

August 30, 2016

Colombia



Brazil



Argentina



Uruguay



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Agenda

- ❑ 2Q16 Operating Highlights
- ❑ International Integration Follow-up
- ❑ 2Q16 Consolidated Financial Results
- ❑ Perspectives
- ❑ Q&A Session

2Q16 Operating Highlights

- **Strong SSS** growth in Colombia, Uruguay and Argentina.
- **Solid sales** performance in Brazil driven by Assaí and ongoing recovery at Via Varejo.
- **Retail Expansion:**
 - **Colombia:** 3 stores opened (Éxito HM, Surtimayorista, Surtimax).
 - **Brazil:** 9 stores opened (Assaí, Pao de Açucar, 5 Minuto Pao de Açucar, Pontofrio & Casas Bahia) and 7 stores converted to Casas Bahia.
 - **Uruguay:** 3 stores opened (Devoto Express).
- **Total Store Base: 2.541** (Col: 563, Bra: 1.882*, Uru: 69, Arg: 27; 3.82M sqm).
- Opening of the first cash and carry store in Colombia under the brand “**Surtimayorista**”.
- Launch of the “Ally” Colombian business model under “**Aliado Compre Bem**” in Brazil .
- **Synergy plan** on track, expected tangible gains of USD\$15M to USD\$25M in 2016 and +50 bps in consolidated Ebitda margin by 2019.
- Development of the Colombian Real Estate Vehicle with the incorporation of “**Viva Malls**”.
- Consolidated **Capex of COP\$425,000 million** (83% expansion, 17% maintenance).
- Appointment of Mr. **Manfred Gartz** as Grupo Éxito's **CFO**, starting September 1st.

* Excluding pharmacies and gas stations.

International Integration with Tangible Synergies

Brazilian Cash & Carry format introduced to Colombia

Surtimayorista, the first cash & carry store of the Company, sales above expectations



International Integration with Tangible Synergies



- **Joint commodities purchasing:** estimated savings between 5% and 15% at cost level.
- Negotiations of **non-food products** centralized on **Via Varejo**.



- **After the first LatAm Business Encounters,** vendors of all countries are **exporting from:**
 - Colombia:** coffee, flowers, dinnerware and textiles to Brazil, Uruguay and Argentina.
 - Brazil:** juices, housewares and small appliances to Colombia and Uruguay.
 - Uruguay:** wine and fruits to Brazil and Colombia.
 - Argentina:** meat to Brazil and Colombia.

International Integration with Tangible Synergies

Colombian Textile Business Model Piloted in Brazil & Argentina

Initial exports of 400 thousand garments



TÊXTIL EXTRA: OS CLIENTES VÃO TER MUITO MAIS MOTIVOS PARA NÃO SAIR DAS LOJAS

PROJETO PILOTO REDEFINIU LAYOUT E EXPOSICAO DAS COLECOES E 12 LOJAS RECEBEM NOVAS MARCAS EXCLUSIVAS NO SEGMENTO TEXTIL.



International Integration with Tangible Synergies

Colombia supporting GPA with **knowledge transfer and business training** in the model operation

Varejo Pelo novo modelo, mercadinhos de bairro terão o logo da rede e serão abastecidos pelo grupo

GPA faz parcerias e relança CompreBem

Adriana Mattos
De São Paulo

Os contratos entre a companhia e os comerciantes têm sido feitos nos últimos meses.



CompreBem renasce para parceiros do GPA

Adriana Mattos
De São Paulo

aos que encontram em outros fornecedores. O GPA ficará responsável pela entrega das mercadorias para os pontos do bairro.

O Grupo Pão de Açúcar deve competir no mercado hoje que criou



1.150 “Aliados Surtimax” in Colombia”



45 “Aliados CompreBem” operating in Brazil

International Integration with Tangible Synergies



Argentina's commercial model "**Compra del mes**" now in **Uruguay, Brazil and Colombia**.

- Unified capacity of execution within the region
- "1,2,3 Passos da Economia" advancing with solid results in **sales and market share**.



Synergies on target and full execution

- **15** Main synergy initiatives.
- Transversal execution.
- Expected tangible **gains**:

2016: USD\$15M to USD\$25M.

2019: **+50 bps** in consolidated Ebitda margin.

Grupo Éxito's Consolidated Sales

Sales and mix by country

	2Q16	Sales Mix		1H16	Sales Mix	
	Millions of COP	Food	Non Food	Millions of COP	Food	Non Food
Colombia	2,569,875	75%	25%	5,227,884	75%	25%
Brazil	13,360,920	58%	42%	27,307,986	57%	43%
Uruguay	526,031	87%	13%	1,156,481	86%	14%
Argentina	323,855	72%	28%	652,337	72%	28%
Total *	16,780,681	62%	38%	34,344,688	61%	39%

2Q16 Sales mix 62% food related, increased 240 bps vs 2Q15.

Food:

- Consolidated **8.6% growth**, driven by the **fresh category**.
- Strong **food growth in Colombia** and first signals of **recovery at Extra/Multivarejo**.
- Positive **8.7% growth in Brazil** driven by Assaí and proximity.

Non-food:

- Good performance in Colombia and Uruguay driven by **textile category** growing by mid-teens.
- Via Varejo** accelerated **sales recovery** posting 2.6% LFL, the best quarterly performance since 1Q15.

Note: Brazil's food figures: Multivarejo+Assai. Non-food: Via Varejo + Cnova

2015 results were restated and reflect the effects of the adjustments arising from the completion of the *Purchase Price Allocation* process relevant to the acquisition of Grupo Disco Uruguay, pursuant to IFRS 3 - Business combinations. 2016 results include the effect of the restatement of the results of CBD from the adjustment made by this subsidiary related to Cnova N.V. research.

* Intra-group transactions have not been eliminated

Sales Performance: Colombia

Clear progression in all banners amidst weak domestic demand

2Q16	Total sales (Millions of COP)	% Same Store Sales ⁽¹⁾	% Var. Total sales ⁽¹⁾	% Var. Total sales
Total Colombia	2,569,875	5.0%	8.0%	5.5%
Éxito	1,694,404	5.9%	8.3%	4.4%
Carulla ⁽²⁾	380,768	4.7%	4.9%	4.9%
Discount	406,555	4.4%	5.5%	5.5%
B2B*	88,148	N/A	38.3%	38.3%

Total sales benefited by:

- Organic expansion with **46 store openings** in the LTM.
- Food** category (75% of the mix) driven by **Super Inter fresh expertise and the “Unbeatable”** basic food portfolio.
- Non-food** category driven by mid-teens growth of textiles with the “EDLP” **textile strategy** at Éxito stores.
- Discount segment & B2B** strong sales growth, Aliados gaining market share (1,150 as of 2Q16).

*The four **commercial levers** developed by Éxito brand greatly supported the 2Q16 sales performance*

(1) Adjusted for the calendar effect of -2.5% in Total Colombia and -3.9% at Éxito

(2) Excluding the pharmacies sales from the base. SSS Carulla including pharmacies were 1.9%

*B2B: Sales from Allies, Institutional and 3rd party sellers.

Strong 8.3%* Sales Growth at Éxito stores driven by Key Commercial Levers

1

Fresh Specialist Model

Transferred from Super Inter



- Specialists in meat, vegetable and fresh fruits.
- Sales growth by 10%.
- Favored over 700 bps sales growth in units at stores.

2

Insuperables

Unbeatable prices



- A selected portfolio of basic products.
- Lower prices than competition.
- Growth in sales by 104%.

Quincenazo

3

The commercial strategy from Argentina



- More than 100 SKUs with special discounts
- “The Brands U Love”, “Buy More, Save More”.

EDLP in textiles

4



- Sales growth of 13% on average.
- Sales in units growth of 27%.

*Adjusted for the calendar effect of -3.9%.

2Q16 Operational Results: Colombia

Consistent quarterly outcome and strong operational results during the first half of the year

Colombia	2Q16	2Q15	2Q16/15	1H16	1H15	1H16/15
	Millions of COP	Millions of COP		Millions of COP	Millions of COP	
Net Revenues	2,685,938	2,506,935	7.1%	5,432,849	5,063,781	7.3%
Gross Profit <i>Gross Margin</i>	677,063 25.2%	608,694 24.3%	11.2%	1,336,407 24.6%	1,204,079 23.8%	11.0%
SG&A Expenses <i>SG&A /Net Revenues</i>	-545,097 -20.3%	-482,007 -19.2%	13.1%	-1,105,292 -20.3%	-996,715 -19.7%	10.9%
Recurring Operating Income <i>Recurring Operating margin</i>	131,966 4.9%	126,687 5.1%	4.2%	231,115 4.3%	207,364 4.1%	11.5%
Recurring EBITDA <i>Recurring EBITDA margin</i>	195,212 7.3%	178,174 7.1%	9.6%	353,547 6.5%	310,086 6.1%	14.0%

- **Net Revenues growth** reflect a **strong sales trend growth** of 8.0%* and progression of other operational income among them, revenues increases from Complementary businesses.
- **Recurring Operating Income** benefitted from a **higher gross margin** despite SG&A increases derived from expenses related to the integration process, the expansion plan and higher occupancy costs and utility bills.
- **Recurring EBITDA** posted a solid **7.3% margin**, 20 bps higher vs 2Q15 and +160 bps vs 1Q16.

*Adjusted for the calendar effect of -2.5%.

Note: Net Revenues include sales and other operating income.

Sales Performance: Brazil

Sales driven by food mainly at Assaí and recovery at Via Varejo

2Q16	Total sales (Millions of COP)	% Same Store Sales ⁽¹⁾	% Var. Total sales ⁽¹⁾	% Var. Total sales
Total Brazil	13,360,920	3.2%	4.9%	3.5%
Food	8,251,783	7.1%	11.3%	8.7%
Non Food	3,120,299	2.6%	0.3%	0.3%
E-commerce	1,988,838	-7.9%	-7.9%	-7.9%

Sales and SSS growth amidst a **challenging economic environment**.

Food:

- Represented 58% of the mix and **grew above** inflation by 11.3%*.
- SSS growth** of 7.1%, driven by Cash & Carry and Extra gradual recovery.
- Assaí: the **highest sales level** since 2Q14 with 37.6%** growth and SSS above inflation.

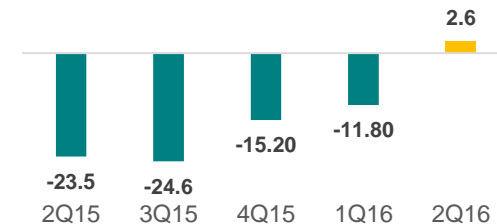
Non-Food:

- Via Varejo posted 0.3% sales growth and a 2.6% SSS, **the strongest sales** performance in the last 5 quarters.
- Strategic actions boosted **market share gains**.

E-commerce:

- Marketplace **share gains in Cnova Brazil** (+ 780 bps).
- Customer traffic **rose by 21.4%** to 257 million visits.

Via Varejo LFL growth (%)



Note: Brazil's food figures: Multivarejo + Assaí. Non-food: Via Varejo + Cnova

*Adjusted for the calendar effect of -1.4% in Total Brazil and -2.5% at Food segment. Variations in sales and SSS in local currency.

**Adjusted for the calendar effect.

2Q16 Operational Results: Brazil

Performance impacted by a challenging macro environment with a non-food margin upside potential

Brazil	2Q16 Millions of COP	1H16 Millions of COP
Net Revenues	14,239,401	29,049,722
Gross Profit <i>Gross Margin</i>	3,622,962 <i>25.4%</i>	6,885,166 <i>23.7%</i>
SG&A Expenses <i>SG&A /Net Revenues</i>	-3,226,989 <i>-22.7%</i>	-6,323,641 <i>-21.8%</i>
Recurring Operating Income <i>Recurring Operating margin</i>	395,973 <i>2.8%</i>	561,525 <i>1.9%</i>
Recurring EBITDA <i>Recurring EBITDA margin</i>	612,391 <i>4.3%</i>	988,569 <i>3.4%</i>

- **Gross Margin** benefited by the **recognition of tax credits** offset by price investment mainly in Multivarejo.
- **Recurring Operating Income** reflected efforts at expense level with **operational improvements** in Multivarejo and Assaí partially offset by strong expansion in Assaí and the end of tax relieve on payroll in Via Varejo.
- **Recurring Operating Ebitda** reflected the **strong margins** at **Via Varejo** and the **food business**, offset by expenses related to the Cnova investigation, tax contingencies and restructuring expenses.

2Q16 Sales & Operational Results: Uruguay

Consistent growth with strong profitability levels

2Q16	Total sales (Millions of COP)	% Var. Total sales	% Var. SSS
Uruguay	526,031	19.7%	7.4%

Uruguay	2Q16	2Q15	2Q16/15	1H16	1H15	1H16/15
	Millions of COP	Millions of COP		Millions of COP	Millions of COP	
Net Revenues	532,237	446,496	19.2%	1,169,534	979,713	19.4%
Gross Profit <i>Gross Margin</i>	186,040 35.0%	153,781 34.4%	21.0%	401,698 34.3%	338,860 34.6%	18.5%
SG&A Expenses <i>SG&A /Net Revenues</i>	-151,214 -28.4%	-123,852 -27.7%	22.1%	-294,681 -25.2%	-269,393 -27.5%	9.4%
Recurring Operating Income <i>Recurring Operating margin</i>	34,826 6.5%	29,929 6.7%	16.4%	107,017 9.2%	69,467 7.1%	54.1%
Recurring EBITDA <i>Recurring EBITDA margin</i>	41,477 7.8%	34,228 7.7%	21.2%	104,694 9.0%	82,149 8.4%	27.4%

- Positive **SSS growth** of 7.4% in local currency.
- Positive performance of Devoto Express gaining 1% market share to a total of 42.4%* of the operation in Uruguay.
- Recurring EBITDA increase of 10 bps in margin despite wage expenses pressures.

2Q16 Sales & Operational Results: Argentina

Profitability driven by cost optimization and real estate positioning

2Q16	Total sales (Millions of COP)	% Same Store Sales ⁽¹⁾	% Var. Total sales ⁽¹⁾	% Var. Total sales
Argentina	323,855	30.9%	30.9%	29.2%

Argentina

	2Q16 Millions of COP	1H16 Millions of COP
Net Revenues	348,495	699,264
Gross Profit	122,595	247,953
<i>Gross Margin</i>	<i>35.2%</i>	<i>35.5%</i>
SG&A Expenses	-118,155	-232,565
<i>SG&A /Net Revenues</i>	<i>-33.9%</i>	<i>-33.3%</i>
Recurring Operating Income	4,440	15,388
<i>Recurring Operating margin</i>	<i>1.3%</i>	<i>2.2%</i>
Recurring EBITDA	8,067	22,805
<i>Recurring EBITDA margin</i>	<i>2.3%</i>	<i>3.3%</i>

- **Sales** benefited by the **food category** improvements from the commercial strategy “La Compra del Mes” and sales of the proximity format.
- **Margins** benefited from consistent performance of the **real estate business** and higher stock levels to compensate inflationary pressures on costs and expenses.

(1) Adjusted for the calendar effect of -1.7%

Note: Net Revenues include sales and other operating income. Variations in sales and SSS in local currency

Consolidated Operating Performance

	2Q16 Millions of COP	2Q15 Millions of COP	1Q16/15	1H16 Millions of COP	1H15 Millions of COP	1Q16/15
Net Revenues	17,805,251	2,953,431	502.9%	36,347,307	6,043,494	501.4%
Gross Profit <i>Gross Margin</i>	4,608,931 25.9%	762,475 25.8%	504.5%	8,871,104 24.4%	1,542,939 25.5%	474.9%
SG&A expenses <i>SG&A/Net Revenues</i>	-4,041,727 -22.7%	-605,859 -20.5%	567.1%	-7,956,059 -21.9%	-1,266,108 -20.9%	528.4%
Recurring Operating Income <i>Recurring Operating margin</i>	567,204 3.2%	156,616 5.3%	262.2%	915,045 2.5%	276,831 4.6%	230.5%
Operating Income (Ebit) <i>Operating margin</i>	228,305 1.3%	216,835 7.3%	5.3%	497,533 1.4%	306,250 5.1%	62.5%
Net Income attributable to Grupo Éxito <i>Net margin</i>	-48,849 -0.3%	160,786 5.4%	-130.4%	-44,688 -0.1%	228,671 3.8%	-119.5%
Recurring EBITDA <i>Recurring EBITDA margin</i>	857,146 4.8%	212,402 7.2%	303.5%	1,469,615 4.0%	392,235 6.5%	274.7%
EBITDA <i>EBITDA margin</i>	518,248 2.9%	272,621 9.2%	90.1%	1,052,103 2.9%	421,654 7.0%	149.5%

Notes:

Brazil and Argentina results consolidates since September 1st, 2015, making 2016 figures not comparable.
Net Revenues include sales and other operating income.

2015 results were restated and reflect the effects of the adjustments arising from the completion of the *Purchase Price Allocation* process relevant to the acquisition of Grupo Disco Uruguay, pursuant to IFRS 3 - Business combinations. 2016 results include the effect of the restatement of the results of CBD from the adjustment made by this subsidiary related to Cnova N.V. research.

Group Share Net Result

Net Income affected mainly by the net loss in Brazil and financial expenses

	2Q16 MCOP
Recurring Operating Income	567,204
Non Recurring expenses	-338,899
Net Financial Result Brazil	-500,844
Net Financial Result Colombia	-110,581
Income Tax	-53,242
Minority Interest	371,057
Others	16,456
Net Income attributable to Grupo Éxito	-48,849

In 2Q16 the **Group Share Net Loss** mainly derived from:

- The **Non-Recurrent Expense** of COP\$339Bn* related mainly to restructuring expenses in Brazil.
- The **Net Financial Expense** of COP\$110Bn in Colombia* and COP\$500Bn in Brazil.
- The **Net Loss from Brazil** in 2Q16 of more than COP\$30Bn.

* There was a non-recurrent income in 2Q15 of COP\$60 BN derived from selling the pharmacies to Cafam.

**Affected by the repo rate increase of 175 bps as of June 30 (from 5.75% to 7.50%).

Debt at Holding Level

Progressive lower Net Debt/adjusted Ebitda ratio from 3.8x (2015) to around 3.2x (2016)*

- Financial debt of **COP\$3.2 BN and USD\$450 M** as of 2Q16.
- Interest rates below **IBR3M + 3.5%** in COP and **LIBOR3M + 1.75%** in USD.
- Debt Maturity of average 3.2 years.
- ***Deleverage plan*** focused on working capital optimization of around USD\$150 million:
 - ***Decreasing inventories*** (by 4-5 days)
 - Productivity excellence at store and DC level
 - Implementing VMI strategies in non-food
 - In-store assortment optimization
 - ***Optimizing receivables collection***
 - Higher frequency of invoicing
 - ***Renegotiation of terms with goods and services suppliers***

Conclusions

Consolidated

- Strong sales growth and solid operational performance in Colombia, Uruguay and Argentina.
- Food sales growth driven by commercial strategies.
- Net loss derived mainly from the loss in Brazil and net financial and non-recurrent expenses.
- Consistent synergies plan ratifies a long term goal of 50 bps gains in Ebitda margin by 2019.
- Clear deleveraging plan.
- Consolidation of e-commerce platforms (Cnova&Vvar-Bra and exito.com-Col) to increase efficiencies and strengthen competitive advantages.

Colombia

- Strong total and LFL growth in all banners and overpassing retail sales levels posted by DANE.
- Great acceptance of “Surtimayorista”, sales performance over expectations, further openings.
- Advances of the real estate vehicle “Viva Malls”.

Brazil

- Market share gains at Assaí and an improved trend at Multivarejo.
- Accelerated sales recovery at Via Varejo.
- Improved trend in operational results versus previous quarters.

Uruguay

- Consistent strong operational results.
- Only real food retailer expanding in convenience with Devoto Express (14 stores as of 2Q16).

Argentina

- Market share gains.
- Real estate business unit reaching 14 galleries (152k sqm GLA).

Perspectives

Grupo Éxito moving forward as a Multilatina Company, South American retail leader and relevant Real Estate regional player

- Operation in Colombia addressing the **discount market** with Aliados, Surtimax and Super Inter brands.
- Cash & Carry in Colombia to open **2 Surtimayorista** stores by 2017.
- Strategy to **expand retail areas** in Colombia and to maximize shareholder value through complementary value creation initiatives.
- Consolidation of the **real estate vehicle**.
- **Non-food centralization** under Via Varejo in Brazil and exito.com in Colombia to create value and consolidate Éxito as the leader omni-channel company within the region.
- Brazil focus on increasing traffic and volumes and **expansion of food banners**.
- **Integration Via Varejo-Cnova** with important synergies in working capital and operational profit level.
- Uruguay expansion in **convenience**.
- Strengthening the **real estate** business in Argentina.

Perspectives

- **Synergies** with expected tangible gains:
 - 2016: USD\$15M to USD\$25M
 - 2019: +50 bps in consolidated Ebitda margin
- Focus on deploying a clear **deleverage plan**.
- **NFD/Adjusted EBITDA** ratio expected from 3-8x to around 3.2x.
- **Positive evolution** of the stock value of GPA and Via Varejo in Colombian Pesos year-to-date (25 aug), still to be seen in the holding company.

	2016 YTD		
<i>Share</i>	<i>Px in COP (Jan 1st)</i>	<i>Px in COP (Aug 25)</i>	<i>COP Var</i>
Via Varejo	2,621	5,939	126.6%
GPA	33,550	47,560	41.8%
Éxito	13,500	14,100	4.4%

Note on Forward-Looking Statements

This document contains certain forward-looking statements. This information is not historical data and should not be interpreted as guarantees of the future occurrence of such facts and data.

These statements are based on data, assumptions and estimates that the Group believes are reasonable. The Group operates in a competitive and rapidly changing environment. It is therefore not in a position to predict all of the risks, uncertainties or other factors that may affect its business, their potential impact on its business, or the extent to which the occurrence of a risk or a combination of risks could have results that are significantly different from those included in any forward-looking statement.

The forward-looking statements contained in this document are made only as of the date hereof.

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