and 2011, and the non consolidated 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, and accounting instructions issued by the Superintendencia Financiera de Colombia, 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.

Sandra Milena Buitrago Estrada
Statutory Auditor
Professional Card 67229-T
Designated by Ernst & Young Audit Ltda. TR-530

Medellín, Colombia
February 19, 2013

Certification of the Financial Statements

Messrs
GENERAL SHAREHOLDERS' MEETING OF ALMACENES EXITO S.A.
Envigado

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

CERTIFY:

That we have previously verified the assertions contained in the Company's financial statements at December 31, 2012 and 2011, in accordance with the regulations, and that they have been truthfully taken from the books.

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

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

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

In testimony whereof this certification is signed on February 19, 2013.

Gonzalo Restrepo López
Legal Representative

Claudia Patricia Álvarez Agudelo
Public Accountant
Professional Card 69447-T

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Certification of the Financial Statements Law 964 of 2005

Messrs
GENERAL SHAREHOLDERS' MEETING OF ALMACENES ÉXITO S. A.
Envigado

THE SUBSCRIBED LEGAL REPRESENTATIVE OF ALMACENES ÉXITO S.A.

CERTIFIES:

That the financial statements and the Company's operations at December 31, 2012 and 2011, do not contain vices, inaccuracies or errors that prevent being aware of its true equity situation.

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

In testimony this certification is signed on February 19, 2013.

Gonzalo Restrepo López
Legal Representative

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Balance Sheet

AT DECEMBER 31 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

Assets	Notas	2012	2011
CURRENT ASSETS			
Cash	4	1,470,350	1,386,507
Marketable investments	5	808,987	702,442
Accounts receivable, net	6	265,314	246,643
Inventories, net	7	992,543	865,432
Deferred charges, net	13	42,743	48,216
TOTAL CURRENT ASSETS		3,579,937	3,249,240
NON CURRENT ASSETS			
Accounts receivable, net	6	39,646	35,976
Permanent investments, net	9 y 10	736,759	651,598
Property, plant, and equipment, net	11	2,047,862	2,052,883
Intangibles, net	12	2,026,855	2,006,529
Deferred charges, net	13	248,461	249,148
Other assets		285	285
Valuations	14	1,351,862	1,255,248
TOTAL NON CURRENT ASSETS		6,451,730	6,251,667
TOTAL ASSETS		10,031,667	9,500,907
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	25	4,538,859	4,450,290

Gonzalo Restrepo López
Legal Representative
(See attached certification)

AT DECEMBER 31 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

Liabilities and Shareholders' Equity	Notas	2012	2011
CURRENT LIABILITIES			
Financial obligations	15	11	69,953
Suppliers	16	1,496,861	1,254,768
Accounts payable	17	329,089	286,889
Taxes, levies and rates	19	124,138	113,801
Labor obligations	20	65,528	63,257
Estimated liabilities and provisions	22	33,583	34,739
Deferred charges, net	13	450	311
Bonds	18	74,650	-
Other liabilities	23	26,211	15,207
TOTAL CURRENT LIABILITIES		2,150,521	1,838,925
NON CURRENT LIABILITIES			
Taxes, levies and rates	19	46,865	93,730
Labor obligations	20	540	558
Estimated retirement pensions liability	21	16,636	17,720
Bonds	18	150,000	224,650
Deferred charges, net	13	12,884	21,980
Other liabilities	23	58,986	62,118
TOTAL NON CURRENT LIABILITIES		285,911	420,756
TOTAL LIABILITIES		2,436,432	2,259,681
SHAREHOLDERS' EQUITY (SEE ATTACHED STATEMENT)	24	7,595,235	7,241,226
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,031,667	9,500,907
DEBIT AND CREDIT MEMORANDUM ACCOUNTS	25	4,538,859	4,450,290

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

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

Sandra Milena Buitrago Estrada
Statutory Auditor
Professional Card 67229-T
(Designated by Ernst & Young Audit Ltda. TR-530
(See my report of February 19, 2013)

Income Statement

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(Amounts expressed in millions of Colombian pesos)

	Notas	2012	2011
NET REVENUES			
Sales		8,657,748	8,105,601
Other Net Revenues		507,116	446,804
TOTAL OPERATING REVENUES	26	9,164,864	8,552,405
COST OF SALES		(6,856,028)	(6,427,755)
GROSS PROFIT		2,308,836	2,124,650
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and fringe benefits		(729,647)	(627,233)
Other operating administrative and selling expenses		(820,784)	(791,772)
Depreciation and amortization		(332,011)	(306,628)
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	27	(1,882,442)	(1,725,633)
OPERATING INCOME		426,394	399,017
NON OPERATING INCOME AND EXPENSES			
Financial income		200,406	160,963
Dividends and participations		4	801
Income under equity method, net	10	62,791	28,995
Financial expenses		(120,652)	(154,248)
Other non operating income and expenses, net	28	(13,859)	(4,609)
TOTAL NON OPERATING INCOME AND EXPENSES, NET		128,690	31,902
INCOME BEFORE TAXES		555,084	430,919
INCOME AND COMPLEMENTARY TAX			
Current		(55,436)	(33,551)
Deferred		(24,343)	(7,913)
TOTAL INCOME AND COMPLEMENTARY TAX	19	(79,779)	(41,464)
NET INCOME		475,305	389,455
NET INCOME PER SHARE	2	1,061.89*	870.09*

(*) Expressed in Colombian pesos

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

Gonzalo Restrepo López
Legal Representative
(See attached certification)

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(See my report of 19, 2013)

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Statement Of Changes In Equity

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(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, 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 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	24		11,648											11,648
Increase per equity method			9,440											9,440
Decrease of valuation of financial instruments			11,743											11,743
Additional paid-in capital	24		2,553,877											2,553,877
Issue of shares	24	1,142												1,142
Equity tax 2011	24									(187,461)				(187,461)
Increase in valuation surplus													134,160	134,160
Net income 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
Appropriations by the General Shareholders' Meeting: Dividend in cash of $108.75 (*) per share and quarter, from April 2012 to March 2013 on 447.604.316 outstanding shares of Almacenes Exito S.A.												(194,708)		(194,708)
Transfer of non appropriated gains and tax reserves to reserve for future expansion and improvements					194,747				194,747			(194,747)		-
Decrease of valuation of financial instruments			(577)											(577)
Exchange difference foreign investment	24		(28,095)											(28,095)
Increase per equity method			5,470											5,470
Increase in valuation surplus													96,614	96,614
Net income at December 31, 2012	2											475,305		475,305
Balance at December 31, 2012		4,482	4,842,024	7,857	750,940	19,266	-	1,419	779,482	134,267	7,813	475,305	1,351,862	7,595,235

(*) Expressed in Colombian pesos

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

Gonzalo Restrepo López
Legal Representative
(See attached certification)

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(See attached certification)

Sandra Milena Buitrago Estrada
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(See my report of 19, 2013)

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Statement Of Changes In Financial Position

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	Notas	2012	2011
FINANCIAL RESOURCES PROVIDED BY:			
Net Income		475,305	389,455
Plus (less) charges (credits) to operations not affecting working capital: Depreciation of property, plant and equipment	11	210,668	205,395
Amortization of deferred charges		61,123	60,745
Amortization of intangibles		64,247	44,433
Profit on sale of property, plant and equipment, net	28	(3,348)	(13,112)
Profit on sale of intangibles	28	(2,069)	(297)
Increase in long-term deferred tax		18,589	9,668
Decrease of provision for property, plant and equipment, net		(2,510)	(2,599)
Increase of amortization of long-term actuarial calculation	21	824	876
Profit per equity method of statement of income	10	(62,791)	(28,995)
Increase (decrease) of provision for protection of investments, net		1	(845)
Adjustment for exchange difference of foreign investments abroad, net		155	(25)
Amortization of prepaid lease		223	169
Loss on sale of investments		-	995
Adjustment of debt reduction securities		-	(5)
Amortization of deferred monetary correction		(557)	(318)
Returns fron fiduciary rights		(7)	(7)
Trust profits		(3,901)	(3,270)
Dividends and participations received		(4)	(801)
Advance of profits – Trusts		2,306	-
Provision for the protection of assets	28	2,223	22
Depreciaciones Patrimonios Autónomos		(2,650)	-
Other		3	2,120
WORKING CAPITAL PROVIDED BY OPERATIONS		757,830	663,604
FINANCIAL RESOURCES GENERATED BY OTHER SOURCES			
Proceeds from sale of property, plant and equipment, net		7,849	46,445
Income from sale of investments		-	165
Proceeds from sale of intangibles		4,500	348
Decrease in long-term labor obligations	20	(18)	(17)
Issue of shares	24	-	1,142
Addiotal paid-in capital	24	-	2,553,877
(Decrease) Increase in other long-term liabilities	23	(3,132)	19,323
Redemption of debt reduction securities		54	129
Transfer from long to short term of bonds and commercial papers	18	(74,650)	-
TOTAL FINANCIAL RESOURCES PROVIDED		692,433	3,285,016

Gonzalo Restrepo López
Legal Representative
(See attached certification)

grupo éxito

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	Notas	2012	2011
FINANCIAL RESOURCES WERE USED IN:			
Acquisition of investments		45,203	432,378
Acquisition of property, plant and equipment, and other assets		229,580	223,383
Increase of intangibles		63,879	1,045,820
Decrease in non current debtors		3,670	(15,597)
Increase in non current deferred assets		85,079	80,832
Dividends declared		194,708	100,000
Increase in taxes, levies and rates	19	-	(93,730)
Equity tax		46,865	187,461
Transfer of short term debtors to intangibles		(3,000)	11,181
Effect of valuation of derivative financial instruments		577	(11,743)
Transfer of debtors to property, plant and equipment		5,688	-
Amortization of actuarial calculation		1,083	-
TOTAL FINANCIAL RESOURCES USED		673,332	1,959,985
INCREASE IN WORKING CAPITAL		19,101	1,325,031
ANALYSIS OF CHANGES IN WORKING CAPITAL INCREASE (DECREASE) IN CURRENT ASSETS			
Cash	4	83,843	872,120
Marketable investments	5	106,545	427,990
Debtors	6	18,671	(108,684)
Inventories	7	127,111	42,824
Deferred charges	13	(5,473)	6,622
TOTAL INCREASE IN CURRENT ASSETS		330,697	1,240,872
(INCREASE) DECREASE IN CURRENT LIABILITIES			
Financial obligations	15	69,942	287,341
Suppliers	16	(242,093)	(156,272)
Accounts payable	17	(42,200)	(14,448)
Taxes, levies and rates		(10,337)	(53,963)
Labor obligations	20	(2,271)	(13,194)
Estimated liabilities	22	1,156	7,783
Commercial papers and short-term bonds	18	(74,650)	30,350
Deferred charges	13	(139)	(311)
Other liabilities	23	(11,004)	(3,127)
TOTAL INCREASE IN CURRENT LIABILITIES		(311,596)	84,159
INCREASE IN WORKING CAPITAL		19,101	1,325,031

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

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

Sandra Milena Buitrago Estrada
Statutory Auditor
Professional Card 67229-T
(Designated by Ernst & Young Audit Ltda. TR-530
(See my report of 19, 2013)

grupo éxito

Statement Of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	2012	2011
CASH RECEIVED FROM SALE OF GOODS, SERVICES AND OTHERS:		
Goods, services and others	10,179,352	9,607,023
Paid to suppliers	(7,478,856)	(6,998,014)
Paid for wages, salaries and fringe benefits	(729,058)	(636,761)
Paid for administrative expenses	(82,594)	(81,991)
Paid for selling expenses	(831,123)	(776,885)
Paid for sales tax	(145,713)	(162,048)
Paid for income tax	(112,154)	(102,909)
TOTAL CASH GENERATED BY THE OPERATION	799,854	848,415
Acquisition of property, plant and equipment, net	(235,702)	(189,670)
Acquisition of deferred charges	(84,745)	(79,483)
Income from sale of property, plant and equipment, net	54,042	48,669
Acquisition of investments	(45,203)	(433,178)
Acquisition of intangibles	(63,879)	(1,045,820)
Income from sale of intangibles	4,500	348
SUBTOTAL NET CASH USED IN CAPITAL ASSETS	(370,987)	(1,699,134)
Purchases of marketable investments	(107,700)	(427,991)
Income from sale of permanent investments	-	107,700
Advance of profits - trusts	2,306	-
Interest received	142,396	71,416
Dividends and participations received	4	801
SUBTOTAL NET CASH GENERATED BY (USEDIN) OTHER INVESTMENTS	37,006	(248,074)
TOTAL NET CASH USED IN INVESTING ACTIVITIES	(333,981)	(1,947,208)
Loans received	185,312	2,319,695
Payment of installments of loans capital	(243,919)	(2,536,838)
Dividends declared and paid	(145,985)	(119,907)
Issue of shares	-	2,553,877
Interest paid on loans and bonds	(70,385)	(137,641)
Payment of certificate of indebtedness	-	(30,350)
NET CASH (USED IN) GENERATED BY FINANCING ACTIVITY	(274,977)	2,048,836
Income from cash from other headings	1,221	12,710
Outflow of cash for other headings	(61,409)	(43,768)
Outflow of cash for payment of equity tax	(46,865)	(46,865)
NET CASH USED FOR OTHER HEADINGS	(107,053)	(77,923)
TOTAL NET INCREASE OF CASH	83,843	872,120
INITIAL BALANCE OF CASH	1,386,507	514,387
ENDING BALANCE OF CASH	1,470,350	1,386,507

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	2012	2011
RECONCILIATION OF NET INCOME WITH NET CASH GENERATED BY THE OPERATION		
NET INCOME	475,305	389,455
Adjustments to reconcile net income with net cash provided by operating activities:		
Amortization of deferred monetary correction	(557)	(318)
Depreciation of property, plant and equipment, net	210,668	205,395
Amortization of deferred charges	61,123	60,745
Amortization of intangibles	64,247	44,433
Amortization of prepaid leases	(111)	169
Adjustment of prepaid expense	-	(1,349)
Increase of the amortization of the retirement pensions liability	(1,083)	876
Profit on sale of property, plant and equipment, net	(3,348)	(13,113)
Profit in income statement equity method	(62,791)	(28,995)
Profit from sale of intangibles	(2,069)	(297)
Decrease of provision for the protection of investments, net	1	(845)
Provision for property, plant and equipment, net	(2,510)	(2,599)
Adjustment for exchange difference of non controlled foreign investments abroad	155	(25)
Loss on sale of investments	-	995
Variations in non operating accounts	(51,253)	18,375
Accrued expenses	6,992	(209)
Donations	2,061	2,478
Tax on financial movements	11,066	18,517
Increase in inventories	(127,111)	(42,824)
Increase in suppliers	242,093	156,272
Increase in labor obligations	1,672	(10,404)
Interest received	(142,551)	(71,391)
Interest paid	70,200	137,855
Taxes payable	45,436	(14,000)
Dividends and participations received	(4)	(801)
Provision for Protection of Assets	2,223	20
CASH NET PROVIDED BY OPERATIONS	799,854	848,415

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

Gonzalo Restrepo López
Legal Representative
(See attached certification)

Claudia Patricia Alvarez

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Public Accountant
Professional Card 69447-T
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Sandra Milena Buitrago Estrada
Statutory Auditor
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(Designated by Ernst & Young Audit Ltda. TR-530
(See my report of 19, 2013)

Notes To Financial Statements

AT DECEMBER 31 2012 AND 2011
(Amounts expressed in millions of Colombian pesos (COP$) and in US$)

Nota 1. Reporting Entity

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

Its 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, 2012 it held 54.77% in share capital.

Nota 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 Superintendence 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 a part of the balance of their respective accounts for all accounting purposes, until their cancellation, depreciation or amortization. Also, the balance of the equity revaluation account may be decreased upon the recognition of the equity tax paid, and 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 for the shareholders revenues not constituting income or capital gains.

The Company not recorded the equity revaluation for 2012 upon following the above mentioned standard and in accordance with Law 1370 of December 2009, it recorded $187,461 for this same heading for 2011.

Foreign exchange translation

Foreign currency transactions are recorded at the applicable exchange rates prevailing on the respective dates. 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 exchange rate that, since late 1991 has been the Representative Market Rate, certified by the Colombian Financial Superintendence. Concerning 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 assets' acquisition costs while these assets are either being built or installed and until they are in a condition to be used.

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 and as current liabilities, those amounts that will be payable or settled also over a term not to exceed one year.

Cash and equivalents

These are funds available the Parent Company and its subsidiaries count upon. This account includes cash, banks and savings entities, as well as balances pending clearing with different banking networks.

Accounts receivable

These accounts represent resources granting the right to claim to a third party compliance with the inherent right obligation either in cash, goods or services, as agreed upon between the parties, 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, their recoverability is technically evaluated and the contingencies of loss of value are recognized.

Inventories

Inventories of goods not manufactured by the Company are recorded at cost, which is calculated monthly using the retail method each month and is adjusted to FIFO at year end.

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. Their 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 serious purpose 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 subsequently in an exponential way, based on the internal return rate 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 in the income statement accounts.
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 affecting the value of the investments against 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 of controlling or non-controlling entities.

a. **Permanent investments of controlling entities** are recorded by the equity method, in accordance with the definition of the Financial Superintendence of Colombia whereby investments in subordinated entities regarding 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 and it adjusts them (increasing or decreasing them) upon changes in equity and income statement of the subordinates, as appropriate, in accordance with their percentage of participation. The balancing entry of this adjustments in the financial statements of the parent company, is recorded in the income statement and/or the capital surplus account – equity method, as indicated below:

- Changes in equity of the subordinated entities occurred during the year will be recognized by the parent company , increasing or decreasing the investment cost.
- Changes in equity of the subordinated entities arising from the year net result. will affect the parent company income statement.
- Variations of the subordinated entities' equity not deriving from its income statement will not affect the parent company results; rather they will be recorded in the latter's capital surplus.
- The participation dividends of a company where an investment is made, 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.

Concerning the year close, if the estimated value of controlling entities' investments is lower than the adjusted cost, a provision for demerit / impairment against the income statement must be made; otherwise, it is recorded as valuation.

Concerning the investment in the Uruguayan company, Spice Investments Mercosur S.A., that country's rate was converted into the U.S. dollar and the latter in turn into the Colombian peso; the effects were recorded in the Company's equity accounts in compliance with Decree 4918 of 2007.

For the application the equity method of Uruguayan Society Spice Investment Mercosur S.A., were converted their financial statements with colombian regulations and politics of company Almacenes Exito S.A.

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

According to regulations issued by the Colombian Financial Superintendence, at the end of the period, if the realizable value of investments of non-controlling 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, except for the non-controlled companies under dissolution for subsequent liquidation or that recurring losses arise, in which case 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 valuation and credited to the equity valuation surplus.

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

Property, plant and equipment and depreciation

Property, plant and equipment includes all tangible resources controlled by the Company, obtained, built or in construction process and used in the normal course of business for the production of other goods or to provide services intended for their own consumption or for that of third parties and which contribution in 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 operation purposes. For this reason, once the asset is in a potential condition to be used, the recognition as a higher cost of the asset, of the value of the items accrued or disbursed after such date or of the additions thereto ceases.

In that sense, expenses incurred as a result of the acquisition, installation or construction of the tangible asset, such as engineering, supervision, taxes, interest and monetary correction, are feasible of becoming part of the cost of said asset, only until such a time as the asset is in a condition to be used, regardless of its real or material use, and once the asset can be used, these items are recorded as expense of the period they either accrue or disbursed, whichever occurs first.

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

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 to income statement accounts.

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 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

Upon the Company's policy, 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** this is the cash value representing the cash amount 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, 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 realization or the market value method.

For valuation purposes, at realization or market value, it is determined in accordance with commercial appraisals which must take place with a maximum frequency of three calendar years. Upon making these appraisals, all assets which adjusted value is lower than twenty (20) basic legal monthly salaries are exempt by the law.

Appraisals are performed by persons not having any relationship with the Company that could give rise to conflicts of interest, this means that between the appraiser and its subsidiary companies no ties, relations or operations exist involving a real or potential interest, that could, in turn, prevent a fair and equitable pronouncement adjusted to the reality of the appraisal target.

In such cases where the value of property, plant and equipment is lower than their book cost, the latter is adjusted by means of provisions which affect the Company income statement accounts.

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

Intangibles

Intangibles represent resources involving a right or privilege binding on third parties, which exercise or exploitation may produce economic benefits during several future years.

Classified under this category are items such as; assets given under trust arrangements, brands and goodwill.

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 gained, is recorded as goodwill.

The value of goodwill in the case of acquiring control over other companies is the excess of the acquisition cost versus to 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 Superintendence.

The Carulla goodwill is valued and compared against book cost to determine the existence or not of a loss of value, in complying with the contents of the Joint Circular 011 of 2005 of the Financial Superintendence of Colombia

Deferred Charges

Deferred charges correspond to:

1. **Prepaid expenses** represent prepaid sums of money which must be amortized during the period 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 of which economic benefits are expected in other periods. They include inflation adjustments up to December 31, 2006 and their amortization is calculated as follows:
   a. **Leasehold improvements**, are amortized in 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 the purpose they were acquired for, and their probable useful life.

3. **Deferred Monetary Correction,** the deferred monetary correction credit corresponds to the inflation adjustments made to construction in progress and to non-monetary deferred charges in pre-operative stage, and their amortization occurs as of the date revenues are received and during the term established for the respective deferred item. The deferred monetary correction debit corresponds to the proportional portion of the adjustment of equity, in respect to assets that generated a 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 as well.

4. **Deferred tax.** The effect of temporary differences involving the payment of a lower or higher income tax in the current year must be recorded as deferred tax asset or liability, at current rates or at the rate it is expected to recover, 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 and in Spice Investments Mercosur S.A., in the event it occurred, they would be taxed in Uruguay.

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

Valuations and devaluations

Asset valuations and devaluations forming a part of equity include:

a. Excess of commercial appraisals of moveable property or real estate, at their net cost, per books.
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 cost.
c. Investment valuations and devaluations based on regulations issued by the Colombian Financial Superintendence.

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 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, forwards and application of implicit derivatives.

The Company records rights and obligations arising from contracts, and shows them net on its balance sheet, following hedging accounting procedures, as stipulated in External Circulars 025 and 049 issued in 2008 by the Colombian Financial Superintendence **and follows IFRS 9 and IAS 39 for the valuation and recording of implicit derivatives, in the absence of a Colombian explicit accounting standard.**

In evaluating them the Company applies the following accounting policies:

a. Derivative contracts entered into for commercial purposes are adjusted at 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. Derivatives' contracts entered into for financial liabilities' and assets hedging purposes are also adjusted at their market value in the same way described above, but if the resulting adjustment is positive or negative, they are recorded in equity accounts in their effective part and the differential in results.

Suppliers and accounts payable

They represent obligations payable by the Company and its subsidiary companies originated by goods or services received. The most important obligations such 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

They represent the value of general and mandatory taxes payable by the Company to the State calculated based on private liquidations generated in the for 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

They 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 current obligations payable by the Company, which 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 they occur, affecting assets and/or results of the Company, as the case may be.

A liability is understood to exist and there is room for the calculation and accounting recognition of its estimated amount whenever, as a result of a future fact in charge of the company, an obligation is generated, but that due to temporary reasons its definite value is not known with certainty although 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 readjusted according to the indexes 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 legal standards.

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 2012 and 2011 of 447.604.316

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 heeding 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. Upon preparing the financial statements, 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 financial information.

Reclassifications

Certain items of the financial statements of 2011 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 2012 and 2011.

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. However, for the company most transactions in foreign currency do not yet require official approval.

Operations and foreign currency balances are converted at the representative market rate certified by the Financial Superintendence of Colombia, which was used for the preparation of the financial statements at December 31, 2012 and 2011. The representative market exchange rate at December 31, 2012 was of $1,768.23* (2011 - $1,942.70*).

(*) Expressed in Colombian pesos

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

	2012		2011	
	In US$	Equivalent in millions of Colombian pesos	In US$	Equivalent in millions of Colombian pesos
ASSETS				
Marketable investments (1)	144,610,958	255,705	-	-
Banks	27,645,610	48,884	4,251,126	8,259
Debtors	5,547,759	9,810	3,065,455	5,938
Foreign currency cash	53,714	95	153,250	298
TOTAL CURRENT ASSETS	177,858,041	314,494	7,460,831	14,495
Foreign investment (2)	225,135,599	398,092	219,486,465	426,396
TOTAL CURRENT ASSETS	225,135,599	398,092	219,486,465	426,396
TOTAL ASSETS	402,993,640	712,586	226,947,296	440,891
LIABILITIES				
Foreign suppliers	86,521,723	152,990	42,500,415	82,565
Foreign financial obligations (3)	-	-	35,956,797	69,853
Accounts payable	7,091,863	12,540	21,870,875	42,489
TOTAL LIABILITIES	93,613,586	165,530	100,328,087	194,907
NET ACTIVE MONETARY POSITION	309,380,054	547,056	126,619,209	245,984

(1) Includes the investment with Polca (Belgium) of US$129.8 million and others for US$15.0 million.

(2) Investment of Spice Investments Mercosur S.A. (Uruguay) of US$224 million (2011 – US$218 million) and Locatel Panamá of US$1 million (2011 – US$1 million).

(3) At December 31, 2012, the Company had no liability in force in foreign currency and in 2011 this corresponded to synthetic credits.

Exchange differences incurred in the year were entered to the following accounts:

	2012	2011
Financial income for exchange differences	90,833	96,794
Financial expenses for exchange differences	(85,636)	(100,726)
Operations income (expense) with hedge (*)	22,953	(15,163)
FINANCIAL INCOME (EXPENSE), NET	28,150	(19,095)

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

An adjustment for exchange difference of investments in Locatel Panamá was recorded as follows:

	2012	2011
Financial income for exchange differences	294	449
Financial expenses for exchange differences	(449)	(424)
INCOME (EXPENSE) NET	(155)	25

An adjustment was recorded for Exchange difference in investments of Spice Investments Mercosur S.A. and Carulla Vivero Holding Inc. in equity, as follows:

	2012	2011
Spice Investments Mercosur S.A. exchange difference	(28,095)	11,648
Carulla Vivero Holding Inc. Exchange difference	(65)	11
(DECREASE) INCREASE IN EQUITY	(28,160)	11,659

Nota 4. Cash

At December 31, the cash balance was comprised of:

	2012	2011
Banks and savings entities	1,168,759	932,944
Cash	301,591	453,563
TOTAL CASH	1,470,350	1,386,507

During 2012, the Company recorded yields from savings accounts en banks and savings entities of $25,544 (2011 - $23,167).

Cash does not have restrictions or liens which limit their disposition.

Nota 5. Marketable Investments

Marketable investments at December 31 consisted of:

	2012	Interest Rate	2011	Interest Rate
Time deposit certificates	520,074	6.32% Effective	674,201	5.5% Efective
Bonds' Investments (*)	230,641	5.50% Effective	-	-
Fiduciary rights	32,055	6.43% Effective	28,241	2.7% Efective
Investments in foreign currency	26,138	6.09% Effective	-	-
Securities for refund of national taxes	76	-	-	-
Investment in repos	3	6.10% Effective	-	-
TOTAL MARKETABLE INVESTMENTS	808,987		702,442	

(*) Contains the investment made with the Polca Holding, subsidiary of the Casino Group of Belgium, which payment of $229,857 was made on January 28, 2013.- (See detail in note 29).

During the period 2012 the Company recorded yields from marketable investments of $$44,557 (2011 - $18,604).

None of these investments has restrictions or liens that limit their realization or marketability, except the investment in Polca bonds, since these may only be negotiated in companies of the Casino Group.

Nota 6. Accounts Receivable, Net

The balance of debtors at December 31, comprised:

	2012	2011
CURRENT:		
Clients	103,420	53,382
Tax advances receivable (See note 19)	65,013	76,019
Provision for clients	(56)	(56)
SUBTOTAL	168,377	129,345
SUNDRY DEBTORS:		
Other debtors (1)	26,154	27,251
Promotional bonds (2)	17,677	19,070
Accounts receivable from related parties (See note 8)	16,042	15,663
Employees fund	14,581	18,255
Concessionaires	12,722	16,476
Compañía de Financiamiento Tuya S.A. (3)	8,455	6,338
From sale of fixed assets – Real Estate (4)	3,377	11,974
Advances to contractors, suppliers and travel expenses	2,795	3,808
Interest	849	3,614
Geant International (5)	-	35,163
Provision for account receivable	(5,715)	(40,314)
SUBTOTAL SUNDRY DEBTORS	96,937	117,298
TOTAL CURRENT DEBTORS	265,314	246,643
NON CURRENT:		
Employees fund	20,660	21,062
Advances fixed assets purchases and contractors (6)	11,184	7,599
For sale of fixed assets – Real Estate (7)	5,680	6,274
Other sundry debtors	2,122	1,041
TOTAL NON CURRENT DEBTORS	39,646	35,976
TOTAL NET DEBTORS	304,960	282,619

(1) For 2012, other debtors comprise: account receivable from casino of $4,983, $3,509 for tax claims, $3,476 for legal embargos, $3,040 for business sales agreements, $3,015 for agreements of alternate channels, $1,884 for accounts receivable from employees, $1,522 for advances to retired people and other smaller ones of $4,725.

(2) This refers to the account receivable for the agreements with the various family subsidy entities, as well as with numerous employees' funds of public and private sector companies of our economy.

(3) This covers items associated with the operation of the Éxito Card, as royalties, reimbursement of shared expenses and charge for the collection of coupons that will be paid in January and February 2013.

(4) For 2012, this covers: $2,097 for the barter of commercial fremises Avenida Estación in Cali, $460 for the barter of the commercial premises 9954 of Centro Comercial El Este in Medellín Medellín, $284 for the civil works of Éxito Rionegro in Antioquia, $261 for the sale of the commercial premises 9936 of Centro Comercial El Este in Medellín, $240 for the sale of the commercial premises where the Centro de Distribución Belén operated in Medellín to Comfenalco Antioquia and others for $35.

(5) The last installment of the sale of the investment in Cativén S.A. was received during 2012, which permitted paying the account receivable of $35,163 and recovering the provision for this same amount.

(6) Advances given to contractors for the purchase of real estate and remodeling of stores, which payment will be made through validations of work minutes and/or the formalization of public deeds during 2013; however, they are classified as long term in accordance with their end purpose which is the acquisition of fixed assets.

(7) This corresponds to the account receivable generated by the sale of the premises where the Centro de Distribución Belén operated in Medellín to Comfenalco Antioquia, at an agreed interest rate of DTF + 1 point due semi-annually due, which expiration is in 2014.

During 2012, the Company recorded accounts receivable written off of $1,596 (2011 - $310) and included recovery of $35,302 generated mainly by the provision for accounts receivable of Geant International (2011 - $32,025).

Long-term debtors will be recovered as follows:

Years	Advances for purchases of fixed assets and contractors	Accounts receivable from Employees Fund of Almacenes Exito S.A.	Sundry debtors from sale of fixed assets – Real Estate	Other sundry debtors	Total
2014	11,184	4,112	4,390	209	19,895
2015	-	3,356	1,290	-	4,646
2016	-	2,418	-	-	2,418
2017	-	1,680	-	-	1,680
2018	-	1,365	-	-	1,365
2019 and thereafter	-	7,729	-	1,913	9,642
TOTAL	11,184	20,660	5,680	2,122	39,646

Debtors have no restrictions or liens limiting their marketability or realization.

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Nota 7. Inventories, Net

The balance of inventories at December 31 is comprised of:

	2012	2011
Commercialized goods for sale	959,674	860,077
Inventories in transit	50,593	25,259
Finished product	818	979
Materials, spare parts, accessories and packing	20,812	22,627
Products in process	1,386	1,782
Raw materials	1,861	3,014
Provision for protection of inventories	(42,601)	(48,306)
TOTAL INVENTORIES, NET	992,543	865,432

Inventories have no restrictions or liens limiting their marketability or realization and are duly assured against all risks.

Nota 8. Transactions With Related Parties

At December 31, balances and transactions with related parties consisted of the following:

Operations with controlled companies	Type of operation and conditions	2012	2011
Didetexco S.A.	Current accounts payable (See Note 17)	1	459
	Suppliers: Term: 8, 15, 30 and 60 days	45,925	31,934
	Accounts receivable (See Note 6) (1)	15,909	15,533
	Purchase of goods	165,607	162,180
	Purchase of supplies	4,569	1,829
	Net recovery of utilities	85	102
	Interest (2)	779	638
	Recovery of personnel expenses	-	121
	Technical assistance	230	-
	Lease and administration expense	(10,289)	(8,736)
	Shared publicity expense	(639)	(64)
	Other income	6	-
	Sundry expenses	-	(12)
Carulla Vivero Holding Inc.	Current accounts payable (See Note 17)	113	124
	Accounts receivable (See Note 6)	119	130
Almacenes Éxito Inversiones S.A.S.	Accounts receivable (See Note 6)	14	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	730	754
	Accounts receivable	-	102
	Purchase of goods	6,331	5,711
	Other income	-	40
Industrias Agrarias y Pecuarias El Imperio S.A.S.	Suppliers: Term: 8 days	7	10
	Purchase of goods	200	103
Productos Alimenticios La Cajonera S.A.	Suppliers Term: 7, 35 and 40 days	245	191
	Accounts receivable	89	24
	Purchase of goods	1,195	1,246
	Other income	165	202
Ula Investment y Cia S.C.A.	Purchase of goods	257	-
	Other income	1	-

(1) Loans granted to Didetexco S.A. for a term of five (5) years, applying the DTF interest rate of the beginning of the year 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.

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During 2012 and 2011 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 2012 and 2011 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 operations.
2. Services or assistance services without cost.
3. Transactions for other concepts, except for payments inherent to the direct relationship with members of the Board of Directors, Legal Representatives and Administrators.
4. Concerning administrative management, Almacenes Exito S.A. has control over Didetexco S.A., Carulla Vivero Holding Inc. and Almacenes Éxito Inversiones S.A.S. and Spice Investments Mercosur S.A.

Nota 9. Permanent Investments, Net

Balances at December 31 of permanent investments comprised the following:

			2012						2011
Economic entity	Valuation Method	Date of intrinsic or market value	Book Value	Valuation (Ver nota 14)	Devaluation (See Note 14)	Provision	Realization value	Dividends received	Book value
1. Variable yield investments in non controlled, voluntary and participative entities									
Bonos Tuya S.A. (formerly, Sufinanciamiento) (1)			119,500	-	-	-	119,500	-	74,500
Automercados de la Salud S.A. Panamá	Intrinsic	July	2,157	1,101	-	-	3,258	-	2,370
Fogansa S.A.	Intrinsic	November	1,000	-	(184)	-	816	-	1,000
Promotora de Proyectos S.A.	Intrinsic	November	240	-	(200)	-	40	-	240
Central de Abastos del Caribe S.A.	Intrinsic	November	26	45	-	-	71	-	26
Other minor ones			477	23	-	(25)	475	5	328
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			124,775	1,169	(384)	(25)	125,535	5	79,839
3. Investments in subordinated companies (See Note 10)			612,009	1,712	-	-	613,721	-	571,783
SUBTOTAL PERMANENT INVESTMENTS			736,784	2,881	(384)	(25)	739,256	5	651,622
Provision for protection of investments			(25)	-	-	-	-	-	(24)
TOTAL PERMANENT INVESTMENTS			736,759	2,881	(384)	(25)	739,256	5	651,598

(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 $119,500 of which $45,000 were issued during 2012 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 annual the equivalent of 110% of the PAAG. Yields recorded in 2012 amounted to $42 (2011 - $52). 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	
			2012	2011	2012	2011
Variable yield investments in non controlled, voluntary and participative entities						
Promotora de Proyectos S.A.	Services	Ordinary	212.169	212.169	3.49	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 other companies, the Company has no immediate plans scheduled.

For investments where the intrinsic value was not available at December 31, 2012, the data available at September, July or November 2012 was taken and compared with the value recorded in the books at December 31, 2012 to determine its valuation or devaluation.

Company where the investment is higher than 10% of its equity

Corporate purpose:

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 investor Company; buy, sell, and negotiate regarding any types of consumption items, shares, bonds and securities of any type; buy, sell, rent or acquire or dispose of real estate; 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 dedicate to any licit business which is not prohibited, etc.

Evolution of assets, liabilities, equity and net income of company with permanent investment higher than 10%:

The figures shown below were taken from the certified financial statements subject to the stipulations of current legal regulations of permanent investment in excess of 10% at July 31 2012 and December 31, 2011, respectively:

Company	Assets		Liabilities		Equity		Results		Net Revenues	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Automercados de la Salud S.A. Panamá	16,192	17,598	447	1,044	15,745	16,554	492	6,416	-	442

Nota 10. Investments In Subordinated Companies

At December 31 investments in subordinated companies comprised the following:

Economic Entity	2012 Book Value	2012 Valuation	2011 Book Value	2011 Valuation
Variable yield investments in controlled, voluntary and participative entities				
Spice Investments Mercosur S.A.	473,412	-	449,179	-
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	133,167	1,712	117,758	1,756
Almacenes Éxito Inversiones S.A.S.	5,367	-	4,777	-
Carulla Vivero Holding Inc.	63	-	69	-
TOTAL INVESTMENT IN SUBORDINATED COMPANIES	612,009	1,712	571,783	1,756

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 96.55% of Lanin S.A. and 62.49% 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. 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 that 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, which principal purpose is making investments in general, 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 kind 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 business which 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.

Promote, invest individually or meet with other individuals or legal entities for the provision of networks, services and added telecommunication values, particularly all those activities permitted in Colombia or abroad of telecommunications, cellular mobile telephone and added value services.

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; for 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 carrying out businesses to invest, buy, own, acquire in any way, sell, assign, and manage any personal 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 2012	Number of Shares 2011	% of participation on subscribed capital 2012	% of participation on subscribed capital 2011
Variable yield investments, in controlled, voluntary and participative entities						
Spice Investments Mercosur S.A.	Investment	Ordinary	8.305.872.345	8.305.872.345	100	100
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	100
Carulla Vivero Holding Inc.	Investment	Ordinary	385.900	385.900	100	100

At December 31, 2012 and 2011, the company has share 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:

	2012		2011	
	Results	Equity	Results	Equity
Spice Investments Mercosur S.A.	56,192	(3,864)	24,816	336
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A.".	6,359	9,050	3,694	9,092
Almacenes Éxito Inversiones S.A.S.	240	349	485	-
TOTAL	62,791	5,535	28,995	9,428

Evolution of assets, liabilities, equity and net income of investments in subordinated companies:

The figures shown below were taken from the certified financial statements subject to the stipulations of current legal provisions of the subordinated companies at December 31, 2012 and 2011:

Company	Assets		Liabilities		Equity		Results		Net Revenues	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Spice Investments Mercosur S.A.	788,336	761,326	314,924	312,147	473,412	449,179	56,192	24,816	1,061,417	290,764
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	181,072	167,910	37,584	40,768	143,488	127,142	6,718	3,002	183,797	176,066
Almacenes Éxito Inversiones S.A.S.	5,381	4,779	14	2	5,367	4,777	(240)	485	-	-
Carulla Vivero Holding Inc.	181	198	118	129	63	69	-	-	-	-
TOTAL	974,970	934,213	352,640	353,046	622,330	581,167	62,670	28,303	1,245,214	466,830

In compliance with numeral 12 of Circular 11 of 2005, jointly issued by the Financial Superintendence of Colombia and the Superintendence of Corporations, shown below is the equity composition of the subordinated companies at the close of 2012 and 2011.

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

	2012	2011
Capital	365,989	365,989
Reserves	1,198	1,198
Equity	(13,891)	15,187
Non appropriated profits	63,924	41,989
Net income	56,192	24,816
TOTAL EQUITY	473,412	449,179

Almacenes Éxito S.A. recorded a decrease of the equity method of $3,864 (2011, increase of $336) and income upon the application of the equity method of results of $56,192 (2011 - $24,816).

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

	2012	2011
Capital	2,800	2,800
Capital surplus	78,250	78,250
Reserves	22,382	19,380
Equity revaluation	7,548	7,548
Net income	6,718	3,002
Valuation surplus	25,790	16,162
TOTAL EQUITY	143,488	127,142

During 2012 and 2011, Didetexco S.A. did not distribute dividends, and profits of 2011 were transferred to reserves.

Upon the application of the equity method Almacenes Éxito S.A. reflected an increase of the equity method of $9,050 and income of $6,359 upon the application of the equity method of results, of which $6,315 correspond to profits of the year and the additional $44 for unrealized profits in 2011 for goods sold in 2012.

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

	2012	2011
Capital	300	300
Capital surplus	4,500	4,500
Surplus per equity method	724	-
Reserves	11	-
Accumulated loss	(168)	(23)
TOTAL EQUITY	5,367	4,777

The company was organized in September 2010.

Upon applying the equity method, Almacenes Éxito S.A. did not reflect loss deriving from the application of the equity method of results or equity.

Composition of equity of Carulla Vivero Holding Inc.

	2012	2011
Capital	655	720
Accumulated losses	(592)	(651)
TOTAL EQUITY	63	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.

Investments have no restrictions or liens limiting their marketability or realization.

Nota 11. Property, Plant and Equipment, Net

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

	2012			2011		
	Cost	Accumulated Depreciation	Net cost	Cost	Accumulated Depreciation	Net cost
Construction and buildings (1)	1,634,122	(651,438)	982,684	1,599,230	(588,189)	1,011,041
Land	463,436	-	463,436	462,972	-	462,972
Machinery and equipment	888,740	(597,506)	291,234	830,782	(534,751)	296,031
Office equipment	613,516	(413,936)	199,580	555,454	(375,100)	180,354
Construction in progress	69,416	-	69,416	55,858	-	55,858
Computers and communication equipment	237,154	(187,766)	49,388	228,526	(175,255)	53,271
Transportation equipment	38,910	(33,567)	5,343	38,238	(31,381)	6,857
Security armament	58	(50)	8	58	(44)	14
SUBTOTAL	3,945,352	(1,884,263)	2,061,089	3,771,118	(1,704,720)	2,066,398
Provision for property, plant and equipment	-	(13,227)	(13,227)	-	(13,515)	(13,515)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	3,945,352	(1,897,490)	2,047,862	3,771,118	(1,718,235)	2,052,883

(*) During 2012 the Company sold the following land and buildings:

Real estate	City	Sale amount	Net cost	Profit on sale
Carulla Buga	Buga	1,660	1,429	231
Commercial locals Bulevar Suramerica 101	Medellín	300	246	54
Commercial locals Bulevar Suramerica 103	Medellín	130	109	21
Commercial locals Bulevar Suramerica 122	Medellín	115	104	11
Commercial locals Bulevar Suramerica 124	Medellín	125	111	14
Commercial locals 9936 shopping mall del Este	Medellín	277	190	87
Commercial locals 9954 shopping mall del Este	Medellín	460	460	-
Commercial locals Bulevar Suramerica 135	Medellín	66	62	4
Commercial locals Av. Estación	Cali	2,097	57	2,040
Surtimax Sogamoso	Sogamoso	2,100	1,726	374
TOTAL (SEE NOTE 28)		7,330	4,494	2,836

Depreciation charged to the income statement during 2012 amounted to $210,668 (2011 – $205,395).

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

	2012			2011		
Type	Realization Value	Net Cost	Appraisal (See Note 14)	Realization Value	Net Cost	Appraisal (See Note 14)
Land and buildings	2,601,672	1,418,899	1,182,773	2,509,438	1,407,851	1,101,587
Machinery and equipment	146,909	82,233	64,676	211,412	130,683	80,729
Office equipment	62,585	37,562	25,023	106,273	68,189	38,084
Computers	11,270	3,099	8,171	15,594	7,497	8,097
Transportation equipment	4,514	1,399	3,115	5,886	2,611	3,275
TOTAL VALUATION	2,826,950	1,543,192	1,283,758	2,848,603	1,616,831	1,231,772

2. With provision

	2012			2011		
Type	Valor de realización	Costo neto	Provisión	Valor de realización	Costo neto	Provisión
Land and buildings	14,416	27,221	(12,805)	34,261	47,573	(13,312)
Machinery and equipment	4,028	4,422	(394)	344	495	(151)
Computers	19	32	(13)	19	50	(31)
Office equipment	219	234	(15)	552	573	(21)
TOTAL PROVISION	18,682	31,909	(13,227)	35,176	48,691	(13,515)

Technical appraisals of real estate and personal property are made every three years in accordance with Article 64 of Decree 2649 of 1993 "Accounting Principles Generally Accepted in Colombia".

Nota 12. Intangibles, Net

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

	2012			2011		
	Cost	Adjusted accumulated amortization	Net Value	Cost	Adjusted accumulated amortization	Net Value
Good will Carulla Vivero S.A. (1)	1,001,940	(141,157)	860,783	1,001,940	(108,866)	893,074
Goodwill Spice Investments Mercosur S.A. (2)	1,027,979	(32,176)	995,803	1,028,061	(6,348)	1,021,713
Fiduciary estate rights (3)	113,948	(35,980)	77,968	50,599	(12,384)	38,215
Brands (4)	27,648	(3,571)	24,077	32,363	(6,259)	26,104
Other rights (5)	68,650	(4,868)	63,782	21,970	(827)	21,143
Goodwill Home Mart	5,141	(2,590)	2,551	5,141	(1,480)	3,661
Goodwill others (6)	14,034	(12,161)	1,873	14,034	(11,433)	2,601
Rights in shares	18	-	18	18	-	18
TOTAL INTANGIBLES, NET	2,259,358	(232,503)	2,026,855	2,154,126	(147,597)	2,006,529

(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; and in 2010 an additional $3.680 was recorded.

At the close of the year there are no contingencies that may adjust or accelerate the amortization of the goodwill acquired with Carulla Vivero S.A.

A valuation was made to confirm it has not lost value, in accordance with Joint Circular No. 011 of August 18, 2005 of the Superintendence of Securities (today Financial Superintendence 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 $1,027,979 (includes all costs incurred by the Company in the purchase of said entity).

(3) Includes the contributions to the Autonomous Equity of Centro Comercial San Pedro in Neiva, for $33,990, the contribution of the Autonomous Equity set up of Viva Laureles in Medellín of 2012 for $28,578 and others for $15,400.

(4) Includes the Surtimax and Merquefacil brands mainly converted into Surtimax.

(5) Includes amounts paid for purchases of establishments for $44,689 (2011 - $15,636), rights in Tesoro stage 3 for $0 (2011 – $2,268) and others for $19,093 (2011 – $3,239).

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

Nota 13. Deferred Charges, Net

Deferred charges at December 31 comprised the following:

	2012			2011		
	Cost	Accumulated Amortization	Net Value	Cost	Accumulated Amortization	Net Value
PREPAID EXPENSES:						
Insurance	12,446	-	12,446	12,173	-	12,173
Leases	1,900	-	1,900	2,384	-	2,384
Maintenance	722	-	722	927	-	927
Publicity	521	-	521	827	-	827
Others	384	-	384	-	-	-
SUBTOTAL PREPAID EXPENSES	15,973	-	15,973	16,311	-	16,311
Deferred income tax (See Note 19)	26,770	-	26,770	31,905	-	31,905
SUBTOTAL CURRENT DEFERRED CHARGES	42,743	-	42,743	48,216	-	48,216
DEFERRED CHARGES: Leasehold improvements	377,551	(218,685)	158,866	312,085	(176,203)	135,882
Deferred income tax (See note 19)	39,387	-	39,387	66,133	-	66,133
Software (1)	177,675	(142,088)	35,587	158,817	(127,402)	31,415
Leases (2)	9,924	-	9,924	9,759	-	9,759
Deferred monetary correction	19,331	(16,965)	2,366	19,331	(15,962)	3,369
Deferred actuarial calculation	2,331	-	2,331	2,590	-	2,590
SUBTOTAL NON CURRENT DEFERRED CHARGES	626,199	(377,738)	248,461	568,715	(319,567)	249,148
TOTAL DEFERRED CHARGES IN ASSETS	668,942	(377,738)	291,204	616,931	(319,567)	297,364
LIABILITIES: Deferred financing interest income	450	-	450	311	-	311
Subtotal current deferred charges in liabilities	450	-	450	311	-	311
Deferred income tax (See Note 19)	9,204	-	9,204	16,742	-	16,742
Deferred monetary correction	29,481	(25,801)	3,680	29,480	(24,242)	5,238
SUBTOTAL NON DEFERRED CHARGES	38,685	(25,801)	12,884	46,222	(24,242)	21,980
TOTAL DEFERRED CHARGES IN LIABILITIES	39,135	(25,801)	13,334	46,533	(24,242)	22,291

(*) En 2012, la compañía adquirió programas de computador para su programa de expansión por valor de $18,864 (2011 - $18,723).

Nota 14. Valuations

At December 31, the summary of valuations is as follows:

	2012			2011		
	Valuation	Devaluation	Net Valuation	Valuation	Devaluation	Net Valuation
Construction and buildings (See Note 11)	1,182,773	-	1,182,773	1,101,587	-	1,101,587
Equipment (See Note 11)	100,985	-	100,985	130,185	-	130,185
Fiduciary rights	65,607	-	65,607	21,130	-	21,130
Investments	2,881	(384)	2,497	2,759	(413)	2,346
TOTAL VALUATIONS	1,352,246	(384)	1,351,862	1,255,661	(413)	1,255,248

Nota 15. Financial Obligations

Balances at December 31 consisted of:

	2012		2011	
	Entity	Book Value	Book Value	Interest Rate
SHORT TERM				
Credit cards	Bancolombia	11	100	
TOTAL LOCAL CURRENCY LOAN		11	100	
Foreign currency loan	Bancolombia	-	31,083	Libor 120 + 3.61
	Banco de Bogotá	-	38,854	Libor 120 + 3.4
Forward hedge operation	Fiduciaria Corficolombiana	-	(3)	
	Helm Bank S.A.		(81)	
TOTAL FOREIGN CURRENCY LOANS		-	69,853	
TOTAL FINANCIAL OBLIGATIONS		11	69,953	

At December 31, 2012, the Company has no current credit in foreign currency.

Nota 16. Suppliers

EAt December 31, the balance of suppliers was comprised of the following:

	2012	2011
Local	1,343,871	1,172,202
Foreign	152,990	82,566
TOTAL SUPPLIERS	1,496,861	1,254,768

Nota 17. Accounts Payable

At December 31, the balance of short-term accounts payable consisted of:

	2012	2011
RELATED PARTIES (SEE NOTE 8)	114	583
DIVIDENDS PAYABLE (1)	49,530	808
SUNDRY CREDITORS:		
Costs and expenses payable	188,419	192,926
Contractors	33,206	36,642
Goods retirement orders pending utilization	39,756	33,564
Tax withholding payable	17,191	20,697
Contribution to the Social Security Law and payroll contributions (2)	4	818
Other sundry creditors	869	851
SUBTOTAL SUNDRY CREDITORS	279,445	285,498
TOTAL SHORT-TERM ACCOUNTS PAYABLE	329,089	286,889

(1) A quarterly dividend of $108.75(*) per share was declared at the General Shareholders' Meeting held on March 16, 2012, payable in four installments between the sixth (6th) and the tenth (10th) business day of April, July and October, 2012 and January 2013.

(*) Expressed in Colombian pesos.

(2) Includes amounts payable for the heading Social Security Law and payroll contributions at December 31, 2012 and 2011. Payments were made in advance in 2012.

At December 31, 2012 and 2011, the Company satisfactorily complied with all rules relating with the Social Security Law and payroll contributions.

The Company does not have accounts payable which duration exceeds five years.

Nota 18. Bonds

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

Amount authorized:	$200,000
Amount placed at December 31, 2006:	$105,000
Nominal value:	$1
Payment form:	Upon maturity
Maturity date	26.04.2013
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A. (Colombian Centralized Securities Depository)

The prospectus for the placement of 2006 common bonds of Almacenes Éxito S.A., stipulates the following general guarantee for said 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 Superintendence of Securities (now Colombian Financial Superintendence), Carulla Vivero S.A. (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
For of 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 was approved upon passing to the name of Almacenes Éxito S.A.

At December 31, 2012, market values were:

Date of Issue	Peso value	Date of Issue	Term	Interest Rate
26.04.2006	74,650	26.04.2013	7 años	CPI + 5.45% semi-annual in arrears
05.05.2005	150,000	05.05.2015	10 años	IPC + 7.5%
TOTAL	224,650			

In 2012, total interest of $22,715 (2011 - $22,859) was charged to results. At December 31, 2012, accrued interest payable of $3,608 (2011 - $3,846) was recorded.

Nota 19. Taxes, Duties And Rates

Advances and balances in favor and taxes, duties and rates at December 31 were comprised of the following:

	2012	2011
Income tax	(57,469)	(69,686)
Industry and commerce tax advance and real estate tax	(4,399)	(3,723)
Industry and commerce tax withheld	(2,980)	(2,445)
Sales tax in favor - importations	(165)	(165)
INCLUDED IN CURRENT ASSETS (SEE NOTE 6)	(65,013)	(76,019)
Current equity tax	46,865	46,865
Sales tax payable	54,710	46,458
Industry and commerce tax and real estate tax	22,491	20,398
Promotion installments	72	80
INCLUDED IN CURRENT LIABILITIES	124,138	113,801
LONG-TERM EQUITY TAX	46,865	93,730
TOTAL TAXES, DUTES AND RATES, NET	105,990	131,512

Net Revenues Total TAXES, DUTIES AND RATES, NET

The estimated current asset for income tax at December 31 was comprised of the following:

	2012	2011
LIABILITY – PROVISION FOR THE YEAR	55,436	33,551
Less tax withholding	(112,905)	(103,237)
TOTAL INCOME TAX RECEIVABLE	(57,469)	(69,686)

The movement of deferred income tax during the year was the following:

	2012	2011
BALANCE AT BEGINNING OF YEAR	(81,296)	(89,209)
Deferred income tax in the year as a result from:		
Amortization / excess of presumptive over ordinary income(1)	24,330	2,402
Non deductible provision for estimated liabilities	(7,426)	(8,503)
Non deductible provision for inventory	(10,620)	(15,971)
Non deductible provision for taxes	(8,639)	(8,100)
Adjustment of depreciation expense for accounting and tax difference	436	634
Deferrred tax payable – Actuarial calculation	544	-
Use of deductible accrued liabilities	8,503	12,882
Use of deductible provision for inventories	5,633	10,236
Use of deductible tax provision	8,100	5,962
Amortization deduction for tax payable	(8,371)	8,371
Effect of tax reform from changes in income tax rate (2)	11,853	-
NET MOVEMENT OF THE YEAR	24,343	7,913
BALANCE AT END OF YEAR (3)	(56,953)	(81,296)

(1) The movement of 2012 corresponds to 33% of the amortization of excess presumptive income over net ordinary income of prior years of $73,726. The movement of 2011 corresponds to 33% of the amortization of excess of presumptive income over net ordinary income of prior years of $11,600 and to 33% of the higher excess of presumptive income of 2010 of ($4,320).

(2) At December 31, 2012 deferred taxes were updated with the tax rates stipulated in Law 1607 of the tax reform, and that will be effective as of January 1, 2013. The main impact is due to the reduction of the income tax rate from 33% to 25%. Therefore, excess of presumptive income may be recovered of 33% at 25%.

(3) Included in the balance sheet as follows:

	2012	2011
Current assets		
Deferred charges (See Note 13)	(26,770)	(31,905)
Non current assets		
Deferred charges (See Note 13)	(39,387)	(66,133)
Non current liabilities		
Deferred charges (See Note 13)	9,204	16,742
TOTAL	(56,953)	(81,296)

The reconciliation between accounting profit and taxable income for tax purposes is as follows:

	2012	2011
Profit before income tax	555,084	430,919
Plus: Provision for investments	1	11
Provision for unknown shrinkage	32,182	48,398
Provision for industry and commerce, real estate tax and stamp tax	26,179	24,544
Provision for property, plant and equipment	2,223	-
Non deductible expenses for accrued liabilities	6,494	13,131
Non deductible expenses	12,267	6,141
Recovery of depreciation in sale of fixed assets	1,360	5,984
Adjustment of depreciation expense for accounting and tax difference	-	1,322
Tax on financial movement	8,299	13,888
Reimbursement of deduction for investment in fixed productive assets	260	639
Gain exchange difference from investment in Uruguay	-	11,648
Less: Deduction of 40% of investment in income generation producers	(77,651)	(76,000)
Compensation of tax loss of 2008 readjusted for tax purposes.	-	(59,197)
Amortization of prior years' excess of presumptive income	(73,726)	(11,600)
Provision of prior years' liabilities, deductible in the current year.	(10,331)	(28,481)
Retirement of profit on sale of fixed assets declared due to capital gains	(3,771)	(11,173)
Income / expense under equity method of results	(62,791)	(28,995)
Provision for prior years' inventories, deductible in the current year	(28,605)	(33,813)
Difference between the accounting and tax amortization of intangibles	(125,912)	(147,460)
Provision for industry and commerce tax and real estate tax of the prior year deductible in the current year.	(24,544)	(20,242)
Recovery of provision for assets (*)	(37,989)	(37,078)
Other non taxable income	(1,120)	(2,747)
Exchange difference expense from investment in Uruguay	(29,973)	-
Revenue not constituting income or capital gain	(43)	(52)
TOTAL ORDINARY INCOME	167,893	99,787

(*) In 2012, recoveries of provisions were recorded as follows: Cativén S.A. of $35,163 (2011 -$32,974), recovery of provision for fixed assets $2,510 (2011 - $2,621), recovery of other provisions of $316 (2011 - $626) and recoveries of provisions Predios del Sur "in liquidation" for $0 (2011 - $857).

For tax purposes, capital gains are as follows:

	2012	2011
Sales price of fixed assets - real estate sold (owned for more than two years)	5,856	42,214
Sales price of fixed assets - movables sold	1,119	2,633
Liquidation price / sale of investments liquidated / sold	-	2,455
TOTAL SALES PRICE	6,975	47,302
Tax cost of real estate fixed assets sold	(5,856)	(36,815)
Tax cost of movable fixed assets sold	(1,025)	(2,731)
Tax cost of liquidated / sold investments	-	(3,450)
TOTAL COST	(6,881)	(42,996)
TAXABLE CAPITAL GAINS	94	4,306
TAX ON CAPITAL GAINS	31	1,421

Current liability from income tax was determined as follows:

	2012	2011
Net equity at December 31 of the prior year	5,667,671	3,385,667
Less net equity to be excluded	(71,243)	(59,434)
NET EQUITY BASE PRESUMPTIVE INCOME	5,596,428	3,326,233
Presumptive income over net equity	167,893	99,787
PRESUMPTIVE INCOME	167,893	99,787
Ordinary net income	167,893	99,787
NET TAXABLE INCOME	167,893	99,787
Income tax before earnings (33%)	55,405	32,930
Tax on capital gains	31	1,421
TOTAL CURRENT LIABILITY FOR INCOME TAX BEFORE TAX DISCOUNT	55,436	34,351
Tax discount investment in cattle raising companies	-	(800)
TOTAL CURRENT LIABILITY FOR INCOME TAX	55,436	33,551
Current income tax expense	55,436	33,551
Deferred taxes net movement	24,343	7,913
INCOME TAX EXPENSE	79,779	41,464

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The reconciliation between accounting and tax equity is the following:

	2012	2011
ACCOUNTING EQUITY AT DECEMBER 31	7,595,235	7,241,226
Plus:		
Clearing of net fixed assets and tax adjustments	243,510	189,407
Estimated liabilities from expenses	33,438	35,600
Provision for inventories (See Note 7)	42,601	48,306
Provision for fixed assets (See Note 11)	13,227	13,515
Provision for accounts receivable from clients (See note 6)	56	-
Provision for accounts receivable from sundry debtors (See note 6)	5,715	40,370
Elimination of accumulated depreciation due to difference in accounting and tax useful lives	-	1,881
Higher equity value temporary investments	2,684	2,684
Deferred tax payable (See Note 13)	9,204	16,742
Provision for industry and commerce tax	2,127	2,025
Provision for investments (See Note 9)	25	24
Less:		
Valuations of fixed assets (See Note 14)	(1,283,758)	(1,231,772)
Valuations of investments (See Note 14)	(2,497)	(2,346)
Amortization of deferred charges due to goodwill capitalized expenses	(81,783)	(81,783)
Deferred tax receivable (See Note 13)	(66,157)	(98,038)
Elimination equity method of Didetexco S.A.	(40,601)	(25,192)
Elimination of equity method of Spice Investments Mercosur S.A.	(77,480)	(25,153)
Elimination of equity method of Almacenes Éxito Inversiones S.A.S.	(567)	23
Difference between accounting and tax amortization of intangibles	(789,985)	(458,462)
Other minor differences	-	(1,386)
TOTAL NET EQUITY	5,604,994	5,667,671

Income tax and capital gains

On December 26, 2012, the Colombian Congress approved the Tax Reform Law 1607 which introduces important changes regarding income tax and also the creation of the income tax for fairness CREE, intended mainly for financing SENA, ICBF, the health social security system, which will be enforced as of 2013 and of which we will try to detail below.

Current tax provisions applicable to the Company stipulate that:

a. Until of 2012 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 equity in 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, calculated on total income which taxpayers earn during the taxable year.

d. The annual percentage of readjustment for the cost of movable assets and real estate having the nature of fixed assets, for 2012 is of 3.04% (2011 – 3.65%).

e. As of taxable year 2007 and until taxable year 2009, the deduction for effective investments made in real productive fixed assets is of 40% and its use does not generate profit taxed in the name of the partners or shareholders. 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 will not be entitled to the audit benefit even if they comply with the rules established to access to it in 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 the 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, constitute taxable income at the current rates.

Law 1370 of 2009 decreased for 2010 the rate for the deduction from 40% to 30% for effective investments made in real productive fixed assets. Law 1430 of December 29, 2010 eliminates the special deduction upon investment in real productive fixed assets as of taxable year 2011. However, the likelihood of stabilizing this rule for a maximum term of 3 years is authorized for those investors who have 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 counted as of August 2007.

f. At December 31, 2011, the Company had a readjusted tax loss of $59,197, which was compensated in the 2011 income tax return. At December 31, 2012, excess of presumptive income over net income readjusted for tax purposes amount to $228,381, of which the amount of $73,726 is expected to be compensated in the 2012 income tax return for a final balance pending compensation of $154,655. Pursuant to current tax rules, as of taxable year 2007, companies may compensate without percentage limitation and at any time, tax losses readjusted for tax purposes with net ordinary income irrespective of the year presumptive income. 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 will not be transferable to the partners. Tax losses originated in revenues not constituting income or capital gain, and on costs and deductions not having a cause-effect relationship with the generation of taxable income may in no case be compensated with the taxpayer's net income.

In applying articles 188 and 189 of the Tax Code for taxable year 2012 and 2011, the Company established its income tax liability by the presumptive income system.

The tax returns of 2008 (reflected tax loss) and 2011 (the tax loss was compensated) are subject to review for 5 years counted as of the filing date; the 2010 return is subject to review until 2013. The equity tax returns for the taxable periods 2010 and 2011 are subject to review by the tax authorities. The tax advisors and the Company's management consider that no additional taxes payable will arise other than those accrued at December 31, 2012.

Equity tax for taxable year 2011

The National Government approved Law 1370 of December 30, 2009 and introduced tax changes, created the equity tax for taxable year 2011, 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 or higher than three thousand million pesos (3000).

The base for the calculation of such tax corresponds to net equity at January 1, 2011 at the rate of 2.4% for equities which taxable base is equal or higher than three thousand million pesos ($3,000) without exceeding five thousand million pesos ($5,000) and of 4.8% for equities which taxable bas is equal 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, which was recorded by the Company as a lower value of equity revaluation.

Changes in equity tax with the tax reform of 2010

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

a. Clarification of the taxable base to take into consideration for purposes of applying the rate
Article 296-1 of the Tax Code is 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 are included that seek controlling decreases of equities that are the base of the tax:

1. If the taxpayer carried out spin-off processes during 2010, it should add the equities of the spun-off and beneficiary companies in order to calculate their tax due.
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 to take into account were adopted:

1. The creation of an equity tax on net equities exceeding one thousand million pesos ($1,000) and two thousand million pesos ($2,000) at 1% and 1.4%, respectively.
2. A surtax of 25% is established for taxpayers of the equity tax of law 1370 of 2009, for whom the effective rate would pass from 2.4% to 3% for net equities of ranging from three thousand and five thousand ($3,000 and $5,000), and from 4.8% to 6% for net equities higher in excess of five thousand million pesos ($5.000).

Tax Reform Law 1607 of December 26, 2012

1. Income tax rate

The income tax rate is reduced from 33% to 25% as of 2013. The formula to calculate non taxed dividends is changed to avoid double taxation for the shareholder, the headings of permanent establishment, sub-capitalization and the abuse in tax matters are introduced in the tax system and business reorganizations are limited.

2. Income tax for fairness (CREE)

The income tax for fairness – CREE is created as of January 1, 2013 as the contribution with which companies and assimilated legal entities which are declaring income taxpayers for the benefit of employees, the generation of employment, and the social investment with contributions to SENA, ICBF, the health social security system and transitorily to public universities and to the social investment in the area of farming ad stockbreeding.

The rate is of 8%; however transitorily and for 2013, 2014 and 2015 the rate will be lf 9%.

The taxable base is gross revenues of the year, including capital gains less returns, rebates and discounts, less the income not constituting income or occasional profit (incrngo), less costs and deductions, but without including donations, contributions to mutual investment funds, the deduction in income generation fixed assets and deductions for science and technology and environment, and finally less certain exempt income. The CREE does not permit the compensation of tax losses or the compensation for excess presumptive income.

3. Exoneration of payroll contributions and to the health system

The employers that are legal entities declarers of income tax are exonerated from contributions to SENA, ICBF and the health social security regime in respect of employees of up to 10 minimum monthly salaries.

4. Dividends or participation in profits

Included in the definition of dividends is the transfer of revenues from Colombian source income obtained through the agencies, permanent establishments or branches in Colombia in favor of foreign related parties, the revenue is accrued at the time of the transfers of profits abroad.

The rule to determine dividends not taxed in the name of the shareholders for profits made as of January 1, 2013 is modified thus avoiding partner-shareholder double taxation.

5. Capital Gains

The tax rate on capital gains from the sale of fixed assets owned for more than two years, or from the perception of donations is reduced from 33% to 10%.

Nota 20. Labor Obligations

The balance of labor obligations at December 31 was comprised of the following:

	2012		2011	
	Current Value	Non current Value	Current Value	Non current Value
Severance Law 50	24,983	-	22,037	-
Vacations and vacation bonus payable	18,241	-	12,017	-
Salaries and other fringe benefits payable	15,862	-	22,974	-
Retirement pensions (See Note 21)	3,079	-	3,079	-
Interest on severance payable	2,971	-	2,758	-
Accumulated severance previous regime	392	540	392	558
TOTAL LABOR OBLIGATIONS	65,528	540	63,257	558

Nota 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 are 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 the authorized pension funds assume the payment of these pensions.

The actuarial calculations and the amounts recorded are detailed below:

	2012	2011
Actuarial calculation of the obligation (100% amortized)	19,715	20,799
Less: current portion (See Note 20)	(3,079)	(3,079)
NON CURRENT PORTION	16,636	17,720

At December 31, 2012, the actuarial calculation includes 176 individuals (2011 - 188).

The benefits covered correspond to monthly retirement pensions, pension readjustments in accordance with legal provisions, survival income, funeral allowance and bonuses in June and December, legally established.

The deferred retirement pension cost was amortized in accordance with tax regulations. For the Company, the net balance at December 31, 2012 and 2011 represents 100% of actuarial calculations of the total contingent obligation at the end of such years.

Nota 22. Estimated Liabilities And Provisions

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

	2012	2011
Provision for brand loyalty (*)	15,165	15,165
Municipal taxes	9,623	10,448
Labor and civil processes	6,625	6,121
Legal stability contract	-	865
Other	2,170	2,140
TOTAL ESTIMATED LIABILITIES AND PROVISIONS	33,583	34,739

(*) Liability generated by brand loyalty programs of clients, denominated "ÉXITO Points" and "CARULLA Superclient".

Nota 23. Other Liabilities

The balance of other liabilities at December 31 was comprised of the following:

	2012	2011
Collections received for third parties (1)	21,252	12,113
Withheld in guarantee (2)	3,117	793
Installments received for "Reserve it Plan" (3)	1,842	2,301
SUBTOTAL OTHER CURRENT LIABILITIES	26,211	15,207
Other non current liabilities (4)	58,986	62,118
TOTAL OTHER LIABILITIES	85,197	77,325

(1) For 2012 and 2011, includes collections for third parties for items such as: utilities, mobile telephone, cable TV, non bank correspondents, remittances and others.

(2) The balance of the account in 2012 includes the cancellation withheld from services of Cooperativa Nacer of $572, Civil Works in Éxito Simón Bolívar in the city of Cali for $972, Pomona Calle 110 in the city of Bogotá for $193, Carulla Calle 82 in the city of Bogotá for $128, Exito Soledad in the city of Barranquilla for $122 and other smaller ones for $1,130.

(3) In 2012, the sum of $322 was charged to results for uses, corresponding to items not claimed of 2008 at June30, 2009, and in 2011 $198 items not claimed of 2007; in accordance with the agreements established in the regulations of this negotiation system.

(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 of the city of Medellín for $1,163. In 2008, the Company signed three business cooperation contracts with EASY Colombia, which 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 2012 was of $61,254, of which $6,629.has been amortized.

Nota 24. Equity

24.1 Capital

The Company's authorized capital is represented by 530.000.000 common shares at at a par value of $10 (*) each, subscribed and paid-in capital amounts to $4,482 (2011 - $4,482), the number of outstanding shares amounts to 447.604.316 and the number of own reacquired shares amounts to 635.835 in each year.

(*) Expressed in Colombian pesos.

24.2 Additional paid-in capital

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

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 adjustment for exchange difference of the investment in Spice Investments Mercosur S.A. was recorded as capital surplus in 2012 for $28,095 (2011 - $11,648).

24.3 Reservas

Except for the reserve for the reacquisition of shares, the remaining 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 originated until December 31, 2006, have been credited to this account, against results, 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 is capitalized. Capitalization is understood when surplus is transferred to a capital account as a result of the issuance of a dividend in shares.

Upon 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 as of January 1, 2007.

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 paid for the 4 years (2011 to 2014).

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Nota 25. Debit And Credit Memorandum Accounts

At December 31, the balance of this account was comprised of the following:

	2012	2011
Tax debit accounts	1,551,179	1,387,537
SUBTOTAL TAX DEBIT ACCOUNTS	1,551,179	1,387,537
Unused credits in favor (1)	1,463,972	1,427,987
Property, plant and equipment fully depreciated	818,553	718,902
Inflation adjustments of non monetary assets	202,496	219,083
Assets given in trust (2)	94,110	43,705
Goods on consignment (3)	82,140	53,928
Unused letters of credit	26,154	36,925
Litigation and lawsuits (4)	15,529	16,455
Postdated checks	1,758	2,879
SUBTOTAL CONTROL DEBIT ACCOUNTS	2,704,712	2,519,864
Other litigation and lawsuits (5)	43,626	30,647
Litigation and labor lawsuits	10,439	10,811
Other contingent obligations (6)	9,600	-
Purchase-sale agreements	500	500
Assets and securities received in guarantee	337	343
SUBTOTAL CONTINGENT OBLIGATIONS	64,502	42,301
Tax credit accounts	84,199	366,321
SUBTOTAL TAX CREDIT ACCOUNTS	84,199	366,321
Equity inflation adjustments	134,267	134,267
SUBTOTAL CONTROL CREDIT ACCOUNTS	134,267	134,267
TOTAL DEBIT AND CREDIT MEMORANDUM ACCOUNTS	4,538,859	4,450,290

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

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(2) Includes the following real estate:

Project	2012	2011
San Pedro Plaza 2	33,990	27,012
Viva Laureles	28,578	-
San Pedro Plaza 3	11,518	-
San Pedro Plaza	7,707	6,012
Del Este	4,507	4,171
Surtimax Girardot	4,001	-
Vizcaya	1,957	1,095
Otros derechos fusión Carulla - La Castellana	954	950
Iwana	880	-
Serrizuela	18	18
Tesoro Etapa 3	-	2,268
Proyecto Spring	-	1,317
Depósito en garantía (Corficolombiana)	-	751
Fideicomiso terreno Armenia	-	107
Lote Bima	-	4
TOTALES	94,110	43,705

(3) Includes goods of the following suppliers

Supplier	2012	2011
Continente S.A.	20,667	14,585
Jen S.A.	3,400	3,053
Brighstar Colombia S.A.	3,203	3,846
Ad Electronics S.A.	2,652	1,072
Challenger S.A.	2,532	1,676
Carvajal Educación	2,522	3,537
Pernod Ricard Colombia	2,210	2,383
Laboratorios de Cosméticos Vogue S.A.	2,065	1,812
Sociedad de Comercialización Internacional Pansell S.A.	2,017	1,820
Distribuidora de Vinos y Licores	1,756	36
C.I. Distrihogar S.A.	1,753	1,735
Industrias Cannon	1,728	365
Zapf S.A.	1,575	866
Baby Universe S.A.S.	1,173	-
C.I. Creytex S.A.	1,042	-
Impobe S.A.	951	462
Jhon Restrepo A. y C.	951	-
Altipal S.A.	927	109
J.E. Rueda Compañía Ltda.	881	589
Industria Colombiana	858	112
Inval S.A.	848	1,441
Others of small amounts	26,429	14,429
TOTAL	82,140	53,928

(4) Includes the following legal processes, qualified as possible and/or remote and which, therefore, do not affect the Company's results are included for 2012:
a. Customs' processes with the National Tax and Customs Administration for 2012 $3,629 (2011 - $3,253).
b. Processes with municipal jurisdictions for an approximate amount for 2012 $5,331 (2011 - $4,984).
c. Recovery of Murillo Lot in Barranquilla for 2012 $3,325 (2011 – $3,325).
d. Other small ones for 2012 $3,244 (2011 - $4,893).

(5) Includes among others the following processes qualified as possible and/or remote and that, therefore, do not affect the Company's results:
(*) 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.

a. Processes of extra-contractual civil liability of approximately 33,479 for 2012 (2011 - $21,281).
b. Other processes with municipal jurisdictions and other third parties of approximately for 2012 $7,647 (2011 - $6,866).
c. Litigation of increase of administration fee Centro Comercial Bello $2,500 (2011 – $2,500).

(6) Independent bank guarantee with Bancolombia S.A.

Nota 26. Net Revenues

At December 31 net revenues comprised the following:

	2012	2011
NET SALES (1)	8,657,748	8,105,601
OTHER OPERATING REVENUES		
Special exhibition negotiation	199,193	183,673
Concessionaires, rentals Royalty income (2)	173,755	154,828
Income from events	48,535	30,370
Sales with discount – loyalty program (3)	42,032	35,958
Miscellaneous (4)	26,507	26,074
Services	17,094	15,901
SUBTOTAL OTHER OPERATING REVENUES	507,116	446,804
NET REVENUES	9,164,864	8,552,405

(1) Discounts granted in 2012 amount to $405,753 (2011 - $280,181).

(2) Includes royalties of alianza Éxito – Tuya S.A., Suramericana de Seguros, Avianca Taca S.A. 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 $4,427 (2011 - $3,995), commission revenue non bank correspondents $4,178 (2011 – 2,535), premium in commercial locals of $3,133 (2011 - $2,299) Publicity advertisements of $800 (2011 - $554) and other income of $13,969 (2011 - $16,691).

Returns of goods are recorded as a lower amount of sales, taking into account that the Company's policy is changing goods. When the client returns an item, the client receives a change card to be used as a payment means for purchases.

Nota 27. Selling, General and Administrative Expenses

At December 31, Selling, general and Administrative expenses correspond to:

	2012			2011		
	Administrative	Selling	Total operating expenses	Administrative	Selling	Total operating expenses
Personnel expenses	109,566	620,081	729,647	108,577	518,656	627,233
Services	8,448	232,646	241,094	8,155	255,999	264,154
Depreciation	17,724	191,721	209,445	20,938	181,047	201,985
Leases	2,163	208,572	210,735	1,445	180,913	182,358
Taxes	33,223	82,311	115,534	31,275	74,152	105,427
Amortization	69,750	52,816	122,566	58,617	46,026	104,643
Maintenance and repairs	3,526	47,514	51,040	3,176	43,302	46,478
Packing material and marking	169	34,860	35,029	388	32,993	33,381
Debit and credit card commissions	-	26,308	26,308	-	24,902	24,902
Insurance	3,363	18,920	22,283	3,590	15,445	19,035
Selling expenses Cafam (1)	-	13,261	13,261	-	12,448	12,448
Fees	12,166	841	13,007	9,985	929	10,914
Travel expenses	6,566	3,012	9,570	7,227	3,108	10,335
Adaptation and facilities	321	5,317	5,638	790	5,615	6,405
Legal expenses	1,431	3,122	4,553	993	2,798	3,791
Contributions and affiliations	540	773	1,313	712	109	821
Miscellaneous (2)	2,469	68,942	71,411	4,755	66,568	71,323
TOTAL ADMINISTRATIVE AND SELLING OPERATING EXPENSES	271,425	1,611,017	1,882,442	260,623	1,465,010	1,725,633

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

(2) Miscellaneous expenses include, among others, cleaning items and fumigation of $7,076 (2011 - $6,839), store opening expense of $6,275 (2011 - $5,776), stationery, supplies and forms $5,909 (2011 -$5,568), replacement of store items $5,556 (2011 -$5,291), cafeteria and restaurant elements $4,877 (2011 -$5,127), regional supports $4,072 (2011 -$4,281), tools and storage elements $1,289 (2011 -$1,446) and other small items of $36,357 (2011 -$36,995).

Nota 28. Other Non Operating Income And Expenses, Net

Other non operating income and expenses correspond to:

	2012	2011
NON OPERATING INCOME		
Recovery of provisions upon the sale of investment in Cativén S.A.	35,163	32,974
Profit on sale of property, plant and equipment, investments and intangibles (1)	5,417	13,699
Recovery of provisions (2)	3,443	6,961
Amortization of deferred monetary correction credit upon the elimination of inflation adjustments	1,559	1,559
Other non operating income	975	1,354
Recovery of costs and expenses	246	1,011
TOTAL NON OPERATING INCOME	46,803	57,558
NON OPERATING EXPENSES		
Tax on financial movements (four per thousand)	(11,066)	(18,517)
Royalties expense Compañía de Financiamiento Tuya S.A.	(10,982)	(9,599)
Amortizations, bonuses and indemnities (3)	(10,635)	(5,157)
Legal fees and processes	(7,963)	(7,098)
Loss costs of goods	(3,975)	(1,655)
Provision for property, plant and equipment	(2,223)	(22)
Donations	(2,061)	(2,478)
Special projects' expenses	(1,560)	(1,615)
Retirement pensions	(154)	(308)
Other provisions	(1)	(12)
Losses on sale and retirement of assets	-	(289)
Accounts receivable written off	-	(71)
Other non operating expenses (4)	(10,042)	(15,346)
TOTAL NON OPERATING EXPENSES	(60,662)	(62,167)
TOTAL OTHER NON OPERATING INCOME (EXPENSES), NET	(13,859)	(4,609)

(1) For 2012, this corresponds mainly to the sale of real estate fixed assets of Carulla Buga, land in Sogamoso, premises in commercial centers, premises in Avenida Estación of $2,836 (See Note 11), movable fixed assets of $512, sale of fiduciary rights AESA Tesoro III stage of $2,046 and smaller ones of $23.

For 2011, this corresponds mainly to the sale of fixed assets lot in Marbella, Pomona Oviedo, San Francisco, Buenavista, Panorama, Ley Libertadores and others for $11,531 and movable fixed assets, furniture and intangibles of $2,168.

(2) For 2012, this is the provision for the recovery of the provision for real estate of $2,510, provision for labor processes $578, provision for legal processes of $279 and others of $76.

For 2011, this is the provision for the recovery of labor processes of $1,263, provision for the recovery of the restructuring provision of $1,232, recovery of provision for Investment in Predios del Sur S.A $857, recovery of provision of legal processes of $626 and others of $2,983.

(3) For 2012, this corresponds to program R1 of $4,330, bonuses and indemnities of $4,161, organizational excellence of $1,120 and others of $1,024.

For 2011, this corresponds to the provision for organizational excellence, institutional plans, "azul" Project, non operating indemnities, reconversions, and others of $5,157.

(4) For 2012 this corresponds to a payment made to Padron Guillermo and Associates for $4,009, taxes assumed of $2,978, deferred monetary correction debit of $1,002 and others of $2,053.

For 2011 this corresponds to the payment made to Geant International of $8,742, assumed taxes $3,085, deferred monetary correction debit $1,241, expenses inherent to the sale of goods $879 and others $1,399.

Nota 29. Relevant Facts

2012

Cativén S.A.

On December 10, 2012, it was informed to the market that the Company had received the payment of US$18.1 million corresponding to the last installment of the shares in the company Cadena de Tiendas Venezolanas S.A. – Cativén S.A., equivalent to 28.62% of such company capital.

The provision for accounts receivable set up for the operation was reversed upon the credit of the last installment.

Investment in Grupo Casino Subsidiares

The General Shareholders' Meeting at an extraordinary meeting held on December 13, 2012 approved a proposition relating with generating an option for the diversification of the handling of the handling of one part of the Company's excess of liquidity by means of the acquisition of short term bonds ("The Bonds"), issued by a subsidiary of Casino Guichard Perrachon ("Grupo Casino"), dedicated to the management of cash within the Grupo Casino.

By means of this mechanism an additional alternative would be generated to invest temporarily part of the resources available of Almacenes Éxito S.A., complementing its current investment alternatives in financial entities.

It is worth noting that in order to ensure liquidity for Almacenes Éxito S.A., the Grupo Casino has offered a liquidity guarantee under which it should acquire the bonds at any time and without any condition, if Almacenes Éxito so requires.

The investment in bonds will take place under the assumption that the net return is equal or higher than the average of the net return granted by the current investments of the Grupo Éxito through the principal banks in Colombia.

In accordance with article 23 of Law 222 of 1995 and the Decree 1925 of 2009, as well as with the Company's Good Government Code, the transaction was subject to the consideration of the General Shareholders' Meeting since this is a transaction between related parties which implementation corresponds to the Board of Directors, where members which are in turn employees of the Grupo Casino participate.

Opening of a Centro Comercial under the "VIVA" brand

Almacenes Éxito S.A. opened in November 2012, its first Centro Comercial under its "VIVA" brand, developed in Alliance with the firm having an Antioquia origin "Arquitectura & Concreto", the new Centro Comercial "VIVA Laureles" has as anchor store an Exito Hypermarket – the fourth in sales of the organization – which has operated since 1997. New and recognized national and international brands offer in 86 commercial premises their products and services with a wide offer of restaurants, banks and clothing.

This real-estate project is the first one in its class and was constructed in line with the expansion plan of the Company of openings in several principal and intermediate cities of Colombia.

Generalities of the project

- GLA (area feasible of being leased): 20.500 m^2 (approximately, including the Éxito anchor store)
- Number of commercial premises: 86
- Investment of the Grupo Exito: COP93,000 million

VIVA Villavicencio

The Company and Grupo Argos S.A. ("Argos") agreed on investment and development conditions of a real-estate project fort the city of Villavicencio, denominated Centro Comercial VIVA Villavicencio ("El Proyecto").

In "The Project", the Company holds the capacity of promoter, developer, administrator and investor with a participation of 51% thereof and Grupo Argos will have the capacity of investor with a participation equivalent to 49%.

The total investment for the development of "The Project" will be of approximately $213,000, in respect of which the Company will make an estimated contribution of $109,000 and the Grupo Argos of $104,000.

Almacenes Éxito S.A. will contribute with 54 of the 58 commercial premises making up the Centro Comercial La Sabana – Propiedad Horizontal, located in calle 7 N° 45 – 185 of the Municipality of Villavicencio in the Department of Meta, which represent 90.05% of the coefficients of the co-ownership and a lot for future development inside the stated Centro Comercial. These contributions in kind are valued for a sum equivalent to $63,000, which will be complemented with a capital contribution of approximately $46,000.

The Centro Comercial Viva Villavicencio will have approximately 159 commercial premises and 1.569 parking sites. It will open its doors in the second half of 2014, in the place where El Centro Comercial La Sabana currently operates.

Convergence to International Financial Reporting Standards

In accordance with the provisions of Law 1314 of 2009 and the regulatory decrees 2706 and 2784 of December 2012, the Company is required to initiate the convergence process of accounting principles generally accepted in Colombia to international financial reporting standards (IFRS) as issued by the IASB (International Accounting Standards Board).

Taking into account that this convergence to IFRS is complex and will have significant effects for the companies, the Public Accounting Technical Council classified the companies under three groups for the transition; where the Company belongs to group one (1), which mandatory transition period starts on January 1, 2014 and the issuance of the first comparative financial statements under IFRS will be December 31, 2015.

The Company should submit to the Financial Superintendence an implementation plan to IFRS before February 28, 2013, which should be approved by the board of directors, the executive council or the body that exercises equivalent functions in the entity, and additionally should be informed at the next shareholders meeting or highest social body of the entity.

2011

Issue of shares

An issue of shares was approved of up to US$1,400 million without being subject to the preferential subscription right 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 shares in the proportion of its participation, which represented approximately US$750 million.

Resources obtained in said issuance will be dedicated to accelerate its local expansion strategy through the coverage of large cities, the penetration in medium cities and the development of real estate projects together with investments in Retail other than food, complementary business and update of the current logistic and technological platforms.

Likewise, Almacenes Éxito S.A. started its international expansion upon acquiring leader Retail chains in Uruguay, called Disco and Devoto, which amounted to 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 the sum of US$54.3 million equivalent to 60% of the sales total. The amount of the last installment and evidence of the account receivable amounts to US$18.1 million, which will be paid in November 2012.

The provision for accounts receivable created for this operation was reversed by the same proportion in the financial statements of Almacenes Éxito S.A. at December 31; the balance of the provision amounts to US$18.1 million, which will be reversed at the time the last installment is credited.

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 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 twice its closest competitor.

Financial Indicators

AT DECEMBER 31 2012 AND 2011

	2012	2011
1. LIQUIDITY INDEXES		
Current ratio	1.66	1.77
Working capital, net / Operating income	15.60	16.49
Inventories acid test	1.21	1.31
Suppliers / Goods inventories	1.54	1.49
2. BORROWING INDEXES (%)		
Total borrowings	24.29	23.78
Concentration of short-term borrowings	88.27	81.38
Financial borrowings	2.24	3.10
Financial leverage	2.96	4.07
Short-term borrowings	-	23.74
Medium and long-term borrowings	100	76.26
Total borrowings in foreign currency	-	23.74
Total borrowings in local currency	100	76.26
Net financial expense on EBITDA	10.52	0.95
Gross debt on EBITDA (times)	0.30	0.42
Operating profit on net financial expense (times)	5.35	59.42
Operating income on total financial obligations (times)	40.79	29.03
3. PROFITABILITY INDEXES (%)		
Profit margin before operating income and non operating expenses	4.65	4.67
Net margin	4.92	4.55
Profitability of assets	4.74	4.10
Profitability of equity	6.26	5.38
EBITDA margin (*)	8.28	8.25
Gross profit / total operating income	25.19	24.84
4. INDEXES OF TREND AND OPERATING EFFICIENCY (TIMES)		
Total assets turnover	0.91	0.90
Portfolio turnover	10.73	-
Inventory turnover	7.56	7.83
Suppliers' turnover	4.98	5.46
Hedge of gross profit over sales expenses	1.43	1.45
Fixed assets turnover	4.48	4.17
Administrative expenses / gross profit (%)	11.76	12.27
Selling expenses / gross profit (%)	69.78	68.95
Personnel expenses / operating income	7.96	7.33

(*) Earning before interest, taxes, amortization, depreciation and inflation adjustments.

Analysis of Financial Indicators

AT DECEMBER 31 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

Liquidity Indexes

The working capital of company at December 31, 2012 is of $1,429,416 (2011 $1,410,315). And solidity index has a capacity of 4.12 financial demonstrating consistency.

The Company has $1,66 to cover its short-term obligations and the ratio suppliers – inventories improved to a 1.54 in 2012 compared to 1.49 of 2011, which demonstrates an improvement in the negotiation capacity with suppliers.

Borrowing Indexes

The Company's total borrowings reflected increase of 0,51% in 2012 upon passing from 23.78% a un 24.29%.

The proportion financed with financial obligations is of 2.24%.

The index borrowing concentration during 2012 is 88.27% in the short term, represented by the account payable to suppliers.

Medium and long-term borrowings with the financial sector includes the bonds' credit of $224 million with expiring in 2013 and 2015.

Operating income over financial expenses reflected a variation of 54.07 points, from 59.42 in 2011 to 5.35 in 2012.

Profitability Indexes

The margin before interest, taxes, depreciation and amortization (EBITDA) shows the Company's cash generation capacity through its operation which during 2012 was of 8.28%

During 2012, the Company generated a net margin of 5.19%.

Trend Indexes And Operating Efficiency

The Company purchases inventory which is held by it for an average of 48 days and is paid over a term of 72 days.

A 3,8% the sales of company are credit sales with accounts receivable turnover of 10,73 equivalent 34 days.

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Supplementary Information

AT DECEMBER 31 2012 AND 2011
(Amounts expressed in millions of Colombian pesos)

	2012	2011
Total assets (without appraisals)	8,679,805	8,245,659
Liabilities	2,436,432	2,259,681
Net sales	8,657,748	8,105,601
Ordinary monthly dividend (*)	108.75	75
Equity value of the share (*)	16,969	16,178
SHARES		
Nominal value (*)	10	10
Average price in stock exchange (*)	28,603	24,297.18
Maximum price in stock exchange (*)	37,300	28,500
Minimum price in stock exchange (*)	24,000	21,000
Close price in stock exchange (*)	35,500	25,460
Number of shares issued by the Company	448.240.151	448.240.151
Number of own shares reacquired	635.835	635.835
Number of outstanding shares	447.604.316	447.604.316
BALANCE SHEET		
Current debtors	265,314	246,643
Goods for sale	959,674	860,077
Current assets	3,579,937	3,249,240
Property, plant and equipment, net	2,047,862	2,052,883
Valuations	1,351,862	1,255,248
Financial obligations	11	69,953
Current liabilities	2,150,521	1,838,925
Labor obligations	65,528	63,257
Shareholders' equity	7,595,235	7,241,226
Debit and credit memorandum accounts	4,538,859	4,450,290
CAPITAL		
Authorized	5,300	5,300
Subscribed and paid-in	4,482	4,482
Additional paid-in capital	4,843,466	4,843,466
EMPLOYMENT		
Employees	43.177	43.287
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 (*)	435	300

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AT DECEMBER 31 2012 AND 2011

(Amounts expressed in millions of Colombian pesos)

	2012	2011
TAXES		
Income tax receivable	(57,469)	(69,686)
Sales tax payable	54,710	46,458
Industry and commerce and real-estate tax payable	22,491	20,398
Deferred income tax movement of the year	24,343	7,913
Income tax expense	55,436	33,551
OPERATIONS		
Cost of sales	6,856,028	6,427,755
Other operating administrative and selling expenses	820,784	791,772
Financial expenses	120,652	154,248
Salaries and fringe benefits	729,647	627,233
Deprecation and amortization expense	332,011	306,628
Financial income	200,406	160,963
RESERVES		
Mandatory	7,857	7,857
Occasional	771,625	576,879
PROFIT		
Gross	2,308,836	2,124,650
Operating	426,394	399,017
EBITDA (1)	758,405	705,645
Profit before income tax	555,084	430,919

(*) Amounts expressed in Colombian pesos

(1) Profit before interest, taxes, and amortization, depreciation and inflation adjustments.

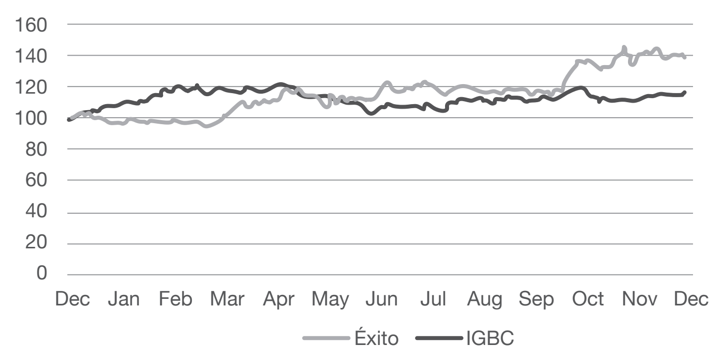
Shareholder Information

(Bolsa de Valores de Colombia: Éxito)

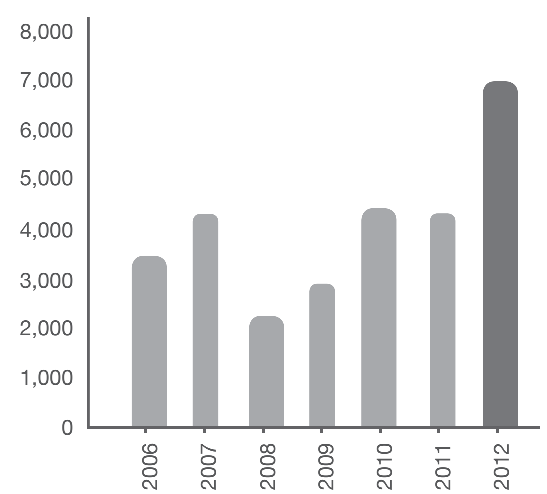
Behaviour of share price on the Bolsa de Valores de Colombia, BVC

Year	2005	2006	2007	2008	2009	2010	2011	2012
Minimum price (*)	8,110	16,060	19,020	17,100	19,900	25,000	28,500	37,300
Closing price (*)	4,400	7,510	13,420	7,360	9,000	16,020	21,000	24,000
Average price (*)	7,610	15,920	17,100	10,160	19,500	23,360	25,460	35,500
Average volume ($ million)	6,504	11,000	15,507	11,394	13,830	19,779	24,297	28,603
Market capitalization ($ millions)	786	3,332	4,192	1,997	2,535	4,147	4,199	6,814
Capitalización de mercado ($ millones)	1,590,495	3,327,290	4,850,025	2,881,652	6,496,893	7,786,674	11,396,006	15,889,953

Price History Éxito vs. IGBC



Historical average daily volume



Information about the share

Year	2005	2006	2007	2008	2009	2010	2011	2012
Ordinary dividend ($) (*)	25.0	25.0	25.0	60.0	60.0	60.0	75.0	108.8
Common shares ($ million)	209.0	209.0	283.6	283.6	333.2	333.3	447.6	447.6

(*) The dividend payment from 2008 to 2012 was conducted on a quarterly basis, from 2003 to 2007 were paid monthly.


MAX
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