Almacenes Éxito S.A.

Interim consolidated financial statements

At June 30, 2016

Almacenes Éxito S.A.
Interim consolidated financial statements
Notes to the interim consolidated financial statements
At June 30, 2016 and December 31, 2015

Almacenes Éxito S.A.
Interim consolidated statements of financial position
At June 30, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	Notes	June 30, 2016	December 31, 2015 (1)	December 31, 2015 (2)
Current assets				
Cash and cash equivalents	7	4,176,905	10,068,717	10,068,717
Trade receivables and other accounts receivable	8	4,704,479	3,326,474	3,342,488
Prepaid expenses		374,526	166,892	166,892
Accounts receivable from related parties	9	36,484	63,251	248,058
Inventories	10	9,700,516	8,702,015	8,683,707
Tax assets	22	1,736,853	1,100,323	1,082,412
Other financial assets	11	203,346	445,365	446,957
Non-current assets held for trading		16,022	21,698	21,961
Total current assets		**20,949,131**	**23,894,735**	**24,061,192**
Non-current assets				
Property, plant and equipment, net	12	13,531,668	11,951,037	12,226,710
Investment property, net	13	1,164,246	1,083,600	1,126,410
Goodwill	14	6,080,908	6,522,208	5,840,012
Intangible assets other than goodwill, net	15	10,663,813	3,706,065	9,657,015
Investments accounted for using the equity method, net	16	403,234	304,102	304,102
Trade receivables and other accounts receivable	8	977,317	591,960	822,264
Prepaid expenses		77,894	57,576	57,576
Accounts receivable from related parties	9	33,679	245,987	14,308
Deferred tax assets	22	2,073,217	524,828	399,048
Tax assets	22	2,250,999	1,941,626	1,963,916
Other financial assets	11	1,203,227	1,134,331	1,151,844
Other non-financial assets		398	398	398
Total non-current assets		**38,460,600**	**28,063,718**	**33,563,603**
Total assets		**59,409,731**	**51,958,453**	**57,624,795**
Current liabilities				
Financial liabilities	18	6,331,701	3,922,558	3,922,558
Employee benefit provisions	19	3,841	4,141	4,141
Other provisions	20	28,169	62,919	64,696
Trade payables and other accounts payable	21	14,300,006	18,429,794	18,660,890
Accounts payable to related parties	9	1,519,877	688,637	713,610
Tax liabilities	22	816,977	805,976	805,991
Other financial liabilities	23	741,159	32,602	32,602
Other non-financial liabilities		768,365	849,766	849,766
Total current liabilities		**24,510,095**	**24,796,393**	**25,054,254**
Non-current liabilities				
Financial liabilities	18	5,246,156	6,707,561	6,707,561
Employee benefit provisions	19	34,489	41,231	41,231
Other provisions	20	3,231,216	1,124,682	2,539,186
Trade payables and other accounts payable	21	38,836	34,189	33,394
Accounts payable to related parties	9	12,480	12,704	12,704
Deferred tax liabilities	22	4,673,245	1,206,422	2,867,762
Tax liabilities	22	505,178	455,355	455,355
Other financial liabilities	23	963,024	714,079	733,185
Other non-financial liabilities		1,077,622	1,036,782	1,036,782
Total non-current liabilities		**15,782,246**	**11,333,005**	**14,427,160**
Total liabilities		**40,292,341**	**36,129,398**	**39,481,414**
Shareholders' equity, see attached statement		**19,117,390**	**15,829,055**	**18,143,381**
Total liabilities and shareholders' equity		**59,409,731**	**51,958,453**	**57,624,795**

(1) Some minor amounts in accounts receivable and tax liabilities have been reclassified in these financial statements for comparison with 2016

(2) Amounts restated to reflect the effect of the adjustments from the development of the *Purchase Price Allocation* relevant to the acquisition of control of "Companhia Brasileira de Distribuição - CBD" and of Libertad S.A., pursuant to IFRS 3 - Business combinations. See Note 6.1.

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

Almacenes Éxito S.A.
Interim consolidated statements of income
For the six-month and three-month periods ended June 30, 2016 and June 30, 2015
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2016	January 1 to June 30, 2015 (1)	January 1 to June 30, 2015 (2)	April 1 to June 30, 2016 (3)	April 1 to June 30, 2015 (2)
Continuing operations						
Revenue from ordinary activities	29	36,347,307	6,043,494	6,043,494	17,805,251	2,953,431
Cost of sales	10	(27,476,203)	(4,500,555)	(4,500,555)	(13,196,320)	(2,190,956)
Gross profit		**8,871,104**	**1,542,939**	**1,542,939**	**4,608,931**	**762,475**
Distribution expenses		(3,781,591)	(644,184)	(642,492)	(1,770,487)	(297,938)
Administration and sales expenses		(705,153)	(84,084)	(83,502)	(410,186)	(41,388)
Employee benefit expenses	30	(3,481,217)	(541,503)	(541,503)	(1,863,412)	(266,585)
Other operating revenue	31	11,932	31,070	31,070	2,388	52
Other operating expenses	31	(463,632)	(71,973)	(71,973)	(314,102)	(11,452)
Other (loss) profit, net	31	46,090	71,711	71,711	(24,827)	71,671
Profit from operating activities		**497,533**	**303,976**	**306,250**	**228,305**	**216,835**
Financial revenue	32	540,093	99,084	94,054	170,380	36,736
Financial expenses	32	(1,517,221)	(52,457)	(52,457)	(790,111)	(14,838)
Share of profits in associates and joint ventures accounted for using the equity method		51,426	(7,625)	(7,625)	24,762	(4,533)
(Loss) earnings before income tax from continuing operations		**(428,169)**	**342,978**	**340,222**	**(366,664)**	**234,200**
Tax (expense)	22	(64,499)	(87,375)	(86,354)	(53,242)	(61,778)
Net period profit (loss) from continuing operations		**(492,668)**	**255,603**	**253,868**	**(419,906)**	**172,422**
Profit attributable to:						
Profit attributable to shareholders of the controlling entity		(44,688)	229,755	228,671	(48,849)	160,786
(Loss) profit attributable to non-controlling interests		(447,980)	25,848	25,197	(371,057)	11,636
Earnings per share (*)						
Earnings per basic share (*):						
Earnings (loss) per basic share from continuing operations		(99.84)	513.30	510.88	(109.13)	359.21
Earnings per diluted share (*):						
Diluted earnings (loss) per share from continuing operations		(99.84)	513.30	510.88	(109.13)	359.21

(*) Amounts expressed in Colombian pesos.

(1) Some 2015 minor amounts included in revenue from ordinary activities and other accounts have been reclassified in these financial statements for comparison purposes. A $53 adjustment to deferred tax from the Parent's and its subsidiaries' unrealized gains is also included.

(2) Amounts restated to reflect the effects of the adjustments arising from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations. See Note 6.1.

(3) Amounts include the effects of the restatement of Companhia Brasileira de Distribuição – CBD results arising from the adjustment booked by such subsidiary regarding the investigation on Cnova N.V.

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

Almacenes Éxito S.A.
Interim consolidated statements of comprehensive income
For the six-month and three-month periods ended June 30, 2016 and June 30, 2015
(Amounts expressed in millions of Colombian pesos)

	January 1 to June 30, 2016	January 1 to June 30, 2015 (1)	January 1 to June 30, 2015 (2)	April 1 to June 30, 2016 (3)	April 1 to June 30, 2015 (2)
Net period (loss) profit	**(492,668)**	**255,603**	**253,868**	**(419,906)**	**172,422**
Other comprehensive income for the period					
Components of other comprehensive income that will not be reclassified to period results, net of taxes					
Loss from investments in equity instruments	-	749	749	-	(1,255)
Total other comprehensive income that will not be reclassified to period results, net of taxes	**-**	**749**	**749**	**-**	**(1,255)**
Components of other comprehensive income that will be reclassified to period results, net of taxes					
(Loss) gain from translation exchange differences	1,710,475	(25,972)	(49,299)	1,002,649	(80,681)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	47,706	(58)	(58)	25,408	(92)
Total other comprehensive income that will be reclassified to period results, net of taxes	**1,758,181**	**(26,030)**	**(49,357)**	**1,028,057**	**(80,773)**
Total other comprehensive income	**1,758,181**	**(25,281)**	**(48,608)**	**1,028,057**	**(82,028)**
Total comprehensive income	**1,265,513**	**230,322**	**205,260**	**608,151**	**90,394**
Profit (loss), attributable to:					
Profit attributable to shareholders of the controlling entity	315,606	210,228	191,571	244,507	96,986
(Loss) profit attributable to non-controlling interests	949,907	20,094	13,689	363,644	(6,592)
Earnings per share (*)					
Earnings per basic share (*):					
Profit per basic share in total comprehensive income	705.10	469.68	427.99	546.26	216.68
Earnings per diluted share (*):					
Profit per diluted share in total comprehensive income	705.10	469.68	427.99	546.26	216.68

(*) Amounts expressed in Colombian pesos.

(1) Some 2015 amounts included in these financial statements have been reclassified for comparison purposes. A $53 adjustment to deferred tax from the Parent's and its subsidiaries' unrealized gains is also included.

(2) Amounts restated to reflect the effects of the adjustments arising from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations. See Note 6.1.

(3) Amounts include the effects of the restatement of Companhia Brasileira de Distribuição – CBD results arising from the adjustment booked by such subsidiary regarding the investigation on Cnova N.V.

Almacenes Éxito S.A.
Interim consolidated statements of cash flows
For the six-month and three-month periods ended June 30, 2016 and June 30, 2015
(Amounts expressed in millions of Colombian pesos)

	January 1 to June 30, 2016	January 1 to June 30, 2015 (1)	January 1 to June 30, 2015 (2)
Cash flows from operating activities			
Net period (loss) profit	**(492,668)**	**255,603**	**253,868**
Period profit reconciliation adjustments			
Income tax	64,499	87,375	86,354
Financial costs	717,502	3,952	3,952
Financial revenue	(4,671)	(39,459)	(39,459)
(Increase) decrease in inventories	(209,529)	36,172	36,172
(Increase) decrease in trade receivables	(1,013,774)	28,449	10,192
(Increase) decrease in other accounts receivable from operating activities	(822,857)	(16,855)	1,283
(Decrease) in trade payables	(4,620,877)	(657,077)	(647,168)
(Decrease) in deposits and other deposits receivable through legal proceedings	(115,497)	-	-
(Decrease) in other accounts payable from operating activities	(690,059)	69,924	43,337
Depreciation and amortization of fixed assets and intangible assets	608,825	121,895	122,625
Provisions	131,477	52,796	54,883
Net unrealized loss from exchange difference	(10,646)	(15,516)	(16,516)
Share-based payments	5,901	-	-
(Gain) from reappraisal at fair value	-	(29,681)	(29,681)
Undistributed (profit) loss from the application of the equity method	(51,426)	7,625	7,625
Other adjustment from items other than cash	(241,494)	(44,888)	(32,219)
(Gain) from the disposition of non-current assets	(68,048)	(78,998)	(73,967)
Other profit reconciliation adjustments	(79,829)	-	-
Total period profit reconciliation adjustments	**(6,400,503)**	**(474,286)**	**(472,587)**
Net cash flows (used in) operating activities	**(6,893,171)**	**(218,683)**	**(218,719)**
Income tax paid	(135,470)	(137,050)	(137,050)
Net cash flows (used in) operating activities	**(7,028,641)**	**(355,733)**	**(355,769)**
Cash flows from investment activities			
Cash flows from the loss of control of subsidiaries or other businesses	77,282	-	-
Cash flows (used) to gain control of subsidiaries or other businesses	-	(35,043)	(35,043)
Other disbursement to acquire equity or debt instruments from other entities	-	(891)	(891)
Proceeds from the sale of property, plant and equipment	130,294	9,041	9,103
Acquisition of property, plant and equipment	(725,247)	(144,505)	(144,761)
Proceeds from the sale of intangible assets	-	86,189	86,189
Acquisition of intangible assets	(151,518)	(469,326)	(469,326)
Proceeds from the sale of other long-term assets	-	4,202	4,202
Acquisition of other long-term assets	(7,749)	-	-
Cash advances and loans (granted) to third parties	-	(240)	(10)
Interest received	11,890	40,595	40,595
Other cash inflows	-	147,150	147,150
Net cash flows from (used in) investment activities	**(665,048)**	**(362,828)**	**(362,792)**
Cash flows from financing activities			
Borrowings	4,042,076	-	-
(Repayment) of financial liabilities	(2,395,803)	(150,152)	(150,152)
(Repayment) of finance lease liabilities	(2,313)	(101)	(101)
Dividends (paid)	(166,576)	(142,093)	(142,093)
Interest (paid)	(422,717)	(9,548)	(9,548)
Other cash inflows	720	-	-
Net cash flows from (used in) financing activities	**1,055,387**	**(301,894)**	**(301,894)**
Net (decrease) in cash and cash equivalents, before the effects of changes in exchange rates	**(6,638,302)**	**(1,020,455)**	**(1,020,455)**
Effects of the variation in the exchange rates on cash and cash equivalents	746,490	(2,407)	(2,407)
Net (decrease) in cash and cash equivalents	**(5,891,812)**	**(1,022,862)**	**(1,022,862)**
Cash and cash equivalents at the beginning of period	**10,068,717**	**2,953,938**	**2,953,938**
Cash and cash equivalents at the end of period	**4,176,905**	**1,931,076**	**1,931,076**

(1) Some 2015 amounts included in these financial statements have been reclassified for comparison purposes.

(2) Amounts restated to reflect the effects of the adjustments arising from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations. See Note 6.1.

Almacenes Éxito S.A.
Interim consolidated statements of changes in shareholders' equity
For the six-month period ended June 30, 2015
(Amounts expressed in millions of Colombian pesos)

The balance at June 30, 2015 has not been restated to reflect the effects of the adjustments arising from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
Balance at December 31, 2014	**4,482**	**4,843,466**	**(2,734)**	7,857	1,189,296	22,000	1,419	**1,220,572**	**63,486**	**1,576,747**	**(1,012)**	**7,705,007**	**274,759**	**7,979,766**
Cash dividend declared										(260,022)		(260,022)	(19,306)	(279,328)
Net yearly period profit										229,755		229,755	25,848	255,603
Other comprehensive income									(19,527)			(19,527)	(5,754)	(25,281)
Appropriation for reserves					168,844		30,000	198,844		(198,844)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control											(35,042)	(35,042)	(13,679)	(48,721)
Increase from other contributions of non-controlling interests													4,714	4,714
(Decrease) from other distributions to non-controlling interests													(1,314)	(1,314)
Adjustment from business combinations													448,346	448,346
Measurement of the *Put option* at fair value									5,853			5,853	(245,593)	(239,740)
Other (decrease) in shareholders' equity										(416)		(416)		(416)
Balance at June 30, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	**1,419,416**	**49,812**	**1,347,220**	**(36,054)**	**7,625,608**	**468,021**	**8,093,629**

The balance at June 30, 2015 has been restated to reflect the effects of the adjustments arising from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
Balance at December 31, 2014	**4,482**	**4,843,466**	**(2,734)**	7,857	1,189,296	22,000	1,419	**1,220,572**	**63,486**	**1,576,747**	**(1,012)**	**7,705,007**	**274,759**	**7,979,766**
Cash dividend declared										(260,022)		(260,022)	(19,306)	(279,328)
Net yearly period profit										228,671		228,671	25,197	253,868
Other comprehensive income									(37,100)			(37,100)	(11,508)	(48,608)
Appropriation for reserves					168,844		30,000	198,844		(198,844)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control											(35,042)	(35,042)	(13,679)	(48,721)
Increase from other contributions of non-controlling interests													4,714	4,714
(Decrease) from other distributions to non-controlling interests													(1,314)	(1,314)
Adjustment from business combinations													448,346	448,346
Measurement of the *Put option* at fair value													(245,593)	(245,593)
Other (decrease) in shareholders' equity										(416)		(416)		(416)
Balance at June 30, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	**1,419,416**	**26,386**	**1,346,136**	**(36,054)**	**7,601,098**	**461,616**	**8,062,714**

Almacenes Éxito S.A.
Interim consolidated statements of changes in shareholders' equity
For the six-month period ended June 30, 2016
(Amounts expressed in millions of Colombian pesos)

The balance at December 31, 2015 has not been restated to reflect the effect of the adjustments from the development of the *Purchase Price Allocation* process relevant to the acquisition of control of “Companhia Brasileira de Distribuição - CBD” and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Donations reserve	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	**-**	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**	**8,300,573**	**15,829,055**
Cash dividend declared							(15,709)			(15,709)		(286,748)		(302,457)	(26,292)	(328,749)
Net yearly period profit												(44,688)		(44,688)	(447,980)	(492,668)
Other comprehensive income											360,294			360,294	1,397,887	1,758,181
Appropriation for reserves					279,937			6,810		286,747		(286,747)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control															(1,161)	(1,161)
Decrease from other distributions to non-controlling interests															(2,870)	(2,870)
Increase from other contributions of non-controlling interests															163	163
Measurement of the *Put option* at fair value															28,444	28,444
Adjustments from the restatement of business combinations									895	895		(10,806)	631	(9,280)	2,323,658	2,314,378
Other increase in shareholders' equity									1,740	1,740			174	1,914	10,703	12,617
Balance at June 30, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	2,635	**1,693,089**	**(25,009)**	**1,061,182**	**(40,211)**	**7,534,265**	**11,583,125**	**19,117,390**

The balance at December 31, 2015 has been restated to reflect the effect of the adjustments from the development of the *Purchase Price Allocation* process relevant to the acquisition of control of “Companhia Brasileira de Distribuição - CBD” and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Donations reserve	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	**895**	**1,420,311**	**(385,355)**	**1,679,365**	**(40,385)**	**7,519,150**	**10,624,231**	**18,143,381**
Cash dividend declared							(15,709)			(15,709)		(286,748)		(302,457)	(26,292)	(328,749)
Net yearly period profit												(44,688)		(44,688)	(447,980)	(492,668)
Other comprehensive income											360,294			360,294	1,397,887	1,758,181
Appropriation for reserves					279,937			6,810		286,747		(286,747)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control															(1,161)	(1,161)
Decrease from other distributions to non-controlling interests															(2,870)	(2,870)
Increase from other contributions of non-controlling interests															163	163
Measurement of the *Put option* at fair value															28,444	28,444
Other increase (decrease) in shareholders' equity									1,740	1,740	52		174	1,966	10,703	12,669
Balance at June 30, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	2,635	**1,693,089**	**(25,009)**	**1,061,182**	**(40,211)**	**7,534,265**	**11,583,125**	**19,117,390**

Note 1. General information

Almacenes Éxito S.A,, the Parent company (hereinafter the Parent), was incorporated pursuant to Colombian laws on March 24, 1950; its main place of business is at carrera 48 No. 32B Sur - 139, Municipality of Envigado in the department of Antioquia. The life span of the Parent goes to December 31, 2050.

Almacenes Éxito S.A. is listed on the Colombia Stock Exchange (BVC) since 1994; in addition, it is under the control of the Colombian Financial Superintendence.

Its main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding thereof, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide supplementary services, namely grant credit facilities for the acquisition of goods, grant insurance coverage, carry out money transfers and remittances, provide mobile phone services, trade tourist package trips and tickets, repair and maintain furnishings, complete paperwork.
- Give or receive in lease trade premises, receive or give in lease or under occupancy, spaces or points of sale or commerce within its trade establishments intended for the exploitation of businesses of distribution of goods or products, and the provision of ancillary services.
- Incorporate, fund or promote with other individuals or legal entities, enterprises or businesses intended for the manufacturing of objects, goods, articles or the provision of services related with the exploitation of trade establishments.
- Acquire property, build commercial premises intended for establishing stores, malls or other locations suitable for the distribution of goods, without prejudice to the possibility of disposing of entire floors or commercial premises, give them in lease or use them in any convenient manner with a rational exploitation of land approach, as well as invest in property, promote and develop all kinds of real estate projects.
- Invest resources to acquire shares, bonds, trade papers and other securities of free movement in the market to take advantage of tax incentives established by law, as well as make temporary investments in highly liquid securities with a purpose of short-term productive exploitation; enter into firm *factoring* agreements using its own resources; encumber its chattels or property and enter into financial transactions that enable it to acquire funds or other assets.
- In the capacity as wholesaler and retailer, distribute oil-based liquid fuels, through automotive service stations, alcohols, biofuels, natural gas for vehicles and any other fuels used in the automotive, industrial, fluvial, maritime and air transport sectors, of all kinds.

The Parent's ultimate controlling entity is Casino Guichard Perrachon S.A. (France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At June 30, 2016, the controlling entity had a 55.30% interest in the share capital of the Parent.

The Parent, Almacenes Éxito S.A., registered before the Aburrá Sur Chamber of Commerce a situation of entrepreneurial Group regarding its subsidiaries.

Subsidiary information

Below is a detail of the ownership interest in subsidiaries:

				Stock ownership 2016			Stock ownership 2015		
Name	Segment	Country	Functional currency	Direct	Indirect	Total	Direct	Indirect	Total
Distribuidora de Textiles y Confecciones S.A.	Colombia	Colombia	Colombian peso	94.00%	3.75%	97.75%	94.00%	3.75%	97.75%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gemex O & W S.A.S.	Colombia	Colombia	Colombian peso	85.00%	0.00%	85.00%	85.00%	0.00%	85.00%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	US Dollar	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Laureles	Colombia	Colombia	Colombian peso	80.00%	0.00%	80.00%	80.00%	0.00%	80.00%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Centro Comercial	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Iwana	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Barranquilla	Colombia	Colombia	Colombian peso	92.52%	0.00%	92.52%	92.52%	0.00%	92.52%
Patrimonio Autónomo Viva Palmas	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Fideicomiso Girardot plot of land	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Wajira	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Local 108 (Vizcaya) (a)	Colombia	Colombia	Colombian peso	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Spice Investment Mercosur S.A.	Uruguay	Uruguay	Uruguayan peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Larenco S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Inversiones S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lanin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lublo S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Grupo Disco del Uruguay S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Supermercados Disco del Uruguay S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Maostar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%
Ameluz S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Fandale S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Odaler S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
La Cabaña S.R.L. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ludi S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Semin S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Randicor S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ducellmar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Actimar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Hiper Ahorro S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%

				Stock ownership 2016			Stock ownership 2015		
Name	Segment	Country	Functional currency	Direct	Indirect	Total	Direct	Indirect	Total
Ciudad del Ferrol S.C. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	61.24%	61.24%	0.00%	61.24%	61.24%
Maraluz S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Setara S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Mablicor S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Vía Artika S. A.	Argentina	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Spice España de Valores Americanos S.L.	Argentina	Spain	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Argentina S. A.	Argentina	Argentina	Argentinian peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Gelase S. A.	Argentina	Belgium	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Libertad S. A.	Argentina	Argentina	Argentinian peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Ceibotel S. A.	Argentina	Argentina	Argentinian peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Onper Investment 2015 S.L.	Brazil	Spain	Euro	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Ségisor S.A.	Brazil	France	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Oregon LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Pincher LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Bengal LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Wilkes Partipações S.A.	Brazil	Brazil	Brazilian real	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Companhia Brasileira de Distribuição CBD (c)	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
Novasoc Comercial Ltda. (d)	Brazil	Brazil	Brazilian real	0.00%	1.88%	1.88%	0.00%	1.88%	1.88%
Sendas Distribuidora S.A. (e)	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
Bellamar Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P")	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
CBD Holland B.V.	Brazil	Holland	Euro	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
CBD Panamá Trading Corp.	Brazil	Panama	US Dollar	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
Xantocarpa Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
GPA 2 Empreed. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
GPA Logística e Transporte Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
Barcelona Comércio Varejista e Atacadista S.A.	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Posto Ciara Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Império Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Salim Maluf Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Santo André Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Lapa Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Luxco– Marneylectro S.A.R.L.	Brazil	Luxembourg	Euro	0.00%	13.55%	13.55%	0.00%	13.55%	13.55%
Dutchco - Marneylectro B.V.	Brazil	Holland	Euro	0.00%	13.55%	13.55%	0.00%	13.55%	13.55%
Cnova N.V (h)	Brazil	Holland	Euro	0.15%	6.77%	6.92%	0.15%	6.77%	6.92%
CNova Comércio Eletrônico S/A	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
E-Hub Consult. Particip. e Com. S.A.	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Nova Experiência PontoCom S.A.	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Cdiscount S.A.	Brazil	France	Euro	0.00%	6.88%	6.88%	0.00%	6.88%	6.88%
Cdiscount Voyages S.A.S.	Brazil	France	Euro	0.00%	6.88%	6.88%	0.00%	6.88%	6.88%
Cnova Finança B.V.	Brazil	Holland	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Financière MSR S.A.S.	Brazil	Brazil	Brazilian real	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
Cdiscount Afrique S.A.S.	Brazil	France	Euro	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
CD Africa S.A.S.	Brazil	France	Euro	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Cdiscount International B.V.	Brazil	Holland	Euro	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
C-Distribution Asia Pte. Ltd. (i)	Brazil	Singapore	Euro	0.00%	0.00%	0.00%	0.00%	4.14%	4.14%
CLatam S.A.	Brazil	Uruguay	Uruguayan peso	0.00%	38.84%	38.84%	0.00%	34.84%	34.84%
Cdiscount Colombia S.A.S.	Brazil	Colombia	Colombian peso	49.00%	3.53%	52.53%	49.00%	3.53%	52.53%
C Distribution Thailand Ltd. (i)	Brazil	Thailand	Thai bath	0.00%	0.00%	0.00%	0.00%	2.90%	2.90%
E-Cavi Ltd. (i)	Brazil	Hong Kong	US Dollar	0.00%	0.00%	0.00%	0.00%	3.32%	3.32%
Cdiscount Vietnam Co Ltd. (i)	Brazil	Vietnam	Vietnamese dong	0.00%	0.00%	0.00%	0.00%	3.32%	3.32%
Cnova France S.A.S.	Brazil	France	Euro	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Cdiscount Group	Brazil	France	Euro	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
Cdiscount Côte d'Ivoire S.A.S.	Brazil	Ivory Coast	West Africa CFA franc	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Cdiscount Sénégal S.A.S.	Brazil	Senegal	West Africa CFA franc	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Cdiscount Panamá S.A.	Brazil	Panama	US Dollar	0.00%	34.84%	34.84%	0.00%	34.84%	34.84%
Cdiscount Cameroun S.A.S.	Brazil	Cameroun	West Africa CFA franc	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Ecdiscoc Comercializadora S.A.	Brazil	Ecuador	US Dollar	0.00%	34.83%	34.83%	0.00%	34.83%	34.83%
Cdiscount Uruguay S.A.	Brazil	Uruguay	Uruguayan peso	0.00%	38.84%	38.84%	0.00%	34.84%	34.84%
Monconerdeco.com S.A.S.	Brazil	France	Euro	0.00%	5.21%	5.21%	0.00%	5.22%	5.22%
Moncorner	Brazil	France	Euro	0.00%	6.88%	6.88%	0.00%	6.88%	6.88%
3W S.A.S.	Brazil	France	Euro	0.00%	6.88%	6.88%	0.00%	6.88%	6.88%
3W Santé S.A.S.	Brazil	France	Euro	0.00%	6.37%	6.37%	0.00%	6.37%	6.37%
Via Varejo S.A.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
Indústria de Móveis Bartira Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
VVLOG Logística Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
Globex Adm e Serviços Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
Lake Niassa Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
Globex Adm. Consórcio Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%

a. El Patrimonio Autónomo Local 108 (Vizcaya), which owned a plot of land as main underlying asset, was liquidated on March 31, 2016. The Patrimonio was liquidated seeking operating efficiency and given that no project development had been foreseen on the land. Upon liquidation, the land was again booked to the Parent's financial statements as property, plant and equipment.

b. By means of Shareholders' Agreement executed on April 27, 2015 with non-controlling interests of Grupo Disco del Uruguay, the Parent was granted voting rights of more than 75% of the share capital of such company. Control over such participation was obtained and the global consolidation of financial statements begun as of January 1, 2015.

c. In compliance with the share purchase-sale agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição (CBD), a company with domicile in Brazil.

d. The interest of Companhia Brasileira de Distribuição -CBD in Novasoc represents 10% of its shares; however, it has control with 99.98% of the voting rights, pursuant to the shareholders agreement. Novasoc bylaws state that its net income not necessarily is to be allocated in proportion to the percentage interest in this company, thus 99.98% goes to Companhia Brasileira de Distribuição - CBD.

e. Companhia Brasileira de Distribuição - CBD directly owns 100% of Sendas Distribuidora S.A. The businesses of Sé Supermercados were merged into this company on December 22, 2015, as described in Note 36 Relevant facts.

f. All of the net assets of subsidiary Barcelona Comércio Varejista e Atacadista S.A. were merged into subsidiary Sendas Distribuidora S.A. as result of a company reorganization during the first half of 2016. Following the merger, subsidiary Sendas Distribuidora S.A. was partially spun-off and merged into Companhia Brasileira de Distribuição - CBD.

g. On January 31, 2016, subsidiary Companhia Brasileira de Distribuição - CBD completed the sale of the operations in Auto Posto Império Ltda., Auto Posto Duque Salim Maluf Ltda., Auto Posto Duque Santo André Ltda. and Auto Posto Duque Lapa Ltda., pursuant to an agreement previously executed on December 1, 2015. No gain or loss was obtained from the transaction. The balances of such transactions are not consolidated in the interim financial statements at June 30, 2016.

h. On October 17, 2013, Companhia Brasileira de Distribuição - CBD gained direct control over Novapontocom, *holding* of the e-commerce companies. On December 22, 2015, Novapontocom was merged into Companhia Brasileira de Distribuição -CBD, as described in Note 36, Relevant facts.

i. During the first quarter of 2016, subsidiaries Cdiscount Vietnam Co Ltd., C Distribution Thailand Ltd., C-Distribution Asia Pte. Ltd. and E-Cavi Ltd. were sold. No significant results arise from such transaction.

Below is a detail of Colombian operating subsidiaries, and the most important operating subsidiaries abroad.

<u>Distribuidora de Textiles y Confecciones S.A.</u>

It was incorporated by means of public deed 1138 granted on July 13, 1976 before the Notary 7th of Medellín. Its corporate purpose is mainly to acquire, store, transform, manufacture and sell, and in general distribute in whatever form all kinds of locally-produced or imported textiles, and acquire, give or take under lease agreements property intended for establishing stores, shopping malls or other places suitable for the distribution of merchandise and the sale of goods or services. The life span of the company goes to July 13, 2026.

<u>Almacenes Éxito Inversiones S.A.S.</u>

It was incorporated by private document on September 27, 2010, and its life span is indefinite.

Its main corporate purpose is:

- Incorporate, fund, promote, invest on its own or with other individuals or legal entities in the incorporation of companies, enterprises or businesses which core activity is the manufacture or trading of goods, things, merchandise, articles or elements, or the provision of services related to the exploitation of commercial establishments, and participate in such companies as associate, through contributions in cash, in kind or in services.
- Promote, invest on its own or with other individuals or legal entities in the provision of telecommunication networks, services and value chain, particularly in all activities legally permitted in Colombia or abroad, related with telecommunications, mobile telephone and added-value services.

At June 30, 2016, the subsidiary accrued losses amounting to $15,561 ($16,889 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016. Pursuant to legal regulations in force, the subsidiary management has a term until September 2016 to overcome the grounds for dissolution.

<u>Éxito Viajes y Turismo S.A.S.</u>

It was incorporated on May 30, 2013, under Colombian laws. Its main corporate purpose is the exploitation of tourism-related activities, as well as the representation of the tourism industry and the opening of travel agencies whatever its nature and the promotion of domestic and international tourism. The life span of the company is indefinite.

<u>Gemex O & W S.A.S.</u>

It was incorporated on March 12, 2008. Its corporate purpose is the trading of all kinds of goods and services through alternative sales channels, such as, without limitation, direct sales or mail sales, web sites or e-commerce, through vending machines, and in general using all technology-based channels or special methods to trade goods and services.

At June 30, 2016, the subsidiary accrued losses amounting to $6,550 ($3,737 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. During 2015, subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016.

Logística, Transporte y Servicios Asociados S.A.S.

It was incorporated on May 23, 2014, under Colombian laws. Its main corporate purpose is the provision of air, land, maritime, fluvial, railway and multimodal domestic and international freight services for all kinds of goods in general. The life span of the company is indefinite.

At June 30, 2016, the subsidiary accrued losses amounting to $3,799 ($2,271 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. During 2015, subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment, during the meeting held on March 10, 2016, the General Meeting of Shareholders approved a capitalization in amount of $3,922 million, to increase subscribed and paid-in capital from $616 million to $4,538 million, thus overcoming the grounds for dissolution. However, as result of the accumulated losses generated during the six-month period ended June 30, 2016, equity again decreased below 50% of the capital, and the company again is under the special grounds for dissolution. Pursuant to legal regulations in force, the subsidiary management has a term until September 2016 to overcome the grounds for dissolution.

Cdiscount Colombia S.A.S.

It was incorporated by private document on June 26, 2014.

Its main corporate purpose is:

- Launch and operate e-commerce activities in Colombia;
- Enter into all types of contracts, including, without limitation, lease, distribution, operation, association, sale-purchase, technical assistance, supply, inspection, control and service agreements, aiming at the proper development of the corporate purpose;
- Provide all types of services, including, without limitation, management, advisory, consultancy, technical and representation agreements, aiming at the proper development of the corporate purpose; and
- Carry out any and all lawful activities.

At December 31, 2015, the subsidiary accrued losses amounting to $42,229 that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. During 2015, subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment, during the meeting held on March 16, 2016, the General Meeting of Shareholders approved a capitalization in amount of $51,000, to increase subscribed and paid-in capital (including a premium on the placement of shares) from $32,150 to $83,150, increasing shareholders' equity to $33,852, thus overcoming the grounds for dissolution. At June 30, 2016, the subsidiary has accumulated losses of $54,544; however, given the capitalization, shareholders' equity is not below 50% of capital.

Patrimonio Autónomo Viva Laureles

It was created on May 31, 2012 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Viva Laureles shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Medellín, Colombia, at carrera 81 No. 37 - 100.

Patrimonio Autónomo Viva Sincelejo

It was created on March 8, 2013 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Viva Sincelejo shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Sincelejo, Colombia, at carrera 25 No. 23 - 49.

Patrimonio Autónomo Viva Villavicencio

It was created on April 1, 2013 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Viva Villavicencio shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Villavicencio, Colombia, at calle 7A No. 45 - 185.

Patrimonio Autónomo San Pedro Etapa I

It was created on June 30, 2005 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate San Pedro Plaza shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by trustors to the real estate administrator retained; it also includes to manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Neiva, Colombia, at carrera 8 between calles 38 and 48.

Patrimonio Autónomo Centro Comercial

It was created on December 1, 2010, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate San Pedro Etapa II shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by trustors to the real estate administrator retained; it also includes to manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Neiva, Colombia, at carrera 8 between calles 38 and 48.

Patrimonio Autónomo Iwana

It was created on December 22, 2011, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Iwana shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barrancabermeja, Colombia, at carrera 11 No. 50 - 19.

Patrimonio Autónomo Centro Comercial Viva Barranquilla

It was created on December 23, 2014, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as Trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barranquilla, Colombia, at carrera 51 B No. 87 - 50.

Patrimonio Autónomo Centro Comercial Viva Palmas

It was created on April 17, 2015, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as Trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. Its main place of business is located in rural area of the municipality of Envigado, Colombia, with an extension of approximately 35,335.80 square meters.

Patrimonio Autónomo Centro Comercial Viva Wajira

It was created on November 4, 2015, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as Trustor may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Riohacha, Colombia, at calle 15 No. 18 - 274.

Companhia Brasileira de Distribuição - CBD

A company with domicile in Brazil. Its main corporate purpose is the sale of finished and semi-finished products or Brazilian and foreign raw materials of any kind, nature or quality, provided the sale thereof is not forbidden by law. The life span of the company is indefinite.

Directly or through its subsidiaries (GPA Group), it is engaged in the retailing of food, clothes, domestic appliances, technology and other products at its chain of hypermarkets, supermarkets, specialty shops and department stores, mainly under the brands "Pão de Açúcar", “Minuto Pão de Açúcar", "Extra Hiper", "Extra Super", "Minimercado Extra", "Assai ", "Ponto Frio" and "Casas Bahia", as well as the e-commerce sites "CasasBahia.com" , "Extra.com", "Pontofrio.com", "Barateiro.com", "Partiuviagens.com" and "Cdiscount.com" and the neighborhood mall banner “Conviva".

The parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the share capital and 49.97% of the voting rights of Companhia Brasileira de Distribuição - CBD.

On October 1, 2015, at a meeting of the board of C-latam S.A., a subsidiary of the Grupo Companhia Brasileira de Distribuição – CBD, decision was made to cease activities, wind up and liquidate the company, sell the shares or undertake all related activities, given its development and profitability. Such company's results were not classified as a discontinued operation, given that it is not deemed significant to the Group.

Libertad S.A.

A company with domicile in Argentina. It was incorporated on July 8, 1994, under registration number 618 with the Direction for Inspection of Legal Entities (DIPJ) in the Argentine Republic. Its main corporate purpose is the exploitation of supermarkets and wholesale stores, carrying out all kinds of ancillary transactions related with its core business. The life span of the company goes to July 8, 2084. The Parent acquired 100% of such company through its subsidiary Onper Investments 2015 S.L.

Supermercados Disco del Uruguay S.A.

Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Devoto Hermanos S.A.

Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado (Uruguay).

Mercados Devoto S.A.

Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado (Uruguay).

Listing in public registries

Almacenes Éxito S.A. is listed on the Colombian Stock Exchange (BVC) since 1994.

The stock of subsidiary Companhia Brasileira de Distribuição – CBD are listed on the São Paulo Stock Exchange ("BM&FBovespa") at "Corporate Governance Level 1" under the symbol "PCAR4" and on the New York Stock Exchange (ADR Level III), under the symbol "CBD".

Subsidiary Via Varejo S.A. is a joint stock corporation subsidiary of Companhia Brasileira de Distribuição - CBD, admitted to the so-called "Corporate Governance Level 2" of the special offer segment of the Sao Paulo Stock Exchange - "BM&FBovespa", subject to the Regulations for Issuers Quote and Admission to the Trading of Securities.

Subsidiary Cnova NV is a public limited liability company of the Netherlands incorporated on May 30, 2014, under the laws of the Netherlands. Its common shares were listed on the NASDAQ - Global Select Market in November 2014, and on January 23, 2015, its common shares were listed on Euronext Paris.

Note 2. Basis for preparation

The financial statements for the periods ended June 30, 2016 and June 30, 2015, and for the year ended December 31, 2015, have been prepared in accordance with accounting and financial reporting principles accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Sole Regulatory Decree on accounting, financial reporting and reporting assurance standards", amended on December 23, 2015 by Regulatory Decree 2496 without applying any of the exceptions to the IFRS therein contained.

Regulatory Decrees 2420 and 2496 of 2015 rule the preparation of financial statements based on International Financial Reporting Standards (IFRS/IAS), Interpretations (IFRIC and SIC) and Conceptual Framework issued until December 31, 2014, published by the *International Accounting Standards Board - IASB* in 2015. Application of such regulatory framework is mandatory in Colombia as of January 1, 2017, regardless that the conceptual framework for financial reporting is mandatory as of January 1, 2016; earlier application of both regulations is permitted. The Parent has decided for the earlier implementation of such regulation, in order to present financial information incorporating the amendments to the regulations that reflect the requirements of the various information users.

Financial statements herein presented

These interim consolidated financial statements are made of the statements of financial position at June 30, 2016 and December 31, 2015, the statements of income for the six-month and three-month periods ended June 30, 2016 and June 30, 2015, the statements of comprehensive income, the statements of changes in shareholders' equity and the statements of cash flows for the six-month period ended June 30, 2016 and June 30, 2015. These financial statements are presented based on interim financial reporting requirements under IAS 34, and do not include all reporting disclosures required for annual financial statements under IAS 1

Statement of accountability

Parent's management are responsible for the information contained in these financial statements. Preparing such financial statements pursuant to accounting and financial reporting principles accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, and without applying any of the exceptions to the IFRS therein contained, requires management's judgement to apply accounting policies.

Estimates and accounting judgement

The Parent's estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the attached financial statements. Basically, such estimations refer to:

- The hypotheses used to estimate the fair value of financial instruments,
- The appraisal of financial assets to identify actual impairment losses,
- The useful lives of property, plant and equipment and of intangible assets,
- Variables used to assess and determine the impairment of non-financial assets,
- Actuarial assumptions used to estimate retirement benefits and long-term employee benefit liabilities, such as inflation rate, death rate, discount rate, and the possibility of future salary increases,
- The probability of occurrence and the value of liabilities that serve as a basis to recognize provisions related to lawsuits and business reorganizations,
- The assumptions used to recognize liabilities arising from the customer loyalty program,
- The probability of making future profits to recognize deferred tax assets,
- The valuation technique applied to determine the fair values of elements in business combinations.

Such estimations are based on the best information available regarding the facts analyzed as at the date of preparation of the attached financial statements, which may give rise to future changes by virtue of potential situations that may occur and would result in prospective recognition thereof; this situation would be treated as a change in accounting estimations in future financial statements.

Distinction between current and non-current items

The Parent presents its current and non-current assets, as well as its current and non-current liabilities, as separate categories in its statement of financial position. For this purpose, current assets are understood as those amounts that will be realized or will become available in a term not to exceed one year, and current liabilities are those amounts that will be enforceable or payable also in a term not to exceed one year.

Functional currency

The Parent and each subsidiary define their functional currency and their transactions are measured in such currency. The Parent's functional currency is the Colombian peso, and the functional currencies of subsidiaries are disclosed in Note 1 - General Information, under the subsidiary information subsection.

Functional currencies used by the Parent and by each of its subsidiaries are not part of highly inflationary economies, and consequently the financial statements are not adjusted for inflation.

Foreign currency transactions

Transactions in foreign currency are those denominated in a currency other than the functional currency. During the year, the exchange differences arising from the translation of such transactions, between the historical exchange rate when recorded and the exchange rate in force on the date of collection or payment, are accounted for as exchange gains or losses and shown as part of the net financial result in the statement of income.

Monetary balances at period closing expressed in a currency other than the functional currency, are updated based on the exchange rate at the closing of the reporting year or period, and the resulting exchange differences are recognized as part of the net financial result in the statement of income. For this purpose, monetary balances are translated into the functional currency using the market representative exchange rate (*).

Non-monetary items are not translated at the closing exchange rate but are measured at historical cost (at the exchange rates in force on the date of each transaction), except for non-monetary items measured at fair value such as forwards and swaps, which are translated using the exchange rates in force on the date of measurement of their fair value.

(*) Market Representative Exchange Rate means the average of all market rates negotiated during the closing day (closing exchange rate), equivalent to the international "spot rate", as also defined by IAS 21 - Effects of changes in foreign exchange rates, as spot exchange rate in force at the closing of the reporting period.

Translation to the presentation currency

These consolidated financial statements are expressed in Colombian pesos, functional currency of the Parent, which is the currency used in the prime economic environment where it rules. The amounts shown have been adjusted to millions of Colombian pesos.

Subsidiaries' financial statements carried in a functional currency other than the Colombian peso have been translated to Colombian pesos. Transactions and balances are translated as follows:

- Assets and liabilities are translated to Colombian pesos at period closing exchange rate;
- Income-related items are translated to Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated to Colombian pesos at the exchange rate in force on the date of each transaction.

Exchange differences arising from the translation are directly recognized in a separate component of equity and are reclassified to the statement of income upon sale of the investment in a subsidiary.

Accounting accrual basis

The consolidated financial statements have been prepared on the accounting accrual basis, except for information on cash flows.

Materiality

Economic events are recognized and presented in accordance with materiality thereof. An economic event is material wherever awareness or unawareness thereof, given its nature or value and considering the circumstances, may have a significant impact on the economic decisions to be made by the users of the information.

When preparing the financial statements, including the notes thereto, the materiality for presentation purposes was defined on a 5% basis applied to current and non-current assets, current and non-current liabilities, shareholders' equity, period results and to each individual account at a general ledger level for the reporting period.

Offsetting of balances and transactions

Assets and liabilities are offset and reported net in the financial statements, if and only if there is an enforceable legal right on the closing date that makes it mandatory to receive or pay recognized amounts at its net value, and wherever there is an intention to offset on a net basis towards realizing assets and settling liabilities simultaneously.

Classification as liability or equity

Debt and equity instruments are classified as financial liabilities or as equity, following the substance of the relevant legal agreement.

Measurement of the fair value

The fair value is the price to be received upon the sale of an asset, or paid out upon transferring a liability under a transaction carried out by market participants on the date of measurement.

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used in determining measurements.
- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Parent's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Basis for consolidation

For the purpose of consolidating the financial statements of Spice Investments Mercosur S.A., a company with domicile in Uruguay, which in turn is the parent of all other subsidiaries domiciled in Uruguay except Vía Artika S.A., the accounting policies and principles adopted by the Parent were standardized in accordance with accounting and financial reporting standards accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Sole Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496 without applying any of the exceptions to the IFRS therein contained.

As regards Companhia Brasileira de Distribuição – CBD, which in turn is the parent of CNova and all other subsidiaries domiciled in Brazil, and Libertad S.A., an Argentine company, it is worth mentioning that since prior to the acquisition by the Parent such subsidiaries were owned by and consolidated their financial statements with the Grupo Casino in France, such companies comply with uniform accounting policies standardized by the Parent.

Subsidiaries' assets and liabilities, revenue and expenses, as well as the Parent's revenue and expenses in foreign currency, have been translated into Colombian pesos at the exchange rates in force on each closing date and at period average, as follows:

	Closing rates		**Average rates**	
	June 30, 2016	**December 31, 2015**	**June 30, 2016**	**June 30, 2015**
US Dollar	2,916.15	3,149.47	3,121.86	2,743.39
Uruguayan peso	95.66	105.16	97.16	95.42
Brazilian real	910.23	796.07	843.05	-
Argentinian peso	195.24	243.30	218.17	-

Consolidated financial statements include the financial statements of the Parent and all subsidiaries, as follows:
- Subsidiaries (including special-purpose entities) are entities over which the Parent has direct or indirect control.
- Stand-alone trust funds (SPV) of the Parent, relate to organizations set up with a defined purpose or limited term.

"Control" is the power to rule outstanding activities, such as the financial and operating policies of the controlled entity. Control is reached when the Parent has power over a controlled company, is exposed to variable benefits from its involvement and has the capability of influencing such benefits. Power arises from rights, generally along with the holding of 50% or more of voting rights, even though it sometimes is more complex and results from one or more contracts, reason why there may be entities not having such interest percentage but which activities are understood to be carried out to the benefit of the Parent and the Parent is exposed to all risks and benefits attached to the controlled company.

Wherever there is control, the consolidation method applied is that of global integration method. Under this method all of subsidiaries' assets, liabilities, shareholders' equity and income are incorporated into the Parent's financial statements, after elimination at the Parent of equity investments in such subsidiaries and balances of intercompany accounts.

All significant transactions and balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented in third parties' ownership percentage held in the subsidiaries has been recognized and separately included in the Parent's equity.

At the time of assessing whether the Parent has control over a subsidiary, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as of the date on which control is transferred to the Group and excluded from consolidation upon termination of control.

All controlled entities are consolidated into the Parent's financial statements, regardless the ownership interest percentage.

Transactions involving a change in the Parent's ownership interest percentage without loss of control are recognized in shareholders' equity, given that there is no change of control over the economic entity. Cash flows from ownership interest changes not resulting in a loss of control are classified as financing activities in the statement of cash flows.

In transactions involving a loss of control, the entire ownership interest in the subsidiary is written-off, any retained interest is recognized at fair value and the gain or loss arising from the transaction is recognized in period income, including the relevant items of other comprehensive income. Cash flows from the acquisition or loss of control of a subsidiary are classified in the statement of cash flows as investment activities.

Period income and each component in other comprehensive income are attributed to the owners of the controlling entity and to non-controlling ownership interests.

Note 4. Significant accounting policies

The attached interim consolidated financial statements have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 2015, pursuant to accounting and financial reporting standards accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Sole Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496 and without applying any of the exceptions to the IFRS therein contained, requires management's judgement to apply the accounting policies.

The following accounting policies were used in preparing the attached consolidated financial statements, a summary of which was included in the consolidated financial statements for the period ended December 31, 2015:

- Investments in associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Put options *granted to the holders of non-controlling ownership interests*
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading and discontinued operations
- Leases
- Finance leases
    * When acting as the lessee
    * When acting as the lessor
- Operating leases
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
    * Financial assets measured at fair value through income
    * Financial assets measured at amortized cost
    * Financial assets at fair value through other comprehensive income
    * Derecognition
    * Effective interest method
    * Impairment of financial assets
    * Loans and accounts receivable
    * Cash and cash equivalents
- Financial liabilities
    * Financial liabilities measured at fair value through income
    * Financial liabilities measured at amortized cost
    * Derecognition
    * Effective interest method
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
    * Cash flow hedges
    * Fair value hedges
    * Foreign net investment hedges
- Share-based payments
- Employee benefits
    * Defined contribution plans
    * Defined post-employment benefit plans
    * Long-term employee benefits
    * Short-term employee benefits
    * Employee termination benefits
- Provisions, contingent assets and liabilities
- Taxes
    * Colombia
        . Income tax
        . Income tax for equality - CREE
        . Value added tax
        . National excise tax
        . Tax on wealth and tax standardization
        . Real property tax
        . Industry and trade tax
    * Brazil
        . Financial Contribution to Social Security (COFINS)
        . Social Security Tax (PIS)
        . Corporate Income Tax (IRPJ)
        . VAT on Sales and Services (ICMS)
        . Tax on Services (ISS)
        . Tax on Property (IPTU)
        . Social Contribution on Net Income (CSLL)
        . Imposto de Renda de Pessoa Jurídica (IRRF)
    * Argentina
        . Value added tax
        . Income tax

  . Province taxes
  . Tax on personal property - substitute responsible party
  . Municipal trade and industry tax
* Uruguay
  . Income tax (IRIC),
  . Value added tax,
  . Tax on equity,
  . Real property tax,
  . Industry and trade tax
  . ICOSA tax.
- Current income tax
- Deferred income tax
- Shareholders' contributed capital
- Ordinary revenue
- Loyalty programs
- Costs and expenses
- Operation segments
- Earnings per share

Note 5. New and modified standards and interpretations

Note 5.1. Standards not yet in force, issued during the six-month period ended June 30, 2016

No Regulatory Decrees enabling the application of the new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the six-month period ended June 30, 2016.

During the six-month period ended June 30, 2016, the International Accounting Standards Board IASB issued the following standards and amendments, which are not in force at June 30, 2016:
- IFRS 16 - Leases, in force as of January 2019.
- Amendment to IAS 12, in force as of January 2017.
- Amendment to IAS 7, in force as of January 2017.
- Amendment to IFRS 2, in force as of January 2018.

<u>IFRS 16 - Leases (January 2016)</u>

The standard sets out the principles for recognition, measurement, presentation and disclosure of leases, applicable to lessors and lessees. It deletes the dual accounting model for lessees, which makes a distinction between finance lease agreements that are carried in the balance sheet and operating leases for which recognition of future lease instalments is not required. Instead, a single model is developed, in the balance sheet, similar to the current finance lease.

IFRS 16 supersedes IAS 17 "Leases" and relevant interpretations, and is applicable to periods commencing on or after January 1, 2019; earlier application is permitted, if IFRS 15 "Revenue from contracts with customers" has been applied.

<u>Amendment to IAS 12 "Income tax" (January 2016)</u>

The amendment clarifies how to account for deferred tax assets related with debt instruments measured at fair value.

IAS 12 sets out the requirements for recognition and measurement of current or deferred tax assets or liabilities. The amendments clarify the requirements for recognition of deferred tax assets arising from unrealized losses, to address diversity in the accounting practice.

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

<u>Amendment to IAS 7 "Disclosure initiative" (January 2016)</u>

The amendment clarifies IAS 7 to improve the information provided to the users of the financial statements regarding the entity's financing activities.

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

<u>Amendment to IFRS 2 "Share-based payments" (June 2016)</u>

The amendment relates to the following aspects:
- Addresses the effects of vesting and non-vesting consolidation conditions on the measurement of the fair value of liabilities incurred from cash-settled share-based payments.
- Classifies share-based payment transactions that include net settlement features for tax purposes.
- Defines the accounting of share-based payments when the transaction changes from cash-settled to equity-settled.

The amendments will become effective for periods commencing on or after January 1, 2018. Earlier application is permitted.

Note 5.2. Standards not yet in force, issued as at December 31, 2015

<u>IFRS 15 - Revenue from contracts with customers (May 2014)</u>

The standard sets forth a unique comprehensive accounting model for ordinary revenue arising from contracts with customers. IFRS 15 will supersede the guidelines on recognition of ordinary revenue included in IAS 18 - Revenue, IAS 11 - Construction Contracts and related interpretations, once applicable.

The core principle of IFRS 15 is that an entity recognizes the revenue from ordinary activities to describe the transfer of goods or services promised to the customers, in exchange for a sum that reflect the consideration the entity expects to be entitled to in exchange for such goods or services.

An entity recognizes revenue from ordinary activities pursuant to such basic principle, by applying the following stages:

- Stage 1: Identify customer contract.
- Stage 2: Identify the performance obligations under the contract.
- Stage 3: Define the consideration for the transaction.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize the revenue from ordinary activities when (or in as much as) the entity fulfills a performance obligation.

Pursuant to IFRS 15, revenue is recognized upon fulfillment of a performance obligation. The standard also includes guidance on specific aspects related with the recognition of revenue, and requires a higher level of disclosure.

The standard will become effective for periods commencing on or after January 1, 2017. Company management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set forth by the standard.

The Parent and its subsidiaries do not consider earlier application since Decree 2496 of December 23, 2015, expressly forbids earlier application during the current year.

Note 5.3. Standards adopted earlier as at June 30, 2016

During the six-month period ended June 30, 2016, and based on section 5.1, the Parent has not applied any Standards earlier.

Note 5.4. Standards applied earlier as at December 31, 2015

<u>IFRIC 21 - Levies (May 2013)</u>

The interpretation includes the recognition of outflows of resources mandated by the Government (government agencies and similar bodies), pursuant to the laws and/or regulations, other than the income tax, fines and penalties for breaches of the legislation and amounts gathered by the entities on behalf of governments.

It sets forth that the triggering event of the liability is the activity that results in payment of the levy, and mentions that the date of payment thereof does not affect the time when the liability is recognized.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. The impact of application thereof during 2015 on the separate statement of income, line item other operating revenue and expenses and other profits, amounted to $57,772 due to the recognition of the expense arising from the tax on equity enacted by the National Government through Law 1739 of December 23, 2014.

Also, this interpretation was applied to the recognition of the real estate tax in force in Colombia, with an impact on interim periods but not on the period ended December 31, 2015.

<u>Amendment to IAS 27 "Equity participation method in Separate Financial Statements" (August 2014)</u>

The amendment gives entities the option of recognizing their investments in subsidiaries, joint ventures and associates at cost, pursuant to IFRS 9 "Financial Instruments" or using the equity method as described in IAS 28 "Investments in Associates and Joint Ventures".

The Parent elected the early application of this amendment, incorporating its effects as from the preparation of its opening statement of financial position on January 1, 2014. Revenue under the equity method recognized on investments, associates and joint ventures for the period ended 2015 amounted to $144,415.

<u>IFRS 9 - "Financial Instruments" (July 2014)</u>

IFRS 9 introduced new requirements for the classification, measurement and derecognition of financial assets and liabilities, as well as new requirements for hedge accounting and impairment of financial assets.

The Company started to apply this standard as from January 1, 2014, without significant effects from implementation thereof.

<u>Amendment to IAS 36 Information to be disclosed on the recoverable value of non-financial assets (May 2013).</u>

This amendment includes the requirements of information to be disclosed on the recoverable value of non-monetary assets for which an impairment loss had been recorded or reversed. In these events there is a requirement to disclose whether the recoverable value of assets was estimated from its fair value less costs of disposal or its value in use. Should fair values be used, it is required to disclose the value hierarchy used as set out in IFRS 13 - Fair Value Measurement.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

<u>Amendment to IFRS 11 -Joint Arrangements - Accounting for the acquisition of an interest in a Joint Operation (May 2014)</u>

The amendment sets forth that a joint operator should account for the acquisition of an interest in a joint operation, where the activity associated to the joint operation constitutes a business, using the principles related to business combinations contained in IFRS 3 "Business combinations" and other standards.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IAS 16 and IAS 38 Acceptable methods of depreciation and amortization (May 2014)

The amendments make it clear that revenue-based amortization methods are unacceptable since they do not reflect the expected consumption pattern of future economic benefits embodied in an asset. Such general rule might be refuted for intangible assets if the intangible asset is expressed as a function of revenue and it can be proved that the revenue and consumption of the economic benefits embodied in intangible assets are closely correlated.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 10 and IAS 28 and IAS 27 Sales or contribution of assets between an investor and its Associate or Joint Venture (September 2014)

The amendments refer to a well-known inconsistency between the requirements under IFRS 10 and IAS 28 (2011), in the treatment of sales or contribution of assets between an investor and its associate or joint venture.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Annual improvement to IFRS Cycle 2012-2014 (September 2014)

Annual improvements to IFRS for the 2012-2014 cycle include:

- IFRS 5 "Non-current assets held for trading and discontinued operations", wherein it is made clear that wherever an asset (or group for disposal) is reclassified from "held for trading" to "held for distribution", or vice versa, this situation does not represent a change to the sales or distribution plan. This means that an asset (or group for disposal) does not need to be reinstated as if it had never been classified as "held for trading" or "held for distribution".
- IFRS 7 - "Financial instruments: Disclosures", includes two amendments for the purpose of analyzing disclosure requirements regarding financial instruments: (a) Provides guidance to help Company management to determine whether the terms of a certain arrangement to provide financial asset management services make a continuing involvement and (b) Makes it clear that additional information to be disclosed on the set-off of financial assets and financial liabilities is not specific for all interim periods.
- IAS 19 "Employee benefits" clarifies that to determine the discount rate for liabilities arising from post-employment benefits, what matters is the currency of liabilities and not the country where they are triggered. Likewise, where there is no broad market for high-quality corporate bonds in such currency, government bonds are to be used in the relevant currency.
- IAS 34 "Interim financial information" requires cross-reference of interim financial statements to the location of such information.

The Parent started to apply this interpretation as of January 1, 2014, without significant effects from implementation thereof.

Amendment to IFRS 10, IFRS 12 and IAS 28 Consolidation exception for investment entities and its subsidiaries (December 2014)

The amendments to IFRS 10 make it clear that an investment entity should consolidate a subsidiary that is not an investment entity and that supports the entity's investment activities, in such a way that it acts as an extension of the investment entity.

The Parent started to apply this amendment as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Note 6. Business combinations

Note 6.1. Business combinations during the six-month period ended June 30, 2016

No business combinations were completed during the six-month period ended June 30, 2016.

Control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.

With the advisory of an independent third party, the Parent continues the Purchase Price Allocation process started in 2015 and related with the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

The following table summarizes the consideration paid for these interests, the goodwill generated from the acquisition and the provisional fair value of assets acquired and liabilities taken on as of the date of gaining control, taken from the books and business combination adjustments identified at June 30, 2016, which are detailed as measurement period adjustments.

	Provisional fair values August 31, 2015 (*)			Adjustments during measurement period			Provisional fair values at August 31, 2015 (**)		
	Brazil	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**
Assets									
Cash and cash equivalents	1,460,170	76,012	1,536,182	(11,070)	3,044	(8,026)	1,449,100	79,056	1,528,156
Trade accounts receivable	6,121,468	126,934	6,248,402	(129,188)	(5,929)	(135,116)	5,992,280	121,005	6,113,285
Prepaid expenses	-	-	-	276,715	5,930	282,645	276,715	5,930	282,645
Inventories	7,189,300	235,424	7,424,724	(52,298)	-	(52,298)	7,137,002	235,424	7,372,426
Current tax assets	3,230,960	6,141	3,237,101	(4,683)	-	(4,683)	3,226,277	6,141	3,232,418
Assets classified as held for trading	13,208	-	13,208	281	-	281	13,489	-	13,489
Property, plant and equipment	8,623,140	109,858	8,732,998	(88,826)	333,318	244,492	8,534,314	443,176	8,977,490
Investment property	21,608	63,594	85,202	-	203,231	203,231	21,608	266,825	288,433
Intangible assets other than goodwill	3,718,046	14	3,718,060	6,212,055	67,712	6,279,767	9,930,101	67,726	9,997,827
Investments accounted for using the equity method	400,714	-	400,714	-	-	-	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029	(30,847)	-	(30,847)	528,437	9,745	538,182
Other non-current financial assets	831,297	-	831,297	-	-	-	831,297	-	831,297
Total identifiable assets	**32,169,195**	**627,722**	**32,796,917**	**6,172,139**	**607,306**	**6,779,445**	**38,341,334**	**1,235,028**	**39,576,362**
Liabilities									
Current financial liabilities	3,614,591	-	3,614,591	-	-	-	3,614,591	-	3,614,591
Non-current employee benefit provisions	10,916	-	10,916	-	-	-	10,916	-	10,916
Other current provisions	20,551	1,562	22,113	3,840	-	3,840	24,391	1,562	25,953
Accounts payable	10,276,713	350,148	10,626,861	334,444	49	334,493	10,611,157	350,197	10,961,354
Current tax liabilities	763,424	26,319	789,743	5,718	302	6,020	769,142	26,621	795,763
Other current non-financial liabilities	651,097	6,975	658,072	-	-	-	651,097	6,975	658,072
Non-current financial liabilities	3,415,787	-	3,415,787	-	-	-	3,415,787	-	3,415,787
Other non-current provisions	1,159,034	7,438	1,166,472	1,512,899	-	1,512,899	2,671,933	7,438	2,679,371
Non-current accounts payable	65,171	-	65,171	-	-	-	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624	1,518,943	211,491	1,730,434	2,594,567	211,491	2,806,058
Non-current tax liabilities	524,749	-	524,749	-	-	-	524,749	-	524,749
Other non-current non-financial liabilities	569,392	-	569,392	-	-	-	569,392	-	569,392
Total liabilities taken on	**22,147,049**	**392,442**	**22,539,491**	**3,375,844**	**211,842**	**3,587,686**	**25,522,893**	**604,284**	**26,127,177**
100% identifiable net assets and liabilities	**10,022,146**	**235,280**	**10,257,426**	**2,796,295**	**395,464**	**3,191,759**	**12,818,441**	**630,744**	**13,449,185**
Non-controlling interest	3,091,745	-	3,091,745	645,817	-	645,817	3,737,562	-	3,737,562
Net identifiable assets	**6,930,401**	**235,280**	**7,165,681**	**2,150,478**	**395,464**	**2,545,942**	**9,080,879**	**630,744**	**9,711,623**
Segisor S.A.'s net identifiable assets	21,443	-	21,443	(11,071)	-	(11,071)	10,372	-	10,372
Ownership									
Argentina	-	100.00%	100.00%	0.00%	100%	100.00%	-	100.00%	100.00%
Segisor S.A.	50.00%	-	50.00%	50.00%	0%	50.00%	50.00%	-	50.00%
Companhia Brasileira de Distribuição - CBD	18.76%	-	18.76%	18.76%	0%	18.76%	18.76%	-	18.76%
Net identifiable assets and liabilities after application of the ownership percentage	**1,307,065**	**235,280**	**1,542,345**	**400,040**	**395,464**	**795,504**	**1,707,105**	**630,744**	**2,337,849**
Consideration transferred	**4,650,802**	**885,925**	**5,536,727**	**-**	**-**	**-**	**4,650,802**	**885,925**	**5,536,727**
Fair value of the previous interest in Cnova N.V.	9,189	-	9,189	3,093	-	3,093	12,282	-	12,282
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)	(400,040)	(395,464)	(795,504)	(1,707,105)	(630,744)	(2,337,849)
Goodwill from the acquisition	**3,352,926**	**650,645**	**4,003,571**	**(396,947)**	**(395,464)**	**(792,411)**	**2,955,979**	**255,181**	**3,211,160**
Decrease from the loss of control over a subsidiary							(63,055)	-	(63,055)
Decrease from exchange difference, net							195,136	(105,972)	89,164
Other developments							(177)	-	(177)
Goodwill at June 30, 2016							**3,087,883**	**149,209**	**3,237,092**

(*) Relates to provisional fair values at August 31, 2015 as informed by management in its quarterly report at September 30, 2015

(*) Relates to provisional fair values at August 31, 2015, after application of the business combinations adjustments identified at June 30, 2016.

At December 31, 2015, (restated) the provisional goodwill (as at the date of the business combination, August 31, 2015) amounted to $2,886,696, of which $2,700,760 represented operations in Brazil and $185,936 represented operations in Argentina. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax. At June 30, 2016, the goodwill amounts to $3,237,092, of which $3,087,883 come from the operations in Brazil and $149,209 from the operations in Argentina.

For presentation purposes, the following is a detail of consolidated assets and liabilities, after the retrospective adjustments resulting from the progress of the Purchase Price Allocation, i.e. as if the adjustments had been applied at the time of acquisition of control over the operations:

	December 31, 2015 (1)	Adjustments		December 31, 2015 (2)
Current assets				
Cash and cash equivalents	10,068,717			10,068,717
Trade receivables and other accounts receivable	3,326,474	16,014	(a)	3,342,488
Prepaid expenses	166,892			166,892
Accounts receivable from related parties	63,251	184,807	(b)	248,058
Inventories	8,702,015	(18,308)	(c)	8,683,707
Tax assets	1,100,323	(17,911)	(d)	1,082,412
Other financial assets	445,365	1,592		446,957
Non-current assets held for trading	21,698	263		21,961
Total current assets	**23,894,735**	**166,457**		**24,061,192**
Non-current assets				
Property, plant and equipment, net	11,951,037	275,673	(e)	12,226,710
Investment property, net	1,083,600	42,810	(f)	1,126,410
Goodwill	6,522,208	(682,196)	(g)	5,840,012
Intangible assets other than goodwill, net	3,706,065	5,950,950	(h)	9,657,015
Investments accounted for using the equity method, net	304,102			304,102
Trade receivables and other accounts receivable	591,960	230,304	(i)	822,264
Prepaid expenses	57,576			57,576
Accounts receivable from related parties	245,987	(231,679)	(j)	14,308
Deferred tax assets	524,828	(125,780)	(k)	399,048
Tax assets	1,941,626	22,290	(l)	1,963,916
Other financial assets	1,134,331	17,513	(m)	1,151,844
Other non-financial assets	398			398
Total non-current assets	**28,063,718**	**5,499,885**		**33,563,603**
Total assets	**51,958,453**	**5,666,342**		**57,624,795**
Current liabilities				
Financial liabilities	3,922,558			3,922,558
Employee benefit provisions	4,141			4,141
Other provisions	62,919	1,777		64,696
Trade payables and other accounts payable	18,429,794	231,096	(n)	18,660,890
Accounts payable to related parties	688,637	24,973	(ñ)	713,610
Tax liabilities	805,976	15		805,991
Other financial liabilities	32,602			32,602
Other non-financial liabilities	849,766			849,766
Total current liabilities	**24,796,393**	**257,861**		**25,054,254**
Non-current liabilities				
Financial liabilities	6,707,561			6,707,561
Employee benefit provisions	41,231			41,231
Other provisions	1,124,682	1,414,504	(o)	2,539,186
Trade payables and other accounts payable	34,189	(795)		33,394
Accounts payable to related parties	12,704			12,704
Deferred tax liabilities	1,206,422	1,661,340	(p)	2,867,762
Tax liabilities	455,355			455,355
Other financial liabilities	714,079	19,106	(q)	733,185
Other non-financial liabilities	1,036,782			1,036,782
Total non-current liabilities	**11,333,005**	**3,094,155**		**14,427,160**
Total liabilities	**36,129,398**	**3,352,016**		**39,481,414**
Shareholders' equity, see attached statement	**15,829,055**	**2,314,326**		**18,143,381**
Total liabilities and shareholders' equity	**51,958,453**	**5,666,342**		**57,624,795**

(1) Consolidated assets and liabilities as reported in the financial statements at December 31, 2015. These amounts include certain reclassifications between accounts payable and tax liabilities, for comparison to the 2016 financial statements.

(2) Assets and liabilities restated to reflect the effect of the adjustments from the development of the *Purchase Price Allocation* relevant to the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations

The adjustments refer to:

(a) Recognition from the sale of non-current assets in amount of $10,442 and an adjustment related to the effects of the investigation on Cnova N.V. in amount of $6,369.

(b) Refers to the recognition of an account receivable from Casino Guichard-Perrachon S.A. relevant to the indemnification in favor of Onper Investment 2015 S.L. arising from the arbitration award related with the request for arbitration filed by Morzan Empreendimientos e Partipaçoes Ltda.

(c) Relates to an adjustment relevant to the effects of the investigation on Cnova N.V.

(d) Includes an adjustment relevant to the effects of the investigation on Cnova N.V. in amount of ($17,514).

(e) Includes:
- Recognition at fair value of lands and buildings owned by Libertad S.A. on the date of the business combination in amount of $242,019, of which $137,989 refer to lands and $104,030 refer to buildings. The effect on deferred tax arising from this adjustment at December 31, 2015 is $84,707;
- Reclassification of investment properties to property, plant and equipment in amount of $104,264;
- Adjustment relevant to the effects of the investigation on Cnova N.V. in amount of ($16,718);
- Adjustment to the fair value of intangible assets sold during the reporting period in amount of ($53,893).

(f) Includes:
- Recognition at fair value of lands and buildings owned by Ceibotel S.A., classified as investment property on the date of the business combination, amounting to $147,074, of which $20,645 relate to lands and $126,429 relate to buildings. The effect of this adjustment on deferred tax is $51,476.
- Reclassification from investment properties to property, plant and equipment in amount of ($104,264).

(g) Relates to the negative impact on goodwill from the application of the adjustments at the time of acquisition of Companhia Brasileira de Distribuição - CBD y Libertad S.A. identified during the six-month period ended June 30, 2016.

(h) Includes recognition and adjustments to the measurement of intangible assets relevant to trademarks, in amount of $4,642,310; trade rights in amount of $1,301,582; other customer-related intangibles in amount of $72,682; adjustment to the fair value of intangible assets sold during the reporting period ($13,084) and adjustment arising from the effects of the investigation on Cnova N.V. in amount of ($52,541).

(i) Reclassification of a trade receivable from Casas Bahía Comercial Ltda. from related parties to other accounts receivable, in amount of $231,658, and an impairment adjustment to the fair value of accounts receivable impaired during the reporting period in amount of ($1,353).

(j) Includes the reclassification of the account receivable from Casas Bahía Comercial Ltda. to trade receivables and other accounts receivable in amount of ($231,658) and an impairment adjustment to the fair value of accounts receivable impaired during the reporting period in amount of ($21).

(k) Adjustment to the deferred tax recognized in the business combination, arising from the reversal of temporary differences from the measurement at fair value of assets and liabilities.

(l) Refers to an adjustment related with the effects of the investigation on Cnova N.D. in amount of $17,514 and to other minor adjustments in amount of $4,776

(m) Reclassification of asset derivative financial instruments from other non-current financial liabilities in amount of $19,106.

(n) Includes:
- Recognition of the liability at the date of acquisition in amount of $184,807, payable by subsidiary Wilkes Partipações S.A., arising from the request for arbitration filed by Morzan Empreendimientos e Partipaçoes Ltda. and recognition of legal fees payable and interest thereon amounting to $7,841;
- Reclassification of accounts payable relevant to tax withholdings payable from the line item current tax liabilities in amount of $93,037;
- Adjustment relevant to the effects of the investigation on Cnova N.V. in amount of $35,027;
- Other adjustments from potential tax proceedings that materialized during this period, in amount of $3,880.

(ñ) Relates to adjustments arising from potential tax proceedings that materialized during the six-month period ended June 30, 2016.

(o) Recognition of contingent liabilities amounting to $1,105,575 relevant to ICMS - tax on the movement of goods, social security national tax-related proceedings in amount of $246,477 and other proceedings in amount of $62,482.

(p) Adjustment to the deferred tax recognized in the business combination, arising from the reversal of temporary differences from the measurement at fair value of assets and liabilities.

(q) Reclassification to other financial assets.

For presentation purposes, the following is shareholders' equity after the retrospective adjustments resulting from the progress of the Purchase Price Allocation, i.e. as if the adjustments had been applied at the time of acquisition of control over the operations:

	December 31, 2015 (1)	December 31, 2015 (2)
Issued share capital	4,482	4,482
Share premium	4,843,466	4,843,466
Treasury shares	(2,734)	(2,734)
Other comprehensive income	(385,303)	(385,355)
Other reserves	1,419,416	1,420,311
Period results	573,495	565,966
Retained earnings	1,116,676	1,113,399
Other equity interests	(41,016)	(40,385)
Equity attributable to shareholders of the controlling entity	**7,528,482**	**7,519,150**
Non-controlling interests	8,300,573	10,624,231
Total shareholders' equity	**15,829,055**	**18,143,381**

(1) Consolidated shareholders' equity as reported in the financial statements at December 31, 2015.

(2) Shareholders' equity restated to reflect the effect of the adjustments from the development of the *Purchase Price Allocation* relevant to the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations

Acquisition of control over Grupo Disco Uruguay S.A.

The *Purchase Price Allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations had been completed at December 31, 2015.

For the purposes of presentation of the financial statements at June 30, 2016, a reconciliation of the statement of income at June 30, 2015, is attached, as if the purchase price adjustments had been recognized as of January 1, 2015:

	June 30, 2015	Adjustments		June 30, 2015 (restated)
Continuing operations				
Revenue from ordinary activities	6,043,494			6,043,494
Cost of sales	(4,500,555)			(4,500,555)
Gross profit	**1,542,939**			**1,542,939**
Distribution expenses	(644,184)	1,692	(a)	(642,492)
Administration and sales expenses	(84,084)	582	(a)	(83,502)
Employee benefit expenses	(541,503)			(541,503)
Other operating revenue	31,070			31,070
Other operating expenses	(71,973)			(71,973)
Other profits, net	71,711			71,711
Profit from operating activities	**303,976**	**2,274**		**306,250**
Financial revenue	99,084	(5,030)	(b)	94,054
Financial expenses	(52,457)			(52,457)
Share of profits in associates and joint ventures accounted for using the equity method	(7,625)			(7,625)
Profit before income tax from continuing operations	**342,978**	**(2,756)**		**340,222**
Tax (expense)	(87,375)	1,021	(c)	(86,354)
Net period profit from continuing operations	**255,603**	**(1,735)**		**253,868**

The adjustments refer to:

(a) Recognition of liabilities existing at the date of acquisition; depreciation of premium and/or discounts on property, plant and equipment arising from fair value measurement on such date.

(b) Reversal of the gain from the sale of investments, arising from fair value measurement at the date of the business combination.

(c) Adjustment to the deferred tax recognized in the business combination, arising from the reversal of temporary differences from the measurement at fair value of assets and liabilities.

In addition, goodwill recognized upon business acquisition differs from the balance carried at June 30, 2016. Development is as follows:

	Spice Investments Mercosur S.A.	Grupo Disco Uruguay S.A.	Total
Goodwill at January 1, 2014	**534,495**	**-**	**534,495**
Goodwill from the acquisitions at January 1, 2015	**-**	**876,325**	**876,325**
Increase from business combinations (Hypersavings)	-	7,932	7,932
Effect of exchange differences	17,557	62,913	80,470
Balance at December 31, 2015	**552,052**	**947,170**	**1,499,222**
Effect of exchange differences	(23,882)	(85,618)	(109,500)
Balance at June 30, 2016	**528,170**	**861,552**	**1,389,722**

Note 6.2. Business combinations achieved during 2015

The provisional values at the time of acquisition were taken as the starting point to consolidate subsidiaries acquired in Brazil and Argentina; such values will be subject to modification and adjustment, as required, in as much as the Purchase Price Allocation process be completed. The allocation of purchase price was in process and IFRS 3 - Business combinations allows adjusting provisional values until up to one year following the acquisition date for each subsidiary.

Acquisition of control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.

In performance of the share purchase and sale agreements entered into with Casino Guichard Perrachon, on August 20, 2015, the Parent, through the Spanish company Onper Investment 2015 S.L., acquired the following operations:

- 100% of Libertad S.A., which operates the Libertad and Mini Libertad chains in Argentina; and
- 18.76% of the share capital and 49.97% of the voting rights in Companhia Brasileira de Distribuição – CBD, which owns the chains operating under the banners Pão de Açúcar, Extra, Assaí, Casas Bahia and Ponto Frio in Brazil, and the e-commerce operation through CNova.

The effective date of the business combinations for accounting purposes was August 31, 2015.

As result of the acquisition, the Parent seeks to consolidate as the leading retailer in South America, and become the largest company in Colombia in terms of annual consolidated sales. The price paid for the operations in Brazil and Argentina was USD $1,536 million and USD $292.6 million, respectively.

Provisional goodwill (as at the date of the business combination, August 31, 2015) amounted to $4,027,480, of which $3,379,484 represent operations in Brazil and $647,996 operations in Argentina. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax. At December 31, 2015, the goodwill amounts to $3,568,892, of which $3,096,735 come from the operations in Brazil and $472,157 from the operations in Argentina.

The method used to measure the fair value of the interest previously held by the Parent in Cnova NV was the listed-price-of-the-share approach. Non-controlling interests were measured taking as starting point the provisional values of these companies' assets and liabilities on the date of acquisition.

Revenue and net loss shown in the consolidated statement of income between September 1, 2015 and December 31, 2015 amounted to $19,980,619 and $25,575, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income amounted to $637,482 and $19,002, respectively, both after elimination of intercompany transactions.

Should operations had been included as of January 1, 2015, revenue and net loss would have been $57,165,643 and $3,189, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income would have been $1,606,690 and $30,936, respectively.

Transaction costs related with the acquisition of the invested companies amounted to $50,333 and were recognized as other operating expenses in the consolidated statement of income for the period ended December 31, 2015.

At December 31, 2015, the Parent is conducting the *Purchase Price Allocation* process pursuant to IFRS 3 Business combinations, with an independent advisor. The following table summarizes the consideration paid for these interests, the goodwill generated from the acquisition and the provisional fair value of assets acquired and liabilities taken on as of the date of gaining control, taken from the books and business combination adjustments identified so far, which are detailed as measurement period adjustments.

	Provisional fair values August 31, 2015 (*)			Adjustments during measurement period			Provisional fair values August 31, 2015 (*)		
	Brazil	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**
Assets									
Cash and cash equivalents	1,460,170	76,012	1,536,182	(11,070)	3,044	(8,026)	1,449,100	79,056	1,528,156
Trade accounts receivable	6,121,468	126,934	6,248,402	(261,178)	(5,519)	(266,697)	5,860,290	121,415	5,981,705
Prepaid expenses	-	-	-	229,701	5,930	235,631	229,701	5,930	235,631
Inventories	7,189,300	235,424	7,424,724	(73,269)	-	(73,269)	7,116,031	235,424	7,351,455
Current tax assets	3,230,960	6,141	3,237,101	-	-	-	3,230,960	6,141	3,237,101
Assets classified as held for trading	13,208	-	13,208	-	-	-	13,208	-	13,208
Property, plant and equipment	8,623,140	109,858	8,732,998	(31,187)	-	(31,187)	8,591,953	109,858	8,701,811
Investment property	21,608	63,594	85,202	-	-	-	21,608	63,594	85,202
Intangible assets other than goodwill	3,718,046	14	3,718,060	(17,009)	-	(17,009)	3,701,037	14	3,701,051
Investments accounted for using the equity method	400,714	-	400,714	-	-	-	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029	(23,706)	-	(23,706)	535,578	9,745	545,323
Other non-current financial assets	831,297	-	831,297	-	-	-	831,297	-	831,297
Total identifiable assets	**32,169,195**	**627,722**	**32,796,917**	**(187,718)**	**3,455**	**(184,263)**	**31,981,477**	**631,177**	**32,612,654**
Liabilities									
Current financial liabilities	3,614,591	-	3,614,591	-	-	-	3,614,591	-	3,614,591
Non-current employee benefit provisions	10,916	-	10,916	-	-	-	10,916	-	10,916
Other current provisions	20,551	1,562	22,113	1,938	-	1,938	22,489	1,562	24,051
Accounts payable	10,276,713	350,148	10,626,861	63,126	503	63,629	10,339,839	350,651	10,690,490
Current tax liabilities	763,424	26,319	789,743	(17,300)	303	(16,997)	746,124	26,622	772,746
Other current non-financial liabilities	651,097	6,975	658,072	-	-	-	651,097	6,975	658,072
Non-current financial liabilities	3,415,787	-	3,415,787	-	-	-	3,415,787	-	3,415,787
Other non-current provisions	1,159,034	7,438	1,166,472	47	-	47	1,159,081	7,438	1,166,519
Non-current accounts payable	65,171	-	65,171	-	-	-	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624	19	-	19	1,075,643	-	1,075,643
Non-current tax liabilities	524,749	-	524,749	-	-	-	524,749	-	524,749
Other non-current non-financial liabilities	569,392	-	569,392	-	-	-	569,392	-	569,392
Total liabilities taken on	**22,147,049**	**392,442**	**22,539,491**	**47,830**	**806**	**48,636**	**22,194,879**	**393,248**	**22,588,127**
100% identifiable net assets and liabilities	**10,022,146**	**235,280**	**10,257,426**	**(235,548)**	**2,649**	**(232,899)**	**9,786,598**	**237,929**	**10,024,527**
Non-controlling interest	3,091,745	-	3,091,745	(126,498)	-	(126,498)	2,965,247	-	2,965,247
Net identifiable assets	**6,930,401**	**235,280**	**7,165,681**	**(109,050)**	**2,649**	**(106,401)**	**6,821,351**	**237,929**	**7,059,280**
Segisor S.A.'s net identifiable assets	21,443	-	21,443	(11,070)	-	(11,070)	10,373	-	10,373
Ownership									
Argentina	-	100.00%	100.00%	-	100.00%	100.00%	-	100.00%	100.00%
Segisor S.A.	50.00%	-	50.00%	50.00%	-	50.00%	50.00%	-	50.00%
Companhia Brasileira de Distribuição - CBD	18.76%	-	18.76%	18.76%	-	18.76%	18.76%	-	18.76%
Net identifiable assets and liabilities after application of the ownership percentage	**1,307,065**	**235,280**	**1,542,345**	**(23,920)**	**2,649**	**(21,271)**	**1,283,145**	**237,929**	**1,521,074**
Consideration transferred	**4,650,802**	**885,925**	**5,536,727**	**-**	**-**	**-**	**4,650,802**	**885,925**	**5,536,727**
Fair value of the previous interest in Cnova N.V.	9,189	-	9,189	2,638	-	2,638	11,827	-	11,827
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)	23,920	(2,649)	21,271	(1,283,145)	(237,929)	(1,521,074)
Goodwill from the acquisition	**3,352,926**	**650,645**	**4,003,571**	**26,558**	**(2,649)**	**23,909**	**3,379,484**	**647,996**	**4,027,480**
Decrease from the loss of control over a subsidiary							(63,055)	-	(63,055)
Decrease from exchange difference, net							(219,694)	(175,839)	(395,533)
Goodwill at December 31, 2015							**3,096,735**	**472,157**	**3,568,892**

(*) Relates to provisional fair values at August 31, 2015 as informed by management in its quarterly report at September 30, 2015.

Acquisition of control over Grupo Disco Uruguay S.A.

As at September 2011, the Parent had acquired a share interest of 62.49% in Grupo Disco Uruguay S.A. under a situation of joint control arising from the capital structure and the various kinds of share capital, which was accounted for using the equity method until December 31, 2014.

On April 27, 2015, the Parent entered into a Shareholder Agreement with non-controlling interests of Grupo Disco Uruguay S.A., which granted it the voting rights of more than 75% of the share capital of Grupo Disco Uruguay S.A. during an initial term of two years as of January 1, 2015 (effective date for accounting purposes, for no consideration). Resulting from such agreement, the Parent ensures the exercise of effective control over Grupo Disco Uruguay S.A. and global consolidation thereof into the financial statements.

On the date of execution of the agreement, Grupo Disco Uruguay S.A. had 28 establishments of the Disco and Geant chains, which, added to the Devoto operation acquired in 2011 and wherein currently the Parent has 100% of the share capital, represent the largest retail operation in Uruguay.

The fair value of the Parent's previous interest in Grupo Disco Uruguay S.A. amounted to $1,067,037. The valuation method used to measure such fair value was mainly the discounted cash flow method and the effect thereof was recognized in period income in amount of $29,681 at December 31, 2014 under other revenue.

Non-controlling interest in Grupo Disco Uruguay S.A. was measured at fair value and amounted to $448,347. The valuation method used to measure such fair value was the discounted cash flow method, which considers a discount in value arising from the lack of control and the restriction associated to the sale of securities.

Below is a summary of the fair value of net assets acquired at the date of the business combinations and at the closing of the measurement period, based on the purchase price allocation survey:

	Provisional fair values at January 1, 2015	**Measurement period adjustments**	**Final fair values at January 1, 2015**
Assets			
Cash and cash equivalents	132,858	-	132,858
Current trade receivables and other receivables	80,439	-	80,439
Prepaid expenses	3,624	-	3,624
Current accounts receivable from related parties and associates	3,947	-	3,947
Current inventories	106,831	-	106,831
Current tax assets, current portion	44,189	-	44,189
Other current financial assets	7,200	-	7,200
Property, plant and equipment	240,721	188,007	428,728
Investment property	19,466	60,191	79,657
Intangible assets other than goodwill	732	103,968	104,700
Non-current trade receivables and other receivables	4,399	-	4,399
Deferred tax assets	30,130	-	30,130
Other non-current financial assets	4,475	4,825	9,300
Total identifiable assets	**679,011**	**356,991**	**1,036,002**
Liabilities			
Current financial liabilities	4,117	-	4,117
Current trade payables and other accounts payable	250,204	7,315	257,519
Current accounts payable to related parties and associates	3,961	-	3,961
Current tax liabilities, current portion	49,616	-	49,616
Other current non-financial liabilities	10,347	1,292	11,639
Other non-current provisions	843	-	843
Deferred tax liabilities	-	56,463	56,463
Other non-current non-financial liabilities	12,785	-	12,785
Total liabilities taken on	**331,873**	**65,070**	**396,943**
Net assets and liabilities measured at fair value	**347,138**	**291,921**	**639,059**
Fair value of interests previously held in the acquiree	1,067,037	-	1,067,037
Non-controlling interest measured at fair value	448,347	-	448,347
Less fair value of identifiable net assets	(347,138)	(291,921)	(639,059)
Goodwill from the acquisition	**1,168,246**	**(291,921)**	**876,325**
Increase from combinations and from exchange differences, net			88,402
Goodwill at December 31, 2015			**964,727**

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of the stores acquired in this country. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax.

The consolidation of Grupo Disco Uruguay S.A. since January 1, 2015 resulted in revenue from ordinary activities in amount of $1,339,700 and generated a gain of $75,372 after elimination of intercompany transactions at Group level.

Transaction costs related with the acquisition of the invested company were not significant and they were recognized as other operating expenses in the consolidated statement of income for the period.

Agreement between the Parent and Caja de Compensación Familiar - CAFAM

During September 2010, the Parent entered into an agreement with Caja de Compensación Familiar - CAFAM, which enabled the Parent to operate the stores owned by Cafam, and enabled Cafam to operate the drugstores owned by the Parent.

On February 23, 2015, the parties executed an agreement which main purpose was:

- The acquisition by the Parent of the stores owned by Cafam, which had been operated by the Parent since September 2010; on that date the inventories were purchased for $33,506, and the property, plant and equipment associated to such stores were purchased for $21,200.
- Since it is deemed a business combination completed in various stages, the consideration transferred of $127,267 includes $5,048 on account of the measurement at fair value on the date of the business combination, of property, plant and equipment previously acquired by the Parent. The amount recognized as goodwill amounts to $122,219, based on the purchase price allocation survey, which is expected to be tax-deductible.
- The sale to Cafam of the drugstores owned by the Parent, some of which had been operated by Cafam since September 2010, resulted in a net gain of $74,515, recognized in period results under "Other revenue";
- The termination of the cooperation agreement executed by and between the parties in September 2010.

The conditions precedent under the agreement, including approval by the relevant authorities, were completed on May 27, 2015.

Expenses associated with the acquisition of such stores were not material.

Exercise of the purchase option of the Super Inter stores.

On April 15, 2015, the Parent exercised the purchase option with Comercializadora Giraldo y Cía. S.A. granted on the acquisition of 29 trade establishments, which had been operated since October 2014, and on the Super Inter trademark. Previously, the Parent had acquired the inventories associated with such establishments in amount of $29,833 under a separate transaction.

The price of acquisition amounted to $343,920, out of which $284,173 were disbursed at the closing of December 31, 2015.

Below is a summary of the fair values of identifiable assets and liabilities of the business acquired, as of the date of acquisition and at the closing of the measurement period, based on the purchase price allocation survey:

	Provisional fair values at April 1, 2015	Measurement period adjustments (1)	Final fair values at April 1, 2015
Super Inter Banner	95,121	(31,417)	63,704
Property, plant and equipment	18,169	-	18,169
Total identifiable assets	**113,290**	**(31,417)**	**81,873**
Total liabilities taken on	**-**	**-**	**-**
Net assets and liabilities measured at fair value	**113,290**	**(31,417)**	**81,873**

Goodwill arising from the operation amounts to:

	Provisional fair values at April 1, 2015	Measurement period adjustments (1)	Final fair values at April 1, 2015
Consideration transferred	343,920	-	343,920
Less fair value of identifiable net assets	(113,290)	31,417	(81,873)
Goodwill from the acquisition	**230,630**	**31,417**	**262,047**

The goodwill of $262,047 is attributable to economies of scale expected from the integration of the operations of the stores acquired and the Parent's stores, which is expected to be tax-deductible.

Expenses associated with the acquisition of such stores were not material.

(1) Relates to the fair value measurement adjustment of the Super Inter trademark, resulting from the review of the variables applied during the initial provisional appraisal.

Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	June 30, 2016	December 31, 2015
Local currency		
Cash in hand	303,571	301,339
Banks	162,058	474,331
Fiduciary rights (1)	98,924	76,085
Total local currency	**564,553**	**851,755**

	June 30, 2016	December 31, 2015
Foreign currency		
Banks	324,855	712,190
Cash in hand	154,911	34,699
Deposits	3,105,705	8,338,881
Pooled income funds	11,785	86,974
Other deposits	15,096	36,477
Bonds	-	7,741
Total foreign currency	**3,612,352**	**9,216,962**
Total cash and cash equivalents	**4,176,905**	**10,068,717**

(1) For 2015, the Parent shows restricted cash equivalents in local currency in amount of $3,907, related to the profits from the film "Colombia Magia Salvaje", with the specific destination of a donation to Fundación Éxito.

On May 4, 2016, the Parent paid $4,032 to Fundación Éxito as donation of the profits obtained from the film "Colombia Magia Salvaje", as approved by the General Meeting of Shareholders held on March 30, 2016.

At June 30, 2016, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 8. Trade receivables and other accounts receivable

The balance of trade receivables and other accounts receivable is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Trade accounts receivable (8.1)	4,356,683	2,994,796	2,943,632
Other accounts receivable (8.2)	1,325,113	923,638	1,221,120
Total trade receivable and other receivables	**5,681,796**	**3,918,434**	**4,164,752**
Current (8.3)	**4,704,479**	**3,326,474**	**3,342,488**
Non-current (8.3)	**977,317**	**591,960**	**822,264**

Note 8.1. Trade accounts receivable

The balance of trade receivables and other accounts receivable is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Foreign customers (1)	2,425,219		1,148,962
Consumer financing - CDCI (2)	1,752,193	1,582,596	1,582,596
Extended warranty	156,560	167,972	167,972
Accounts receivable from suppliers	152,508	130,556	147,274
Rentals and dealers	100,029	-	94,200
Domestic customers	69,999	-	86,348
Compañía de Financiamiento Tuya S.A. (3)	22,581	19,212	19,212
Employee funds	3,253	52,833	4,777
Sales on credit cards and other	-	1,365,257	-
Other trade accounts receivable	33,679	-	22,290
Impairment loss (4)	(359,338)	(323,630)	(329,999)
Total trade receivables	**4,356,683**	**2,994,796**	**2,943,632**

(1) Refers to sales financed through consumer direct credit granted by intermediaries that may be paid in up to 24 months; however, the term most used is less than 12 months.

(2) Refers to Via Varejo S.A. sales financed through consumer direct credit under intervention (CDCI), that may be paid in up to 24 months; however, the term most used is less than 12 months. Via Varejo S.A. has entered into agreements with financial institutions, which act as intermediaries in these transactions.

(3) Includes items related with the operation of Tarjeta Éxito, such as royalties and reimbursement of shared expenses and collections from recovery of coupons, to be paid in the short term.

(4) The impairment of receivables is independently analyzed for large customers and jointly analyzed for those customers which balances are not material if taken separately. Impairment of receivables is estimated on a case-by-case basis, and recognized as net expenses in period results based on accounts overdue exceeding the behavior of the historic of payments; however, even if impaired, the Parent deems such amounts as recoverable given the extensive credit risk analysis conducted on customers, including credit ratings where available in credit databases recognized by the market. At June 30, 2016 the net expense amounts to $29,339 (2015 - $319,198).

The movement of the impairment of receivables during the period is as follows:

Balance at December 31, 2015	**323,630**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	6,369
Restated balance at December 31, 2015	**329,999**
Recognized impairment loss	208,498
Reversal of impairment loss	(2,916)
Receivables written-off	(208,546)
Effect of exchange differences	32,207
Reclassifications	96
Balance at June 30, 2016	**359,338**

Note 33, Policies on financial risk management, includes the considerations on the credit risk for trade debtors.

Note 8.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	June 30, 2016	**December 31, 2015**	**December 31, 2015 (restated)**
Accounts Receivable - Paes Mendonça (1)	484,242	423,512	423,512
Account receivable - Casas Bahia Comercial Ltda.(2)	277,620	-	231,658
Accounts receivable from the sale of companies (3)	97,395	41,396	83,588
Employee funds	58,878	-	48,056
Business agreements	25,881	44,436	44,436
Sale of property, plant and equipment, intangible assets and other assets.	20,103	-	30,497
Securities receivable from Audax SP and Audax Rio	10,013	-	10,349
Tax claims	2,442	2,442	2,442
Money transfer services	1,175	26,587	26,587
Shipments	1,059	6,283	6,283
Securities receivable	-	120,207	-
Rent instalments receivable	-	85,977	-
Distributors	-	8,223	-
Promotional coupons	-	10,267	-
Supplier contribution	-	16,718	-
Other	346,305	137,590	313,712
Total accounts receivable	**1,325,113**	**923,638**	**1,221,120**

(1) Since 1999, certain stores owned by Paes Mendonça S.A. (a supermarket network in Brazil) were leased through subsidiary Novasoc Comercial Ltda. Novasoc Comercial Ltda. paid certain of Paes Mendonça S.A.'s liabilities, and even though the later has made partial payments, Companhia Brasileira de Distribuição - CBD still shows a receivable from the transaction. Pursuant to payment agreements entered into between the parties, balances receivable are updated from a monetary point of view by the IGP-M (Market Price General Index) and are secured with some stores operated by Novasoc Comercial Ltda. There is no objective evidence of impairment of such accounts receivable. Maturity of these accounts receivable is related to lease agreements under the same conditions originally agreed upon; they are deemed non-current assets given the possibility of turning such accounts into trade rights on the leased stores.

(2) Refers to accounts receivable by subsidiary Vía Varejo S.A. from Casas Bahía Comercial Ltda. relevant to the "First amendment to the association agreement" entered into by and between Vía Varejo S.A., Companhia Brasileira de Distribuição - CBD and Casas Bahia Comercial Ltda., which ensures the right of Casas Bahía Comercial Ltda. to be reimbursed for certain contingencies recognized prior to June 30, 2010, date of the agreement. At December 31, 2015 such balance was shown as an amount receivable from related parties; it was reclassified on June 30, 2016, to other accounts receivable.

(3) Relates to accounts receivable arising from the exercise of the purchase option of certain fuel stations sold by subsidiary Companhia Brasileira de Distribuição - CBD. The amount of the account receivable is updated from a monetary point of view since the execution of the agreement on May 28, 2012, by 110% of the CDI, with payment foreseen in 240 monthly instalments.

Note 8.3. Trade receivables and other accounts receivable classified as current and non-current

The balance of trade receivables and other accounts receivable classified as current and non-current is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Current			
Foreign customers	2,411,566		1,148,962
Consumer financing - CDCI	1,643,876	1,494,232	1,494,232
Extended warranty	156,560	167,972	167,972
Accounts receivable from suppliers	152,508	130,556	147,274
Rentals and dealers	100,029	-	94,200
Account receivable from the sale of companies	97,395	-	83,588
Domestic clients	69,999	-	86,348
Employee funds	44,766	34,214	34,214
Business agreements	25,881	44,436	44,436
Compañía de Financiamiento Tuya S.A.	22,581	19,212	19,212
Sale of property, plant and equipment, intangible assets and other assets.	20,103	-	30,497
Tax claims	2,442	2,442	2,442
Money transfer services	1,175	26,587	26,587
Shipments	1,059	6,283	6,283
Sales on credit cards and other	-	1,365,257	-
Securities receivable	-	116,227	-
Rent instalments receivable	-	85,977	-
Supplier contribution	-	16,718	-
Promotional coupons	-	10,267	-
Distributors	-	8,223	-
Other trade accounts receivable	33,679	-	22,290
Other	266,545	111,152	253,601
Impairment loss	(345,685)	(313,281)	(319,650)
Total current	**4,704,479**	**3,326,474**	**3,342,488**
Non-current			
Accounts Receivable - Paes Mendonça	484,242	423,512	423,512
Account receivable - Casas Bahia Comercial Ltda.	277,620	-	231,658
Consumer financing - CDCI	108,317	88,364	88,364
Employee funds	17,365	18,619	18,619
Account receivable from the sale of companies	-	41,396	-
Securities receivable	-	3,980	-
Foreign customers	13,653	-	-
Securities receivable from Audax SP and Audax Rio	10,013	-	10,349
Other	79,760	26,438	60,111
Impairment loss	(13,653)	(10,349)	(10,349)
Total non-current	**977,317**	**591,960**	**822,264**

Note 8.4. Trade receivables and other accounts receivable by age

The aging of trade receivables and other receivables, irrespective of impairment, for each period reported is as follows:

			Overdue			
Term	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
June 30, 2016	6,041,134	5,417,199	277,370	119,619	80,906	146,040
December 31, 2015	4,242,064	3,491,673	217,477	119,036	107,287	306,591
December 31, 2015, restated	4,494,751	3,744,360	217,477	119,036	107,287	306,591

Note 9. Accounts receivable from and accounts payable to related parties

Transactions with related parties refer to the sale of goods, loans granted and purchase of goods for sale. The balance of accounts receivable from and accounts payable to related parties is as follows:

	Accounts receivable			Accounts payable		
	June 30, 2016	December 31, 2015	December 31, 2015 (restated)	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Controlling entity (1)	22,958	35,006	194,339	195,510	188,465	164,583
Associates (2)	17,294	7,961	7,961	5,462	9,553	9,553
Key management personnel	32	78	78	-	-	-
Members of the Board	-	-	-	19	1	1
Grupo Casino companies (3)	29,665	28,002	53,304	1,329,293	497,587	547,868
Other related parties (4)	214	238,191	6,684	2,073	5,735	4,309
Total	**70,163**	**309,238**	**262,366**	**1,532,357**	**701,341**	**726,314**
Current portion	**36,484**	**63,251**	**248,058**	**1,519,877**	**688,637**	**713,610**
Non-current portion	**33,679**	**245,987**	**14,308**	**12,480**	**12,704**	**12,704**

(1) Relate to accounts receivable and accounts payable arising from the following agreements:

(a) Technical Assistance Agreement entered into by and between Companhia Brasileira de Distribuição - CDB and Grupo Casino on July 21, 2005. This agreement was authorized by the Extraordinary Meeting of Shareholders on August 16, 2005 and terminated on August 1, 2014.

(b) Cost sharing agreement entered into by and between Companhia Brasileira de Distribuição - CDB and Grupo Casino on August 10, 2014, which purpose is the reimbursement of expenses incurred by professionals and companies of Grupo Casino to the benefit of this subsidiary. This agreement was authorized by the Board of Directors on July 22, 2014.

(c) Reimbursement of expenses agreement entered into by and between Companhia Brasileira de Distribuição - CBD and Grupo Casino, regarding the Global Sourcing contract; it also includes the partial reimbursement of costs incurred for the initial public offer of Cnova N.V. shares.

(d) Loan in American dollars known as "Triple S" with HSBC repaid by Grupo Casino to HSBC on behalf of Libertad S.A. In addition, there is a debt of subsidiary Libertad S.A. arising from expat personnel services.

(e) Purchase-sale agreement executed on July 29, 2015 with Casino Guichard-Perrachon S.A. and supplementary deed of indemnification granted on August 20, 2015 regarding an indemnification to subsidiary Onper Investments 2015 S.L. arising from the arbitration award in the Morzan Empreendimientos e Participacoes Ltda. case. The balance of $184,807 was recognized at June 30, 2016 as a result of the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A.

Other companies of the Parent have carried out technical assistance, insurance and administration support transactions with the controlling entity.

(2) Refers to accounts receivable from and accounts payable to FIC Promotora de Vendas Ltda., mainly arising from the infrastructure contract executed with this Brazilian associate (See Note 24.2 Transactions with related parties).

(3) Refers to loans payable to Casino Finance International S.A. for cash-centralization services; costs payable to Big C- Thailand for the purchase of products; costs and expenses payable to C'est Chez Vous for delivery services, and costs payable to EMC for product procurement centralization services, and to Easydis for logistic services.

(4) At December 31, 2015, refers to accounts receivable by subsidiary Vía Varejo S.A. from Casas Bahía Comercial Ltda. relevant to the "First amendment to the association agreement" entered into by and between Vía Varejo S.A., Companhia Brasileira de Distribuição - CBD and Casas Bahia Comercial Ltda., which ensures the right of Casas Bahía Comercial Ltda. to be reimbursed for certain contingencies recognized prior to June 30, 2010, date of the agreement. At June 30, 2016, it was reclassified to other accounts receivable.

Note 10. Inventories

The detail of the balance of inventories is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Inventories available for sale	9,593,423	8,658,466	8,524,274
Inventories of property under construction (1)	86,548	133,248	133,249
Inventories in transit	34,490	27,542	27,693
Materials, small spares, accessories and packaging material	16,042	17,546	17,546
Product in process	6,079	9,192	9,192
Raw materials	5,351	5,337	5,336
Inventory impairment (2)	(41,417)	(149,316)	(33,583)
Total inventories	**9,700,516**	**8,702,015**	**8,683,707**

(1) The inventory of construction in progress mainly includes the Thera Faria Lima Pinheiros ("Thera"), Figue, Classic and Carpe Diem projects, and a store built on the first floor of the Thera project, related with Grupo Companhia Brasileira de Distribuição - CBD and its subsidiaries. The construction and incorporation is carried out by Cyrela Polinésia Empreendimentos Imobiliários Ltda., Pitangueiras Desenvolvimento Imobiliário SPE Ltda. and Hesa Investimentos Imobiliários Ltda. The Figue project started in February 2015, and delivery of the Thera, Classic and Carpe Diem projects is foreseen for 2016.

(2) The development of the provision during the period is as follows:

Balance at December 31, 2015	**149,316**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	(115,733)
Restated balance at December 31, 2015	**33,583**
Impairment loss recognized during the period	10,044
Reversal of impairment losses	(4,215)
Effect of exchange differences	196
Reclassifications	1,809
Balance at June 30, 2016	**41,417**

Inventories are not subject to limitation or liens that restrict negotiability or realization thereof, and have been duly insured against all risks.

The following is the information related with the cost of sales, impairment and reversals of impairment recognized in inventories:

	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Cost of goods sold with no impairment	27,470,374	4,500,555	13,193,945	2,190,956
Impairment loss recognized during the period	10,044	-	3,936	-
Reversal of impairment loss recognized during the period (1)	(4,215)	-	(1,561)	-
Total cost of goods sold	**27,476,203**	**4,500,555**	**13,196,320**	**2,190,956**

(1) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage space at the distribution center, limiting the exposure of goods at the branches' warehouses. Likewise, as of 2015 general inventories are handled instead of revolving inventories, in addition to post-season critical controls, critical goods and other activities.

Note 11. Other financial assets

The balance of other financial assets is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Financial assets measured at fair value through income, foreign currency (1)	1,059,716	801,305	801,305
Derivative financial instruments designated as hedge instruments (2)	207,532	573,174	592,279
Financial assets measured at amortized cost (3)	137,252	136,179	136,179
Financial assets measured at fair value through other comprehensive income	1,046	1,046	1,046
Financial assets measured at fair value through income, local currency	946	965	965
Derivative financial instruments (4)	81	67,027	67,027
Total other financial assets	**1,406,573**	**1,579,696**	**1,598,801**
Current	**203,346**	**445,365**	**446,957**
Non-current	**1,203,227**	**1,134,331**	**1,151,844**

(1) Financial assets measured at fair value through income, foreign currency, relate to:

(a) Balances of certain bank accounts regarding legal and tax deposits not available to subsidiary Companhia Brasileria de Distribuicao - CBD given that they are restricted to be used for payment under some legal proceedings filed against it. Balance thereof is monthly updated in the statement of income, using an interest rate.

	June 30, 2016	December 31, 2015
Deposit for tax proceedings	201,161	167,176
Deposit for labor proceedings	773,696	566,009
Deposit for civil proceedings	40,050	35,027
Deposit for regulatory proceedings	32,768	27,066
Total	**1,047,675**	**795,278**

(b) Balance of restricted cash related to legal deposits in amount of $168 (2015 - $203) relevant to subsidiary Libertad S.A.

(c) Investment in bonds in amount of $11,873 (2015 - $5,824) of Grupo Disco Uruguay S.A.

(2) Derivatives designated as hedge instruments reflect the fair value of SWAP contracts for 100% of liabilities denominated in US Dollars at a fixed interest rate, of Companhia Brasileira de Distribuição – CBD and the value of CDCI that are measured at a floating CDI interest rate. The term of these contracts equals that of the debt and hedge both principal and interests. The average annual CDI rate at June 2016 was 13.73% (13.24% at December 31, 2015). Fair values of these instruments are determined using valuation models, commonly used by market participants. The detail of maturities of these instruments at June 30, 2016 and December 31, 2015 is as follows:

	Derivative	Less than 1 month	From 1 to 3 months	From 3 to 6 months	More than 6 months	Total
June 30, 2016	*Swap*	-	-	113,779	93,753	207,532
December 31, 2015	*Swap*	5,573	65,278	60,502	441,821	573,174
December 31, 2015, restated	*Swap*	5,573	65,278	60,502	460,926	592,279

At December 31, 2015, both asset and liability swaps were shown under one single asset line item. At June 30, 2016, the asset portion is shown under the asset side and the liability portion under the liability side.

(3) Financial assets measured at amortized cost include investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Parent has the intention and capability of maintaining until maturity. These investments are part of Tarjeta Éxito corporate collaboration agreement, with nominal value of $134,500, with a term of 10 years and a yield of IPC + 2% plus the share of profit under the agreement. It also includes investment in bonds of Grupo Disco Uruguay S.A. measured at amortized cost.

(4) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Parent measures the derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2015 and June 30, 2016 relates to the reduction of closing valuation rates for forwards and swaps, which reached values under the average rates agreed upon with the various financial players.

The balance of other financial assets classified as current and non-current is as follows:

	June 30, 2016	**December 31, 2015**	**December 31, 2015 (restated)**
Current			
Derivative financial instruments	81	67,027	67,027
Derivative financial instruments designated as hedge instruments	172,034	378,135	379,728
Financial assets measured at amortized cost	30,336	-	-
Financial assets measured at fair value through income	895	203	202
Total current	**203,346**	**445,365**	**446,957**
Non-current			
Derivative financial instruments designated as hedge instruments	35,499	195,039	212,552
Financial assets measured at amortized cost	106,916	136,179	136,179
Financial assets measured at fair value through other comprehensive income	1,046	1,046	1,046
Financial assets measured at fair value through income	1,059,766	802,067	802,067
Total non-current	**1,203,227**	**1,134,331**	**1,151,844**

There are no restrictions or liens on other financial assets that restrict the negotiability or realization thereof, exception made of the Parent's investment in Tuya S.A.'s bonds, which were issued as part of Tarjeta Éxito's business collaboration agreement. Additionally, during the reporting periods none of investments was impaired.

Note 12. Property, plant and equipment, net

The balance of property, plant and equipment is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Land	2,424,259	2,229,171	2,366,005
Buildings	4,286,753	8,334,449	4,153,271
Machinery and equipment	3,786,816	3,420,586	3,379,095
Furniture and fixtures	1,698,184	1,465,874	1,458,109
Assets under construction	676,564	380,486	378,920
Premises	824,034	739,041	697,496
Improvements to third party properties	5,437,853	252,362	4,641,875
Vehicles	100,101	102,461	91,851
Computers	352,201	311,565	311,565
Other property, plant and equipment	200,833	195,340	194,272
Total property, plant and equipment	**19,787,598**	**17,431,335**	**17,672,459**
Accumulated depreciation	(6,255,930)	(5,480,298)	(5,445,749)
Total net property, plant and equipment	**13,531,668**	**11,951,037**	**12,226,710**

The development of property, plant and equipment during the reporting periods is as follows:

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other	Total
Balance at December 31, 2015	**2,229,171**	**8,334,449**	**3,420,586**	**1,465,874**	**380,486**	**739,041**	**252,362**	**102,461**	**311,565**	**195,340**	**17,431,335**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	136,834	(4,181,178)	(41,491)	(7,765)	(1,566)	(41,545)	4,389,513	(10,610)	-	(1,068)	**241,124**
Restated balance at December 31, 2015	**2,366,005**	**4,153,271**	**3,379,095**	**1,458,109**	**378,920**	**697,496**	**4,641,875**	**91,851**	**311,565**	**194,272**	**17,672,459**
Additions	829	10,018	128,345	41,504	500,059	20,235	70,670	1,307	10,064	12,646	**795,677**
Increase (decrease) from transfers from (to) investment property	(69,829)	(49,750)	-	-	(14,606)	-	2,783	-	-	-	**(131,402)**
Increase (decrease) from movements between property, plant and equipment accounts	(3,796)	(23,313)	25,038	25,353	(105,280)	1,255	76,574	-	4,169	-	**-**
Increase (decrease) from transfers from (to) other balance sheet accounts	11,803	(89,363)	6,011	4,221	(95,410)	7,979	252,867	-	-	(843)	**97,265**
Disposal of property, plant and equipment	(2,055)	(50,660)	(156,928)	(28,670)	(7,587)	(22,774)	(252,914)	(10,960)	-	(30,350)	**(562,898)**
Derecognition of property, plant and equipment	(40)	1	(1,357)	(1,359)	-	(867)	(10,194)	-	(365)	(1,686)	**(15,867)**
Effect of exchange differences	118,095	346,403	395,721	196,820	28,792	85,507	627,484	11,729	26,816	24,152	**1,861,519**
Other changes	3,247	(9,854)	(10,891)	2,206	(8,324)	35,203	28,708	6,174	(48)	2,642	**70,845**
Balance at June 30, 2016	**2,424,259**	**4,286,753**	**3,786,816**	**1,698,184**	**676,564**	**824,034**	**5,437,853**	**100,101**	**352,201**	**200,833**	**19,787,598**

Accumulated depreciation	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other	Total
Balance at December 31, 2015	**-**	**2,436,810**	**1,625,718**	**645,429**	**-**	**356,700**	**74,497**	**36,926**	**200,809**	**103,409**	**5,480,298**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	-	(1,474,448)	(15,379)	(4,918)	-	(26,949)	1,491,048	(4,849)	-	946	**(34,549)**
Restated balance at December 31, 2015	**-**	**962,362**	**1,610,339**	**640,511**	**-**	**329,751**	**1,565,545**	**32,077**	**200,809**	**104,355**	**5,445,749**
Depreciation expense/cost	-	62,054	155,766	64,066	-	22,725	131,714	4,160	22,974	13,039	**476,498**
Increase (decrease) from transfers from (to) investment property	-	(6,457)	-	-	-	-	-	-	-	-	**(6,457)**
Increase (decrease) from transfers from (to) other balance sheet accounts	-	-	-	-	-	-	-	-	-	-	**-**
Disposals	-	(44,682)	(141,633)	(25,291)	-	(19,397)	(230,152)	(5,058)	-	(27,821)	**(494,034)**
Disposals	-	-	-	-	-	(1)	-	-	-	-	**(1)**
Effect of exchange differences	-	171,642	208,782	119,298	-	40,612	203,323	4,615	25,562	13,629	**787,463**
Other changes	-	(36,402)	(994)	(1,318)	-	15,287	70,504	-	(365)	-	**46,712**
Balance at June 30, 2016	**-**	**1,108,517**	**1,832,260**	**797,266**	**-**	**388,977**	**1,740,934**	**35,794**	**248,980**	**103,202**	**6,255,930**

Assets under construction are represented by those assets not ready for their intended use as expected by Parent and its subsidiaries management, and on which costs directly attributable to the construction process continue to be capitalized.

No provisions for dismantling or similar provisions are included in the cost of property, plant and equipment, since the assessment of the Parent and its subsidiaries determined that there are no legal or contractual obligations requiring such estimations at the time of acquisition thereof.

At June 30, 2016, the subsidiaries of Companhia Brasileira de Distribuição - CBD have assets delivered as collateral to third parties to secure lawsuits in amount of $746,207 (2015 - $ 673,769). Except for the above, there are no limitations or liens imposed on property, plant and equipment that limit realization or negotiability thereof.

During the six-month period ended June 30, 2016, no compensations have been received from third parties related with assets damaged in accidents. For 2015 includes revenue in amount of $13,163 from the claim to Seguros Generales Suramericana S.A. as indemnification for the actual loss of property, plant and equipment resulting from the accident at Éxito Las Flores, owned by the Parent.

During the periods reported in these financial statements there was no impairment of property, plant and equipment.

The book value of property, plant and equipment under financial lease for the periods reported is as follows:

	June 30, 2016	December 31, 2015
Buildings	20,025	17,514
Machinery and equipment	11,580	11,056
Furniture and fixtures	5,461	4,776
Vehicles and transportation equipment	14,513	14,907
Other property, plant and equipment	20,025	24,678
Total	**71,604**	**72,931**

Note 13. Investment property, net

Investment properties are business premises and plots of land held to generate income from operating lease activities or future appreciation of the price thereof. The balance of investment properties is made as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Land	354,602	272,874	291,926
Buildings	877,913	893,107	918,605
Construction in progress	20,716	-	-
Total investment property	**1,253,231**	**1,165,981**	**1,210,531**
Accumulated depreciation	(88,985)	(82,381)	(84,121)
Total investment property, net	**1,164,246**	**1,083,600**	**1,126,410**

The development of investment property during the period is as follows:

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2015	**272,874**	**893,107**	**-**	**1,165,981**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	19,052	25,498	-	**44,550**
Restated balance at December 31, 2015	**291,926**	**918,605**	**-**	**1,210,531**
Additions	-	965	8,513	**9,478**
Disposals	(56)	(222)	-	**(278)**
Transfers from property, plant and equipment	69,829	46,943	14,630	**131,402**
Effect of exchange differences	(7,097)	(88,378)	(2,427)	**(97,902)**
Balance at June 30, 2016	**354,602**	**877,913**	**20,716**	**1,253,231**

Constructions

Accumulated depreciation	Land	Buildings	in progress	Total
Balance at December 31, 2015	**-**	**82,381**	**-**	**82,381**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	-	1,740	-	1,740
Restated balance at December 31, 2015	**-**	**84,121**	**-**	**84,121**
Depreciation expense	-	4,695	-	4,695
Disposals	-	(14)	-	(14)
Transfer to/from property, plant and equipment	-	6,457	-	6,457
Effect of exchange differences	-	(6,274)	-	(6,274)
Balance at June 30, 2016	**-**	**88,985**	**-**	**88,985**

There are no limitations or liens imposed on investment property that restrict realization or negotiability thereof. For the reporting periods included in these interim financial statements, there are no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties. Also, the Company has not received compensations from third parties arising from the damage or loss of investment properties, or impairment losses.

Note 14. Goodwill, net

The balance of goodwill refers to the following business combinations:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Companhia Brasileira de Distribuição – CBD (1)	3,087,883	3,096,735	2,700,760
Libertad S.A. (1)	149,209	472,157	185,936
Spice Investment Mercosur (Uruguay) S.A. (2)	1,389,722	1,499,222	1,499,222
Carulla Vivero S.A. (3)	827,420	827,420	827,420
Super Inter (4)	453,649	453,649	453,649
Cafam (5)	122,219	122,219	122,219
Other (6)	50,806	50,806	50,806
Total	**6,080,908**	**6,522,208**	**5,840,012**

(1) Refers to the business combination carried out in August 2015 to acquire the operations of Companhia Brasileira de Distribuição – CBD in Brazil and Libertad S.A. in Argentina, through the Spanish company Onper Investments 2015 S.L. The values of net assets acquired are provisional and are in the process of being measured pursuant to IFRS 3 (See Note 6 - Business combinations).

(2) Refers to the business combination carried out in 2011 with the acquisition of the Uruguayan Spice Investments Mercosur S.A. The value represents the deemed cost in the opening balance sheet, in exercise of the exemption of not to restate business combinations.

Additionally, it includes the goodwill recognized by Spice Investments Mercosur in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1.

It also includes the goodwill from the business combination with Grupo Disco del Uruguay, resulting from acquisition of control at January 1, 2015 (See note 6 Business combinations).

(3) Refers to the business combination carried out in 2007 with the merger of Carulla Vivero S.A. The value represents the deemed cost in the opening balance sheet, in exercise of the exemption of not to restate business combinations.

(4) Represents the acquisition of 46 trade establishments under the banner Super Inter, of which 19 were acquired at the end of 2014 and the remaining 29 during April 2015. It also includes the acquisition of 7 trade establishments between February 23, 2015 and June 24, 2015, and the loss from the sale of two assets under condition acquired in the business combination in amount of $1,714. (See Note 6 - Business combinations).

(5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that the Parent had been operating since 2010. (See Note 6 - Business combinations). The trade establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: $80,134 to Éxito, $29,075 to Carulla and $13,010 to Surtimax.

(6) Refers to the non-significant acquisition of trade establishments that subsequently were turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: $10,540 to Éxito, $28,566 to Surtimax and $10,683 to Súper Inter. The goodwill from the business combination with Gemex O&W S.A.S. in amount of $1,017 is also included.

The following are the movements of goodwill during the reported periods:

Balance at December 31, 2015	**6,522,208**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	(682,196)
Restated balance at December 31, 2015	**5,840,012**
Effect of exchange differences	241,073
Other changes	(177)
Balance at June 30, 2016	**6,080,908**

Goodwill was not impaired during the reporting periods.

Note 15. Intangible assets other than goodwill

The balance of intangible assets other than goodwill is made as follows:

	June 30, 2016	**December 31, 2015**	**December 31, 2015 (restated)**
Trademarks (1)	7,087,304	1,880,977	6,523,288
Computer software	2,087,447	1,827,865	1,730,555
Rights (2)	2,578,662	957,725	2,256,635
Customer-related intangible assets (3)	117,420	26,675	103,490
Other	57,046	67,929	65,549
Total intangible assets other than goodwill, net	**11,927,879**	**4,761,171**	**10,679,517**
Accumulated amortization	(1,264,066)	(1,055,106)	(1,022,502)
Total intangible assets other than goodwill, net	**10,663,813**	**3,706,065**	**9,657,015**

(1) Refers to the trademarks of:

Segment	**Banner**	**Useful life**	**June 30, 2016**	**December 31, 2015**	**December 31, 2015 (restated)**
Food	Extra (a)	Indefinite	1,632,953	-	1,428,158
Food	Pão de Açúcar (a)	Indefinite	948,460	-	829,510
Food	Assaí (a)	Indefinite	508,819	31,047	445,006
Non Food	Casas Bahía (a)	Indefinite	678,121	355,050	593,076
Non Food	Ponto Frío (a)	Indefinite	1,587,441	1,285,660	1,388,354
E-Commerce	Cdiscount France (a)	Indefinite	1,496,740	-	1,580,626
E-Commerce	Other (a)	Indefinite	11,831	16,717	16,717
Argentina	Libertad	Indefinite	39,593	-	49,338
Uruguay	Sundries (b)	Indefinite	101,302	101,302	101,302
Discount	Surtimax (c)	Indefinite	17,427	17,427	17,427
Discount	Super Inter (d)	Indefinite	63,704	63,704	63,704
Sundries	Sundries	Indefinite	913	10,070	10,070
			7,087,304	**1,880,977**	**6,523,288**

(a) Refers to trademarks of subsidiary Companhia Brasileira de Distribuição – CBD.

(b) Refers to trademarks of Grupo Disco del Uruguay S.A.

(c) Trademark received upon the merger with Carulla Vivero.

(d) Trademark acquired under the business combination carried out with Comercializadora Giraldo Gómez y Cía S.A.

(2) Includes the book value of the following rights:

a) $2,078,055 of Companhia Brasileira de Distribuição - CBD, relevant to trade rights acquired as trade usage of paying a premium in order to obtain a rental contract in commercially attractive places; from a trade viewpoint, such rights have an undefined useful life. The distribution by segment is as follows:

- Non food $1,368,986 (2015 - $452,966; 2015 restated - $1,197,297)
- Food $709,069 (2015 - $64,483; 2015 restated - $621,734)

b) $57,345 (2015 - $55,725) relevant to favorable contracts on the properties of Casa Bahia Comercial Ltda., which include stores, distribution centers and constructions, which are the purpose of operating lease in advantageous conditions entered into by subsidiary Via Varejo S.A, a subsidiary of Companhia Brasileira de Distribuição - CBD. Measurement thereof was carried out based on market comparable transactions applying the Revenue Approach methodology. The asset was recognized under the business combination of Companhia Brasileira de Distribuição - CBD and the Parent.

The useful life of this asset was defined to be 10 years based on the association agreement. It was found that market conditions at the time of the contract were not impaired as compared to the current position, and consequently there are no signs of impairment loss.

c) Contractual rights arising from extended warranties in amount of $121,061 (2015 - $117,819).

d) Relates to the recognition of the contract entered into with Comercializadora Giraldo y Cia S.A. regarding the use for no consideration of the Super Inter trademark between October 2014 and April 1, 2015, date on which the business combination of 29 trade establishments and the Super Inter trademark was completed (See Note 5 Business combinations). Such intangible asset has been fully amortized.

(3) Relates to non-contract relations with customers, an intangible recognized by subsidiary Companhia Brasileira de Distribuição – CBD, which are amortized over an average of 9 years.

The movement of intangible assets other than capital gains during the period is:

Cost

	Trademarks (1)	Computer software (2)	Rights (3)	Customer-related intangible assets	Other	Total
Balance at December 31, 2015	**1,880,977**	**1,827,865**	**957,725**	**26,675**	**67,929**	**4,761,171**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	4,642,311	(97,310)	1,298,910	76,815	(2,380)	5,918,346
Restated balance at December 31, 2015	**6,523,288**	**1,730,555**	**2,256,635**	**103,490**	**65,549**	**10,679,517**
Additions	-	198,658	-	-	34,565	233,223
Effect of exchange differences	567,391	209,753	322,871	14,773	(556)	1,114,232
Transfers	843	38,839	2,528	(843)	(40,466)	901
Disposals and derecognition	(4,218)	(90,358)	(3,372)	-	(2,046)	(99,994)
Balance at June 30, 2016	**7,087,304**	**2,087,447**	**2,578,662**	**117,420**	**57,046**	**11,927,879**

Accumulated amortization

	Trademarks (1)	Computer software (2)	Rights (3)	Customer-related intangible assets	Other	Total
Balance at December 31, 2015	**-**	**746,401**	**266,709**	**26,675**	**15,321**	**1,055,106**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Nota 6.1)	-	(32,176)	(2,672)	4,132	(1,888)	(32,604)
Restated balance at December 31, 2015	**-**	**714,225**	**264,037**	**30,807**	**13,433**	**1,022,502**
Amortization expense/cost	-	123,808	20,235	4,678	-	148,721
Transfers	843	4	2,529	(843)	(1,687)	846
Effect of exchange differences	67	99,141	38,756	4,723	1,577	144,264
Disposals and derecognition	-	(48,895)	(3,372)	-	-	(52,267)
Balance at June 30, 2016	**910**	**888,283**	**322,185**	**39,365**	**13,323**	**1,264,066**

No limitations or liens have been imposed on the reported intangible assets that restrict realization or negotiability thereof. For the reported periods, the Parent and its subsidiaries have neither commitments to acquire or develop intangible assets, nor impairment losses.

Note 16. Investments accounted for using the equity method

The balance of investments accounted for using the equity method is made as follows:

Company	Classification	Percentage	June 30, 2016	December 31, 2015
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	Associate	41.93%	383,208	286,588
Banco Investcred Unibanco S.A. ("BINV")	Associate	21.67%	20,026	17,514
Total			**403,234**	**304,102**

The investment recognized using the equity method have no restrictions or liens that limit realization or tradability thereof.

Note 17. Changes in the classification of financial assets

During the six-month period ended June 30, 2016, there were no changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 18. Financial liabilities

Book balances are made as follows:

	June 30, 2016	December 31, 2015
Local currency		
Current		
Bank loans (1)	944,005	216,207
Finance leases	700	41
Total current financial liabilities in local currency	**944,705**	**216,248**
Non-current		
Bank loans (1)	2,264,263	2,486,352
Finance leases	1,136	1,149
Total non-current financial liabilities in local currency	**2,265,399**	**2,487,501**
Total financial liabilities in local currency	**3,210,104**	**2,703,749**
Foreign currency		
Current		
Bank loans (1)	5,037,603	3,346,850
Put option (2)	281,877	310,323
Finance leases	50,127	37,227
Letters of credit	5,556	8,726
Sale of receivables	11,833	3,184
Total current financial liabilities in foreign currency	**5,386,996**	**3,706,310**
Non-current		
Bank loans (1)	2,723,609	4,024,868
Finance leases	257,148	195,192
Total non-current financial liabilities in foreign currency	**2,980,757**	**4,220,060**
Total financial liabilities in foreign currency	**8,367,753**	**7,926,370**
Total financial liabilities	**11,577,857**	**10,630,119**
Current	**6,331,701**	**3,922,558**
Non-current	**5,246,156**	**6,707,561**

(1) In August 2015, the Parent entered into credit agreements with local banks in amount of $3.25 trillion and with foreign banks in amount of $1.21 trillion (USD 400 million at the exchange rate of $3,027.2 Colombian pesos) for the acquisition of the operations of Companhia Brasileira de Distribuição – CBD and Libertad S.A. through the Spanish company Onper Investment 2015 S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of $14,332.

Under both agreements, the Parent commits to request approval from the banks if it requires to carry out the following transactions: encumber assets, enter into extraordinary agreements with any affiliated company, incur additional liabilities wherever the result is breach of the credit agreement and/or without prior authorization from creditors; creditors shall automatically grant authorization if the occurrence index is complied with, measured using the latest financial statements released by the Parent, among others.

During January 2016 and April 2016, the Parent requested disbursements in amount of $400,000 and $100,000 against the revolving trench under the credit agreement executed in July 2015.

In June 2016, subsidiary Devoto Hermanos S.A. entered into credit agreements with Uruguayan banks to pay dividends, for a three-month term at fixed interest rate.

It also includes short-term loans acquired by Companhia Brasileira de Distribuição - CBD for working capital purposes, in amount of $4.9 trillion (2015 - $3.2 trillion), and long-term loans in amount of $1.4 trillion (2015 - $2.5 trillion).

(2) During June 2016, the Parent assigned to subsidiary Spice Investment Mercosur S.A. the put option contract entered into with the holders of non-controlling interests of subsidiary Grupo Disco del Uruguay S.A. The exercise price is based on a previously agreed upon formula, and the option may be exercised at any time. The current option for the period ended June 30, 2016 is measured at fair value.

Below is a detail of annual maturities discounted at present value of non-current bank loans and finance leases for the periods ended June 30, 2016 and December 31, 2015:

June 30, 2016		December 31, 2015	
Year	Total	Year	Total
2017	1,279,916	2017	2,686,800
2018	2,110,601	2018	2,225,965
2019	600,466	2019	550,462
>2020	1,255,173	>2020	1,244,334
Total	**5,246,156**	**Total**	**6,707,561**

Note 18.1. Commitments undertaken under credit contracts (financial liabilities)

The purpose of commitments undertaken under credit contracts is to ensure compliance with the financial clauses applicable to debt and loans obtained in August 2015 that define the capital structure requirements (covenants) and other debtor obligations. Failure to comply with such financial clauses would result in the bank's promptly claiming repayment of debt and loans. No failure to comply with financial clauses has been reported regarding any interest-bearing debt or loan during the current period.

The Parent must pay in advance such obligations without accruing any prepayment commission or penalty, in the following events:

(a) Sale of assets: When at any time during the term the Parent dispose of its own assets, in one single or several transactions, which in the aggregate exceed 20% of the assets included in (i) 2014 financial statements, or (ii) the latest available annual financial statements, whichever is higher, it shall prepay an amount equivalent to 40% or 80%$ of the net proceeds of such sales, except (i) arising from disposals in the ordinary course of business, or (ii) if the net cash proceeds of the sale are reinvested in other assets within 12 months of receipt.

(b) Insurance compensation: When at any time, during the term, the Parent receive one or several insurance compensations as payment for one or several claims arising from the loss or damage of one or several of its assets, whose aggregate amount exceed 20% of the assets included in the latest available annual financial statements, the Parent shall prepay an amount equivalent to 40% or 80%$ of the net payments received, in accordance with the time when the prepayment is to be made, except if reinvestment of such resources begins within 18 months of receipt of the net cash compensation.

(c) Prepayments under bridge loan contract: Wherever the Parent intends to prepay bank credits in foreign currency, the Parent shall prepay the short-term trench in proportion to the amount prepaid of bank credits in foreign currency, and in proportion to each creditor.

Note 18.2. Obligations undertaken under credit contracts (financial liabilities)

(a) Financial: The Parent is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio shall be measured annually on April 30th based on audited consolidated financial statements for each period.

(b) Indebtedness: Refrain from: (i) Incurring new debts in the event of being in default of the financial liability and/or in the event that incurring the new debt would result in failure to comply with an existing financial liability, and (ii) incurring additional debt without the authorization of creditors.

    In the event that the Parent intends to incur additional debt, it shall require the prior authorization of creditors, which shall be deemed automatically granted if the Parent complies with the occurrence indicator, which shall be measured based on the latest separate financial statements submitted to the National Register of Securities and Issuers.

Note 19. Employee benefit provisions

The balance of employee benefit provisions is:

	June 30, 2016	December 31, 2015
Defined benefit plans (19.1)	35,583	34,109
Long-term benefits (19.2)	2,747	11,263
Total	**38,330**	**45,372**
Current	**3,841**	**4,141**
Non-current	**34,489**	**41,231**

Note 19.1. Defined benefit plans and defined contribution plans

No significant changes were introduced to the defined benefit plans during the six-month period ended June 30, 2016.

Note 19.2. Long-term benefits

The long-term benefit plan involves a time-of-service bonus payable to the employees of the parent and of subsidiary Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S.

Such benefits are estimated on an annual basis using the forecasted credit unit or wherever there are material changes. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Agreement was reached during 2015 and the first half of 2016 with several employees who voluntarily decided to replace the time-of-service bonus with a single one-time bonus.

Below are the main actuarial assumptions included in the latest valuation, as well as the reconciliation of movements:

Balance at December 31, 2015	**11,263**
Cost of present service	276
Interest expense	400
Actuarial loss from changes in experience	495
Actuarial loss from financial assumptions	23
Gain from settlements	(9,161)
Benefits directly paid by the Parent and its subsidiaries	(555)
Other changes	6
Balance at June 30, 2016	**2,747**

The main assumptions used to assess long-term benefit plans are:

	June 30, 2016	**December 31, 2015**
Discount rate	7.40%	7.30%
Annual salary increase rate	3.50%	3.25%
Future annuity increase rate	0%	0%
Annual inflation rate	3.50%	3.25%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover rates, disabilities and early retirements:

	Rates	
Years of service	**June 30, 2016**	**December 31, 2015**
From 0 to less than 5	29.98%	29.98%
From 5 to less than 10	14.60%	14.60%
From 10 to less than 15	8.59%	8.59%
From 15 to less than 20	6.41%	6.41%
From 20 to less than 25	4.92%	4.92%
25 and more	3.71%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the long-term benefit net liability:

Variation expressed in basis points	**June 30, 2016**	**December 31, 2015**
Discount rate + 25	(35)	(146)
Discount rate - 25	36	150
Discount rate + 50	(69)	(289)
Discount rate - 50	73	303
Discount rate + 100	(135)	(564)
Discount rate - 100	149	622
Annual salary increase rate + 25	37	156
Annual salary increase rate - 25	(36)	(152)
Annual salary increase rate + 50	75	314
Annual salary increase rate - 50	(72)	(302)
Annual salary increase rate + 100	154	643
Annual salary increase rate - 100	(141)	(591)

Contributions foreseen by the Group for the forthcoming years, funded with own resources will be:

Year	**June 30, 2016**	**December 31, 2015**
2016	144	1,616
2017	296	1,614
2018	332	1,396
2019	429	1,379
>2019	3,001	11,864
Total	**4,202**	**17,869**

The average duration of the liability for long-term benefits at June 30, 2016 is 5.9 years (at December 31, 2015 was 5.6 years).

There are no specific assets devoted to guarantee payment of the time-of-service bonus.

Note 20. Other provisions

The balance of other provisions is made as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Legal proceedings (1)	979,709	731,720	731,720
Taxes other than income tax (2)	2,259,846	426,783	1,843,064
Restructuring (3)	15,986	13,072	13,072
Other	3,844	16,026	16,026
Total other provisions	**3,259,385**	**1,187,601**	**2,603,882**
Current	**28,169**	**62,919**	**64,696**
Non-current	**3,231,216**	**1,124,682**	**2,539,186**

During the six-month period ended June 30, 2016, the Parent reclassified to long-term certain provisions for legal proceedings and taxes other than income tax, in accordance with new information available provided by experts regarding such proceedings.

The Parent and its subsidiaries have not recognized provisions for the protection of contracts for consideration during the reporting periods.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from lawsuits brought against the Parent and its subsidiaries, as follows: labor, in amount of $691,858 (2015 - $496,888); civil, in amount of $251,610 (2015 - $207,140); administrative and regulatory, in amount of $36,157 (2015 - $27,606) and other in amount of $84 (2015 - $87), which are assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements.

Labor provisions mainly refer to lawsuits brought against Companhia Brasilerira de Distribuição CBD and its subsidiaries in amount of $677,211 (2015 - $475,257), which are updated pursuant to a chart provided by the TST (“Tribunal Superior do Trabalho”) plus 1% monthly interest.

Civil provisions mainly refer to lawsuits brought against Companhia Brasilerira de Distribuição CBD and its subsidiaries in amount of $244,852 (2015 - $197,426), among which we highlight:

a) Legal actions seeking the revision of contracts and renewals on lease instalments agreed upon. The Parent recognized a provision for the difference between amounts paid and amounts disputed by the counterparty in the legal action, when in the opinion of in-house and external counsels there is probability of adjustment to the instalments paid. At June 30, 2016, the provisions to protect against such legal actions amounted to $99,215 (2015 - $35,823) for which there are no legal deposits covering said amount; should there be such deposits, they are recognized as other financial assets.

b) Fines imposed by regulatory agencies, mainly Brazilian consumer defense agencies PROCONs and INMETRO, and local mayor's offices. At June 30, 2016, such provision amounted to $35,499 (2015 - $27,067).

c) Legal actions brought against subsidiary Via Varejo S.A. related to consumer rights and lawsuits on termination of supplier contracts. At June 30, 2016, such provision amounted to $59,165 (2015 - $50,949).

(2) Tax provisions other than income tax provisions relate to tax lawsuits in which Companhia Brasilerira de Distribuição CBD and its subsidiaries are a party, in amount of $2,244,120 (2015 - $411,571; 2015 restated $1,827,852), which by law are subject to monthly monetary indexation according to the official rates applied by each tax jurisdiction; and to lawsuits in which the Parent is a party, related to the Industry and Trade Tax in amount of $4,963 (2015 - $3,256) and the Parent's tax on real estate property in amount of $5,571 (2015 - $5,556), and other in amount of $5,192 (2015 - $6,400).

The most important tax lawsuits-related provisions refer to cases brought against Companhia Brasilerira de Distribuição CBD and its subsidiaries, as follows:

a) Social contribution to finance social security (Contribución social para Financiación a la Seguridad Social - COFINS) and Social integration program (Programa de integración social - PIS): Under the non-cumulative system to calculate PIS and COFINS, a request claiming right to exclude the value of the Impuesto a la Circulación de Mercaderías y Servicios - ICMS (Tax on the Movement of Goods and Services) from the basis to assess these two contributions and other less relevant matters. The provision recognized at June 30, 2016 amounts to $148,368 (2015 - $81,996).

b) Tax on the Movement of Goods and Services (ICMS): Pursuant to a ruling dated October 16, 2014, the Higher Federal Court (STF) defined that ICMS taxpayers who trade basic basket products are not entitled to fully apply the credits arising from such tax; consequently, with the support of their external advisors, the Parent deemed it appropriate to recognize a provision in amount of $123,791 (2015 - $101,898).

c) Complementary law No. 110/2001: Through judicial action the Parent is discussing the right of not to recognize the contributions set forth in Complementary Law No. 110/2001, established to support the costs of the Fundo de Gorantla do Tempo de Serviço (FGTS). The provision recognized at June 30, 2016 amounts to $62,806 (2015 - $49,357).

d) Proceedings to offset Via Varejo's asset tax accounts: Tax provisions were recognized based on the business combination with Via Varejo in amount of $78,280 (2015 - $66,870), related to the offsetting of tax debits and credits on the export of coffee.

e) Other provisions: Relate to:
   (i) Proceedings referred to the purchase, industrialization and export of soy and derivative products (PIS, CONFIS and IRPJ);
   (ii) Investigation regarding the failure to apply the Fator Acidentário de Prevenção (FAP) for 2011;
   (iii) Investigation regarding the Fundo de Combate à Pobreza, implemented by the Río de Janeiro State;

(iv) Investigations related with procurement from suppliers deemed disqualified from the registry with Secretaria da Fazenda Estadual, mistake in application of aliquot and ancillary obligations by state tax authorities; and
(v) Other less relevant matters.

At June 30, 2016, these proceedings amount to $253,954 (2015 - $121,003).

(f) Provisions were recognized to protect taxes other than income tax in amount of $1,619,374 (2015 restated - $1,416,281), relevant to the adjustment from the development of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. Provisions recognized relate to process associated with the following taxes: Social contribution for the Funding of Social Security - COFINS in amount of $163,303 (2015 - $142,823), Provisional Contribution on Financial Movements - CPMF in amount of $49,815 (2015 - $43,567), Tax on the Movement of Goods and Services - ICMS in amount of $1,264,112 (2015 - $1,105,575), Industrial Products Tax - IPI in amount of $68,669 (2015 - $60,057), Brazilian tax on Property - IPTU in amount of $31,366 (2015 - $27,432) and other in amount of $42,109 (2015 - $36,828).

(3) The restructuring provision relates to the reorganization processes announced to Parent's employees in amount of $8,701 (2015 - $8,295) and to the employees of subsidiary Companhia Brasilerira de Distribuição CBD in amount of $7,282 (2015 - $4,777), and others in amount of $3 (2015 - $0) that will affect these companies' activities. The provision is estimated based on the cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation date are expected to be in 2016. The restructuring provision was recognized in the statement of income as other expenses.

The development of provisions during the period is as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2015	**731,720**	**426,783**	**13,072**	**16,026**	**1,187,601**
Adjustment from the development of the purchase price allocation process of subsidiaries Companhia Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	-	1,416,281	-	-	1,416,281
Restated balance at December 31, 2015	**731,720**	**1,843,064**	**13,072**	**16,026**	**2,603,882**
Increase	359,997	136,111	10,679	2,081	508,868
Uses	(306)	-	-	(7)	(313)
Payments	(138,382)	-	(8,584)	(13,169)	(160,135)
Reversals (not used)	(125,969)	(12,646)	-	(548)	(139,163)
Increase from the passing of time	48,054	21,076	-	0	69,130
Effect of exchange differences	104,505	270,533	819	(553)	375,304
Other changes	90	1,708	-	14	1,812
Balance at June 30, 2016	**979,709**	**2,259,846**	**15,986**	**3,844**	**3,259,385**

Note 20.1. Other provisions classified as current and non-current

The balance of other provisions, classified as current and non-current is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Current			
Legal proceedings	6,878	21,210	21,210
Taxes other than income tax	5,192	15,212	16,989
Restructuring	15,986	13,072	13,072
Other	113	13,425	13,425
Total other current provisions	**28,169**	**62,919**	**64,696**
Non-current			
Legal proceedings	972,831	710,510	710,510
Taxes other than income tax	2,254,654	411,571	1,826,075
Other	3,731	2,601	2,601
Total other non-current provisions	**3,231,216**	**1,124,682**	**2,539,186**
Total other provisions	**3,259,385**	**1,187,601**	**2,603,882**

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at June 30, 2016 relate to:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	6,878	5,192	15,986	113	28,169
From 1 to 5 years	754,376	583,979	-	3,731	1,342,086
5 years and more	218,455	1,670,675	-	-	1,889,130
Total estimated payments	**979,709**	**2,259,846**	**15,986**	**3,844**	**3,259,385**

Note 21. Trade payables and other accounts payable

The balance of trade payables and other accounts payable at June 30, 2016 is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Current			
Foreign suppliers	10,056,468	13,394,444	13,969,269
Domestic suppliers	1,420,364	2,165,033	1,814,011
Short-term employee benefits	1,114,916	972,916	972,916
Costs and expenses payable	618,140	828,523	738,831
Dividends payable	123,167	34,317	32,724
Funding for the acquisition of assets	102,856	-	89,956
Acquisition of companies	74,639	-	60,502
Other	789,456	1,034,561	982,681
Total current accounts payable	**14,300,006**	**18,429,794**	**18,660,890**
Non-current			
Acquisition of companies	20,935	-	22,290
Funding for the acquisition of assets	3,641	3,184	3,184
Other	14,260	31,005	7,920
Total non-current accounts payable	**38,836**	**34,189**	**33,394**
Total accounts payable	**14,338,842**	**18,463,983**	**18,694,284**

Note 22. Income tax

During the sixe-month period ended June 30, 2016, no changes have been implemented regarding tax rules applied at the closing of the year ended December 31, 2015.

Note 22.1. Current and non-current tax assets and liabilities

The balances of current and non-current tax assets and liabilities recognized in the statement of financial position are:

Current tax assets

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Income tax withholdings for the current year, net of current income tax expense (1).	70,152	113,465	113,465
Income tax for equality CREE withholdings for the current year, net of current CREE tax expense (2)	9,287	-	-
Income tax for equality CREE advance payments	23,136	19,617	19,617
Excess income tax from private assessment (3)	99,009	-	-
Excess income tax for equality CREE from private assessment (3)	109	109	109
Industry and trade tax advance payment and withholdings.	9,150	10,642	10,642
Receivable value added tax from imports	3,512	1,347	1,347
Tax on equity advance payment (foreign affiliates)	21,861	16,836	16,836
Current tax assets of foreign affiliates	1,500,637	938,307	920,396
Total current tax assets	**1,736,853**	**1,100,323**	**1,082,412**

(1) The balance is made as follows:

	June 30, 2016	December 31, 2015
Income tax withholdings	70,909	141,968
Tax discount to be requested	11,933	7,654
Subtotal	**82,842**	**149,622**
Less income tax expense (Note 22.2)	(12,690)	(36,157)
Total income tax paid in advance	**70,152**	**113,465**

(2) The balance is made as follows:

	June 30, 2016 2016
Income tax for equality CREE withholdings	24,066
Subtotal	**24,066**
Less income tax for equality CREE expense (Note 22.2)	(14,779)
Total income tax paid in advance	**9,287**

(3 Relates to the balance receivable arising from 2015 income tax returns and income tax for equality CREE, of the Parent and its affiliates.

Non-current tax assets

The balance relates to taxes receivable from foreign affiliates, basically the ICMS tax (Tax on the Movement of Goods and Services) and the Social Security National Tax.

Current tax liabilities

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Income tax for equality CREE payable (1)	-	7,018	7,018
Industry and trade tax payable	27,234	43,523	43,523
Other taxes payable	2,263	2,181	2,181
Tax on equity payable	26,230	-	-
Current tax liabilities of foreign subsidiaries	761,250	753,254	753,269
Total current tax liabilities	**816,977**	**805,976**	**805,991**

(1) The balance is made as follows:

	December 31, 2015
Income tax for equality CREE payable	50,901
Less income tax for equality CREE withholdings	(43,883)
Income tax for equality CREE payable	**7,018**

Non-current tax liabilities

The balance relates to federal taxes payable and payment by instalments incentives of foreign affiliates.

Note 22.2. Income tax expense

The following is the reconciliation of accounting income to taxable income, and the estimation of tax expense:

	January 1 to June 30, 2016	January 1 to June 30, 2015	January 1 to June 30, 2015 (restated)	April 1 to June 30, 2016	April 1 to June 30, 2015 (restated)
(Loss) earnings before income tax	**(428,169)**	**342,978**	**340,222**	**(366,664)**	**234,200**
Add:					
Receivables written-off	1,260	5,927	5,927	863	4,040
Non-deductible expenses	420	48	48	386	26
Non-deductible taxes	19	45	45	(26)	8
Taxes taken on and revaluation	2,412	10,351	10,351	1,004	306
Fines, penalties and litigation expenses	1,318	1,639	1,639	1,151	1,557
Tax on financial transactions	4,901	3,855	3,855	2,219	(187)
Tax on equity	52,459	59,336	59,336	(3)	234
Tax losses for the year	47,936	5,847	5,847	46,051	5,847
Presumptive Interests	37	3	3	37	3
Excess presumptive income	-	5	5	-	5
Net income - recovery of depreciation of fixed assets sold	8,901	-	-	8,901	-
Reimbursement of deduction from income-generating fixed assets arising from the sale of assets	4,624	-	-	4,624	-
Less:					
Goodwill tax deduction, in addition to the accounting deduction	(14,214)	(20,003)	(20,003)	29,476	(9,800)
40% deduction of investment in income-generating assets	(77,618)	(26,955)	(26,955)	(45,459)	(19,074)
Withdrawal of gain on sale of fixed assets deemed occasional gain	(19,711)	(84,725)	(84,725)	(19,598)	(84,725)
IFRS adjustments with no tax effects	56,053	(164,156)	(158,644)	53,396	(23,521)
Industry and trade tax from prior year paid during current period	(14,411)	-	-	23,081	-
Recovery of provisions	(1,857)	(1,043)	(1,043)	(105)	(256)
Disabled employee deduction	(420)	(253)	(253)	(268)	(101)
Allowance for doubtful accounts	(6,641)	-	-	(5,350)	-
Affiliates effect	392,477	(43,879)	(46,635)	277,305	(43,881)
Net taxable income	**9,776**	**89,020**	**89,020**	**11,021**	**64,681**
Income tax rate	25%	25%	25%	25%	25%
Subtotal income tax	**2,444**	**22,255**	**22,255**	**2,755**	**16,170**
Adjustment to effective rate	12,911	11,820	11,820	2,031	11,820
Occasional gains tax	888	6,258	6,258	888	2,393
Tax discounts	(3,553)	-	-	-	-
Total income tax expense	**12,690**	**40,333**	**40,333**	**5,674**	**30,383**
Income tax for equality CREE expense	**9,075**	**13,233**	**13,233**	**2,869**	**9,668**
Income tax for equality CREE surcharge expense	**5,704**	**8,709**	**8,709**	**1,437**	**6,703**
Current tax from previous year expense (recovery)	**1,715**	**(1,625)**	**(1,625)**	**(7,216)**	**(10,698)**
Foreign subsidiaries current tax expense	**87,394**	**16,184**	**16,184**	**55,144**	**16,184**
Total current income tax	**116,578**	**76,834**	**76,834**	**57,908**	**52,240**

The components of the income tax revenue (expense) recognized in the statement of income are:

	January 1 to June 30, 2016	January 1 to June 30, 2015	January 1 to June 30, 2015 (restated)	April 1 to June 30, 2016	April 1 to June 30, 2015 (restated)
Current income tax (expense)	(116,578)	(76,834)	(76,834)	(57,908)	(52,240)
Deferred income tax revenue (expense)(Note 22.3)	52,079	(10,541)	(9,520)	4,666	(9,538)
Total income tax (expense)	**(64,499)**	**(87,375)**	**(86,354)**	**(53,242)**	**(61,778)**

Note 22.3. Deferred tax

The Company recognizes deferred taxes receivable or payable, arising from temporary differences representing a lower or higher payment of the current year income tax, estimated at the recovery rates expected (tax rates in force 2016 - 40%; 2017 - 42%; 2018 - 43% and 34% as of 2019), provided there is reasonable expectation that such differences will revert in future. Should there be any deferred tax asset, an analysis will be made of whether the Company will generate enough taxable income in future that allow offsetting the asset, in full or in part.

Deferred taxes recognized in the statement of financial position relate to the following items:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Investments at amortized cost	(558)	(76)	(76)
Equity investments	(45,496)	(50,068)	(50,068)
Accounts receivable	7,985	324,700	324,700
Inventories	42,203	41,318	41,318
Real estate for trading	(83)	-	-
Land	(38,837)	(38,704)	(38,704)
Tax consolidation and readjustment	19,733	19,926	19,926
Buildings	(113,260)	(129,037)	(129,037)
Non-operating commercial premises	103	40	40
Investment property	(16,661)	(8,261)	(8,261)
Construction in progress	(18,143)	(16,940)	(16,940)
Other fixed assets	(23,906)	(21,415)	(21,415)
Intangible assets	(73,200)	(542,248)	(542,248)
Deferred charges	12,080	12,885	12,885
Other assets	370,454	8,817	(116,963)
Financial liabilities	2,206	2,664	2,664
Other liabilities	(2,724,648)	(285,195)	(1,946,535)
Total net deferred tax (liabilities)	**(2,600,028)**	**(681,594)**	**(2,468,714)**

Deferred tax assets and liabilities are made as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Deferred tax assets	2,073,217	524,828	399,048
Deferred tax liabilities	(4,673,245)	(1,206,422)	(2,867,762)
Total net deferred tax (liabilities)	**(2,600,028)**	**(681,594)**	**(2,468,714)**

The effect of deferred tax on the statement of income is as follows:

	January 1 to June 30, 2016	January 1 to June 30, 2015	January 1 to June 30, 2015 (restated)	April 1 to June 30, 2016	April 1 to June 30, 2015 (restated)
Deferred income tax 25%	38,588	(22,437)	(21,415)	20,155	(10,506)
Deferred CREE tax 9%	2,440	(16,779)	(16,779)	(4,491)	(3,243)
Deferred CREE tax surcharge 5%	7,417	10,987	10,986	(12,354)	(13,218)
Deferred occasional gains tax 10%	(401)	19,383	19,383	(369)	17,429
Deferred retained earnings Uruguay 7%	4,035	(1,695)	(1,695)	1,725	-
Total deferred tax revenue (expense)	**52,079**	**(10,541)**	**(9,520)**	**4,666**	**(9,538)**

Note 23. Other financial liabilities

The balance of other financial liabilities is as follows:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Bonds issued (1)	851,975	744,330	744,330
Trade papers (2)	488,794	-	-
Derivative financial instruments (3)	363,414	2,351	21,457
Total	**1,704,183**	**746,681**	**765,787**
Current	**741,159**	**32,602**	**32,602**
Non-current	**963,024**	**714,079**	**733,185**

(1) Companhia Brasileira de Distribuição – CBD uses the issuance of bonds to strengthen working capital, maintain its cash strategy, extend its debt profile and make investments. Bonds issued are not convertible, have no renegotiation clauses and are unsecured, exception made of the issue of bonds by subsidiaries, which are endorsed by the Company. Amortization of bonds varies in accordance with the issue.

(2) On January 8, 2016, Companhia Brasileira de Distribuição - CBD issued debt securities maturing on July 6, 2016 and interest of CDI + 1.49% to be paid annually in advance, to strengthen its working capital.

(3) Financial instruments reflect the fair value of forward and swap agreements designated to cover the fluctuation in the exchange rates of investments and liabilities. The fair values of these investments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Parent measures the derivative financial instruments (forward and swap) at fair

value, on each accounting closing date. At December 31, 2015, both asset and liability swaps were shown under one single asset line item. At June 30, 2016, the asset portion is shown under the asset side and the liability portion under the liability side.

Derivative	Less than 1 month	From 1 to 3 months	From 3 to 6 months	More than 6 months	Total
Forward	7,272	23,610	13,844	-	44,726
Swap	122	5,874	51,339	261,353	318,688
Total	**7,394**	**29,484**	**65,183**	**261,353**	**363,414**

Note 24. Transactions with related parties

Note 24.1. Key management personnel compensation

Transactions between the Parent and its subsidiaries and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered into between the parties.

Compensation of key management personnel recognized during the three-month periods ended June 30, 2016 and 2015, is as follows:

	January 1 to June 30, 2016	**January 1 to June 30, 2015**	**April 1 to June 30, 2016**	**April 1 to June 30, 2015**
Short-term employee benefits (1)	56,272	25,058	28,995	12,182
Post-employment benefits	1,495	651	864	306
Termination benefits	-	1453	-	13
Share-based payment plans	3,372	-	1,706	-
Total	**61,139**	**27,162**	**31,565**	**12,501**

(1) Includes compensation to key management personnel of Companhia Brasileira de Distribuição – CBD and Libertad S.A. between January 1 and June 30, 2016.

Note 24.2. Transactions with related parties

Transactions with related parties relate to revenue from the sale of goods and services, as well as to costs and expenses related to risk management and technical assistance support, and to the purchase of goods and services actually received. The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

	Revenue		**Costs and expenses**	
	January 1 to June 30, 2016	**January 1 to June 30, 2015**	**January 1 to June 30, 2016**	**January 1 to June 30, 2015**
Controlling entity (1)	3,631	-	37,190	9,542
Associates (2)	14,942	24,642	14,728	-
Members of the Board	-	-	2,321	403
Grupo Casino companies (3)	41,808	2,024	259,130	13,735
Other related parties (4)	-	90	6,223	4,844
Total	**60,381**	**26,756**	**319,592**	**28,524**

(1) Mainly refer to the reimbursement of expenses incurred by professionals and companies of Grupo Casino to the benefit of Companhia Brasileira de Distribuição - CBD under a "*cost sharing agreement*" Other costs incurred with the controlling entity and other companies under a technical assistance agreement are also included.

Revenues basically relate to the strategic direction agreement entered into with Casino Guichard Perrachon S.A.

(2) Refer to transactions with FIC Promotora de Vendas Ltda. financing company of Companhia Brasileira de Distribuição - CBD. Revenue mainly comes from the reimbursement of expenses arising from the infrastructure contract entered into with this entity, commissions on the sale of financial products and lease of property. Expenses mainly arise from financial expenses related to the discount of accounts receivable (called "cash discount"), and insurance.

During the first quarter of 2015, Cdiscount Colombia S.A.S. was classified as an investment in associate. As of August 31, 2015, with the business combination of the Brazil and Argentina operations through subsidiary Onper Investment 2015 S.L., control of such investment was gained and the investment was classified as a subsidiary.

(3) Revenues mainly arise from the sale of products to Distribution Casino France; sales of technology-related services by Cdiscount Group (consolidated by Companhia Brasileira de Distribuição – CBD); expenses reimbursed by Banque Groupe Casino S.A., and supplier centralized negotiation with IRTS. Costs and expenses related to the Grupo Casino companies mainly refer to delivery services with C´est Chez vous; procurement centralization services with EMC; logistics services with Easydis; power efficiency services with Green Yellow and computer-related services with Viaw Consultoría.

(4) Costs and expenses with other related parties refer to transactions with companies where the shareholders are the beneficial owners of 10% or more of total outstanding shares, members of the Board, legal representatives and/or administrators having a direct or indirect interest equal to or higher than 10% of outstanding shares.

Note 25. Asset impairment

Note 25.1. Financial assets

During the six-month period ended June 30, 2016, no significant losses were recognized from the impairment of financial assets. Note 8 contains information related to the impairment of trade receivables.

Note 25.2. Non-financial assets

At June 30, 2016 there is no objective evidence that, resulting from one or more events occurred after initial recognition, a part or total book value of non-financial assets may be non-recoverable. No losses from the impairment of assets were recognized during the six-month period ended June 30, 2016. The existence of asset impairment losses will be analyzed during the second half of 2016.

Note 26. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities at June 30, 2016 and December 31, 2015 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose book values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors and short-term financial liabilities.

	June 30, 2016		December 31, 2015		December 31, 2015 (restated)	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets						
Loans at amortized cost	21,655	18,658	22,091	19,359	22,091	19,359
Investments in private equity funds	946	946	965	966	966	966
Forward contracts measured at fair value through income	81	81	67,027	67,027	66,271	66,271
Swap contracts measured at fair value through income	-	-	-	-	756	756
Derivative swap contracts denominated as hedge instruments	207,532	207,532	573,174	573,174	592,279	592,279
Investment in bonds	11,873	11,873	5,824	5,824	5,824	5,824
Equity investments	1,046	1,046	1,046	1,046	1,046	1,046
Total	**243,133**	**240,136**	**670,127**	**667,396**	**689,233**	**686,501**
Financial liabilities						
Financial liabilities and finance leases	11,295,980	11,150,120	10,319,796	10,253,184	10,319,796	10,329,607
Put option (1)	281,877	281,877	310,323	310,323	310,323	310,323
Bonds and trade papers issued	1,340,769	1,291,617	744,330	744,330	744,330	858,168
Derivative swap contracts denominated as hedge instruments	312,209	312,209	-	-	19,106	19,106
Forward contracts measured at fair value through income	44,726	44,726	2,351	2,351	2,351	2,351
Swap contracts measured at fair value through income	6,479	6,479	-	-	-	-
Total	**13,282,040**	**13,087,028**	**11,376,800**	**11,310,188**	**11,395,906**	**11,519,555**

(1) In June 2016 the Parent assigned the put option agreement entered into with the holders of non-controlling interest of subsidiary Grupo Disco del Uruguay S.A. to subsidiary Spice Investment Mercosur S.A. Such option is internally measured at fair value, by applying on a periodical basis three formulas previously agreed upon by the parties. The final result of the valuation is the highest value obtained from application of the three methods.

The development of the put option measurement during the period was:

Balance at December 31, 2015	**310,323**
Changes in fair value recognized in Investments (a)	(28,446)
Balance at June 30, 2016	**281,877**

(a) Changes arising mainly from the variations in the US Dollar - Uruguayan peso and US Dollar - Colombian peso exchange rates between valuation dates.

The following methods and assumptions were used to estimate the fair values:

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the Fund unit is given by the pre-closing value for the day, divided by the total number of Fund units on the closing of operations for the day. The appraisal of assets is daily performed by the Fund administrator.	N/A
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The “forward” rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the swap net value at the closing under analysis.	Reference Banking Index Curve (IBR) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. IPC 12 months
Derivative swap contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using CDI curves and discounting them at present value, using swap CDI market rates, both as displayed by BM&FBovespa.	CDI Curve Swap CDI rate
Investment in bonds	Level 1	Market quote prices	Fair value of such investments is calculated as reference to quotes displayed in active markets for the relevant financial instrument.	N/A
Equity investments	Level 1	Market quote prices	The fair value of such investments is determined as reference to the prices displayed in active markets if companies are listed; otherwise, the investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
			commonly used by market participants might generate higher costs than the value of benefits.	

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Put option (1)	Level 3	Given formula	Fair value is measured using a given formula under an agreement entered into with non-controlling interests of Grupo Disco, using level 3 input data.	Net Income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015 Uruguayan peso-US Dollar exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A. .
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (IBR) + Negotiated basis points LIBOR rate + Negotiated basis points
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity dates.	IPC 12 months
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The “forward” rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses Swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the swap net value at the closing under analysis.	Reference Banking Index Curve (IBR) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. IPC 12 months

Not observable material data input and a valuation sensitivity analysis on the valuation of the "*put option*" refer to:

	Not observable significant input data	**Range (weighted average)**	**Input data sensitivity on the calculation of the fair value**
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015	65,643 - 91,040	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	EBITDA of Supermercados Disco del Uruguay S.A. consolidated over 24 months	116,739 - 127,784	
	Consumer price index Uruguay	9.44% - 10.94%	
	Net financial debt of Supermercados Disco del Uruguay consolidated over 6 months	(187,907) - (221,991)	
	Fixed contract price	407,082 - 440,409	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	29.873 - 30.617	
	US Dollar-Colombian peso exchange rate on the date of valuation	2,916.15 - 3,149.47	
	Total shares Supermercados Disco del Uruguay S.A.	443,071,594	

There were no transfers between level 1 and level 2 hierarchies during the period.

Note 27. Contingent assets and liabilities

Note 27.1. Contingent assets

At June 30, 2016 there are no material contingent assets.

Note 27.2. Contingent liabilities

Contingent liabilities relate to:

	June 30, 2016	December 31, 2015	December 31, 2015 (restated)
Legal proceedings (a)	366,823	326,391	326,391
Taxes (b)	7,282,071	8,942,306	6,985,774
Other contingent liabilities (c)	957,101	682,947	762,554
Total	**8,605,995**	**9,951,644**	**8,074,719**

(a) Legal proceeding-related contingent liabilities refer to a requirement by the National Social Security Institute of Brazil INSS to Companhia Brasilerira de Distribuição - CBD on the grounds of its failure to pay social contributions on benefits granted to its employees, among other matters. The requirements are being discussed in administrative and judicial proceedings.

(b) Tax-related contingent liabilities refer to the following proceedings:

- Imposto de Renda Pessoa Juridica (IRPJ), Imposto de Renda Retido na Fonte (IRRF), Contribuição Social sobre o Lucro Líquido (CSLL), Imposto sobre operações financeiras (IOF), Imposto de renda sobre o lucro líquido (ILL): They refer to proceedings on the offsetting of taxes, rules on deductibility of provisions, tax differences, excess payments, fines arising from failure to comply with ancillary obligations, among other minor. Such proceedings are pending administrative and judicial ruling. Such proceedings include those regarding the collection of differences in the receipts of IRPJ for years 2007 to 2013, arising from the incorrect deduction of the amortization of goodwill paid on transactions between shareholders Casino and Abílio Diniz. Contingent liabilities amount to $903,859 (2015 - $1,579,412; 2015 restated - $804,035). IRPJ-related proceedings regarding amortization of goodwill amounted to a $998,522 (2015 - $832,694).

- Tax proceedings resulting from the deduction of amortization expenses during 2012 and 2013, of the goodwill gained upon acquisition of the Ponto Frío trademark in 2009. Amounts involved in the proceedings are $68,267 (2015 - $57,317).

- Sales tax, tax on purchases, tax on bank transactions and tax on industrial products (COFINS, PIS and CPMF and IPI): Refer to offsetting proceedings on IPI credits - inputs subject to zero aliquot or exempt - acquired from third parties, other offsetting requests, collection of taxes with a bearing on soy exports, payment differences, excess payments, fines from the failure to comply with ancillary obligations, no recognition of COFINS and PIS credits on products predominantly single-phase, among other issues. Such proceedings are pending administrative and judicial ruling. These contingent liabilities amount to $1,812,652 (2015 - $1,701,211; 2015 restated - $1,560,642).

- Tax on the Movement of Goods and Services (ICMS): Subsidiary Companhia Brasilerira de Distribuição - CBD received a requirement from tax authorities regarding the appropriation of credits as follows: (i) electric power; (ii) procurement from suppliers deemed disqualified before the register of Secretaria da Fazenda Estadual; (iii) compensation of tax substitution without compliance with the ancillary obligations set forth in Portaria CAT n° 17 of the State of Sao Paulo; (iv) incidents on the goods procurement operation; (v) arising from the trading of extended guarantee; (vi) among others. Such proceedings are pending final administrative and judicial ruling. Such proceedings amount to $4,220,025 (2015 - $5,353,601; 2015 restated - $4,279,870).

- Tax on services (ISS), Brazilian tax on property (IPTU), levies and other: Refer to requirements on third party withholdings, differences in the payment of IPTU, fines from the failure to comply with ancillary obligations, ISS compensation for advertising expenses, and miscellaneous levies. Such proceedings are pending administrative and judicial ruling. The amount involved is $257,177 (2015 - $308,081; 2015 restated - $280,649).

- Parent's tax proceedings: at June 30, 2016, the Parent is pursuing proceedings to obtain nullity of the resolution on changes to the Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of $11,830 (2015 - $0). The purpose of the nullity and restoration of rights action is that the Parent be exempted from paying the amounts claimed by the tax authority. In addition, it is also pursuing proceedings related to real estate revaluation assessment amounting to $1,163 (2015 $1,163); 2005 Industry and Trade tax proceedings $1,010 (2015 $1,010); and proceedings seeking nullity of the resolutions that declared as inapplicable the offsetting of 2008 income tax at Carulla Vivero S.A. $1,088 (2015 $1,088). Finally, it also pursues nullity proceedings against resolutions issued by the Bogotá Treasury Department, by means of which the Bogotá Industry and Trade tax returns for the two-month periods 2, 3, 4, 5 and 6 of 2012 were amended, in amount of $5,000 (2015 - $0); the purpose of such nullity and restoration of rights action is waiving the Parent from paying the amounts claimed by the tax authority.

(c) Other contingent liabilities relate to:

- $847,424 (2015 - $659,946) of subsidiary Companhia Brasilerira de Distribuição - CBD arising from real estate-related actions filed on the grounds of extension of lease agreements at market prices, administrative proceedings brought by regulators such as consumer protection bodies (PROCONs), Instituo Nacional de Metrologia, Normalização e Qualidade Industrial – INMETRO, Agência Nacional de Vigilância Sanitária - ANVISA, among others.

- Parent's $5,000 (2015 - $5,000) related to a collateral granted to Cdiscount Colombia S.A.S on July 13, 2015 to ensure payment of its liabilities to one of its main suppliers, arising from the purchase of goods. In addition, on December 18, 2015, notice was served on the assignment of title to credits with accountability in favor of BBVA in amount of $18,001. On April 8, 2016, Cdiscount Colombia S.A.S. paid to BBVA the invoices assigned, of which the Company was a guarantor.

Such contingent assets, which nature is that of possible assets, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Some of the former and current directors and insurance brokers who handled the initial public offering of Cnova N.V. were sued under a securities collective legal proceeding brought before the New York South District Court, in relation with claims arising from the macroeconomic situation of Brazil and emphasized by the internal review matter. Resulting from this action, Cnova N.V. might incur significant expenses (including, without limitation, major legal fee expenses and other consultant fees, and the obligation to indemnify some former and current directors and the insurance brokers who handled the initial public offering of Cnova N.V., that are or may be involved in this issue. At June 30, 2016, no extension of the potential liability on this matter is foreseen, including, if any, a parallel action that may be taken by the SEC as result of this event, or the internal review conducted by subsidiary Companhia Brasilerira de Distribuição - CBD, Cnova N.V. and its consultants, retained by the Board of Directors of Cnova N.V.

Note 28. Seasonality of transactions

The Parent's and its subsidiaries' operation cycles indicate seasonality in operating and financial results, focused during the first half of the year mainly on the carnivals and Easter holidays, and during the last quarter of the year, mainly on Christmas season; and at the Parent on the second most important promotional event of the year called "Special Price Days".

Note 29. Revenue from ordinary activities

The balance of revenues from ordinary activities generated during the period is as follows:

	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Total retail sales (1)	34,340,978	5,875,329	16,780,029	2,874,862
Other ordinary revenue (2)	2,006,329	168,165	1,025,222	78,569
Revenue from ordinary activities	**36,347,307**	**6,043,494**	**17,805,251**	**2,953,431**

(1) Mainly relates to the sales of goods, net of returns and rebates, and to revenue from the sale of real estate projects. Sales of goods through the Brazil and Argentina operations, acquired in August 2015, are included for 2016.

(2) Represents:

	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Service revenue (a)	1,372,623	117,352	695,957	59,134
Royalty revenue	36,920	43,840	22,217	16,068
Financial services (b)	574,959	-	293,318	-
Other revenue	21,827	6,973	13,730	3,367
Other ordinary revenue	**2,006,329**	**168,165**	**1,025,222**	**78,569**

(a) Mainly includes the revenue from the provision of services by Companhia Brasileira de Distribuição - CBD in amount of $1,104,392 and by Libertad in amount of $46,575 for items such as extended warranties, rental of premises and physical areas at the stores, intermediation and mobile phone credit refills, revenue obtained as non-banking correspondent, among others.

(b) Basically relates to the revenue of subsidiary Companhia Brasileira de Distribuição – CBD from credits granted to its customers upon the sale of goods.

Note 30. Employee benefit expense

The balance of employee benefit expenses incurred during the periods by each significant category is as follows:

Types of employee benefit expenses	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Wages and salaries (1)	2,843,286	463,295	1,513,172	236,505
Contributions to the social security system	14,663	12,562	7,194	6,000
Other short-term employee benefits	312,786	20,934	162,000	10,245
Total short-term employee benefit expenses	**3,170,735**	**496,791**	**1,682,366**	**252,750**
Post-employment benefit expenses, defined contribution plans	42,504	37,543	21,138	18,488
Post-employment benefit expenses, defined benefit plans	1,752	2,028	957	1,549
Total post-employment benefit expenses	**44,256**	**39,571**	**22,095**	**20,037**
Termination benefit expenses	264,416	8,456	161,945	2,033
Other long-term employee benefits (2)	(8,529)	(12,525)	(9,005)	(13,518)
Other personnel expenses	10,339	9,210	6,011	5,283
Total employee benefit expenses	**3,481,217**	**541,503**	**1,863,412**	**266,585**

(1) At June 30, 2016, the wages and salaries line item includes the expense relevant to the new organizational structure of which the administration and management of companies located in Brazil, Argentina and Uruguay are part. In addition, the Parent's expense for the period includes the average 6.96% salary increase (2015 -

4.61%), which had a directly proportional effect on the contributions to the social security system, other short-term employee benefits, post-employment benefit expenses and defined contribution plans. For 2015 the salaries of subsidiaries in Brazil and Argentina are not included in the salaries expense.

(2) Since 2015 some employees agreed to the elimination of the time-of-service bonus, and to receiving instead a single and special bonus; such agreement gave rise to a significant change in the long-term benefit plan, which resulted in an actuarial assessment at June 30, 2016, the outcome of which was a saving of $8,529 (2015 - $12,525).

Note 31. Other operating revenue, other operating expenses and other gains

The operating revenue, other operating expenses and other net gains line items include the effects of the most significant events occurred during the period which would distort the analysis of the Parent's and its subsidiaries' recurrent profitability; these are defined as unusual revenue-generating significant elements which occurrence is exceptional and the effects of the items that given its nature are not included in an assessment of operating performance for the Parent and its subsidiaries, such as impairment losses, disposal of non-current assets and the impact of business combinations, among others.

The balance of other operating revenue, other operating expense and other net gains, is as follows:

	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Other operating revenue				
Recovery of other provisions related to labor legal proceedings	4,620	-	1,047	-
Recovery of other provisions	3,935	1,036	30	-
Reimbursement of ICA-related costs and expenses	1,795	169	43	52
Recovery of other provisions related to civil legal proceedings	1,541	-	1,227	-
Reimbursement of property tax-related costs and expenses	11	184	11	-
Other recurring operating revenue(1)	**11,902**	**1,389**	**2,358**	**52**
Other minor receivables	30	-	30	-
Revenue from the measurement at fair value of interest in companies (2)	-	29,681	-	-
Other non-recurring operating revenue	**30**	**29,681**	**30**	**-**
Total other operating revenue	**11,932**	**31,070**	**2,388**	**52**
Other operating expenses				
Cnova N.V. research expenses (3)	(143,318)	-	(108,321)	-
Restructuring provision expense (4)	(118,869)	-	(73,040)	-
Tax proceeding provision expense (5)	(92,925)	-	(92,925)	-
Tax on wealth expense (6)	(52,459)	(59,336)	-	(234)
Other expenses (7)	(23,331)	(10,137)	(22,478)	(8,718)
Indemnifications expense (8)	(8,998)	(2,500)	(1,106)	(2,500)
Other provisions expense (9)	(23,732)	-	(16,232)	-
Total other operating expenses	**(463,632)**	**(71,973)**	**(314,102)**	**(11,452)**
Other profits, net				
Gain from the sale of property, plant and equipment (10)	3,309	-	3,273	-
Net gain from the sale of intangible assets (11)	-	75,486	-	75,397
Loss from the disposal of property and equipment (12)	(9,854)	(3,775)	(1,960)	(3,726)
Result from the disposal of assets (13)	52,635	-	(26,140)	-
Total other profits, net	**46,090**	**71,711**	**(24,827)**	**71,671**

(1) Other recurring operating revenue relates to revenues that used to be classified as other ordinary revenue. As of June 30, 2016, they will be classified as other operating revenue. For comparison purposes, this new classification was made retrospective to January 1, 2015.

(2) Refers to the gain arising from the measurement at fair value of the 62.49% Company's interest held in Grupo Disco Uruguay prior to the business combination on January 1, 2015.

(3) Refer to expenses from the investigation at Cnova N.V. recognized by subsidiary Companhia Brasileira de Distribuição - CBD.

(4) Refers to the results of the measures implemented by subsidiary Companhia Brasileira de Distribuição - CBD, to adapt the expense structure including all operating and administrative areas, seeking to mitigate the effects of inflation on fixed costs and a reduced dilution of costs.

(5) Refers to the provision booked by subsidiary Companhia Brasileira de Distribuição - CBD, for legal proceedings related with the income tax and other taxes such as: ICMS, PIS/COFINS.

(6) Refers to the tax on wealth introduced by the National Government by means of Law 1739 of December 23, 2014.

(7) Includes expenses incurred in creating real estate vehicles; expenses arising from the closing of stores.

(8) For 2016, refers to expenses from the Parent's restructuring plan, which include the purchase of time-of-service bonuses and operating excellence plan. For 2015, refer to the purchase of time-of-service bonuses expense, as part of the Parent's restructuring plan.

(9) Refers to the amount of provisions for legal proceedings taken on by Companhia Brasileira de Distribuição - CBD and in favor of its subsidiary Via Varejo S.A., pursuant to the association agreement entered into by and between these two companies, wherein Companhia Brasileira de Distribuição - CBD commits to reimburse all amounts arising from lawsuits as of July 2010, for which the former controlling parties of subsidiary Via Varejo S.A. were liable.

(10) Includes a gain in amount of $3,222 arising from the sale of Éxito Belén property.

(11) The balance includes gains in amount of $74,515 arising from the sale to Cafam of the drugstores owned by the Parent, some of which had been operated by Cafam since September 2010, and $882 from the sale of the right to use in construction of Patrimonio Autónomo Villavicencio.

(12) For 2016, includes the Parent's loss in amount of ($1,791) arising from the withdrawal of the improvements to third party properties, and a loss in amount of ($7,893) from derecognition of fixed assets in Grupo Disco Uruguay S.A. For 2015, includes a loss in amount of $3,742 from the contribution of the Éxito Barranquilla property to the Patrimonio Autónomo Barranquilla.

(13) Mainly refers to the sale of the interest in subsidiary Cdiscount Thailand to TCC Group, completed in March 2016 in amount of $78,767 and the losses from the disposal of assets in amount of ($27,013) incurred during the second quarter of 2016.

Note 32. Financial revenue and expense

The balance of financial revenue and expense is as follows:

	January 1 to June 30, 2016	January 1 to June 30, 2015	January 1 to June 30, 2015 (restated)	April 1 to June 30, 2016	April 1 to June 30, 2015
Revenue from interest, cash and cash equivalents	144,362	37,467	37,467	57,912	15,309
Revenue from interest, other securities	127,300	-	-	44,807	-
Gain from derivative financial instruments	19,531	-	-	9,310	-
Gain from exchange difference	229,471	44,393	44,393	48,630	15,216
Other financial revenue	19,429	17,224	12,194	9,721	6,211
Total financial revenue	**540,093**	**99,084**	**94,054**	**170,380**	**36,736**
Interest, borrowings and finance lease expenses (*)	(812,068)	1,644	1,644	(436,034)	2,445
Loss from derivative financial instruments	(171,224)	-	-	(67,029)	-
Loss from exchange difference	(121,251)	(33,148)	(33,148)	(18,920)	(7,971)
Commission expense	(291,829)	(1,191)	(1,191)	(183,944)	(573)
Interest expense, bonds	-	(5,596)	(5,596)	-	(1,601)
Other financial expenses	(120,849)	(14,166)	(14,166)	(84,184)	(7,138)
Total financial expenses	**(1,517,221)**	**(52,457)**	**(52,457)**	**(790,111)**	**(14,838)**

Note 33. Financial risk management policy

During the six-month period ended June 30, 2016, there have not been significant changes to the Parent's and its subsidiaries' risk management policies, or changes in the analysis of risk factors that might have an effect on them, such as the general risk management framework, financial risk management, credit risk, market risk, interest rate risk, currency risk, stock pricing risk and liquidity risk.

Note 34. Dividends declared and paid

At June 30, 2016

The Parent's General Meeting of Shareholders held on March 30, 2016, declared a dividend of $302,457, equivalent to an annual dividend of $675.72 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2016, and January 2017. Dividends paid during the six-month period ended June 30, 2016 amounted to $140,476.

(*) Expressed in Colombian pesos

Dividends declared and paid during the six-month period ended June 30, 2016 to the holders of non-controlling interest in subsidiaries are as follows:

Dividends **Dividends**

	declared	paid
Patrimonio Autónomo Viva Laureles	647	756
Patrimonio Autónomo Viva Sincelejo	1,396	1,415
Patrimonio Autónomo San Pedro Etapa I	669	663
Patrimonio Autónomo Centro Comercial	4,446	2,793
Patrimonio Autónomo Iwana	28	32
Patrimonio Autónomo Viva Villavicencio	5,983	-
Patrimonio Autónomo Viva Palmas	287	-
Grupo Disco Uruguay S.A.	10,852	18,456
Companhia Brasileira de Distribuição - CBD	1,984	1,984
Total	**26,292**	**26,099**

At December 31, 2015

The Parent's General Meeting of Shareholders held on March 17, 2015, declared a dividend of $260,022, equivalent to an annual dividend of $580.92 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2015, and January 2016. Dividends paid during the year ended December 31, 2015 amounted to $254,297. Dividends paid during the six-month period ended June 30, 2016 amounted to $124,354.

(*) Expressed in Colombian pesos

Dividends declared and paid during the six-month period ended December 31, 2015 to the holders of non-controlling interest in subsidiaries are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Laureles	1,926	1,457
Patrimonio Autónomo Viva Sincelejo	3,161	5,021
Patrimonio Autónomo Viva Villavicencio	5,810	-
Patrimonio Autónomo San Pedro Etapa I	2,639	2,545
Patrimonio Autónomo Centro Comercial	7,717	2,793
Patrimonio Autónomo Iwana	214	32
Grupo Disco Uruguay S.A.	19,244	11,640
Companhia Brasileira de Distribuição - CBD	19,720	19,720
Total	**60,431**	**43,208**

Note 35. Information on operating segments

For organizational and management purposes, the Parent and its subsidiaries are focused on nine operating segments divided in four geographic segments, as follows: Colombia (Éxito, Carulla, Descuento & B2B), Brazil (Food, Non Food, E-Commerce), Uruguay and Argentina. For each of the segments there is financial information that is used on an ongoing basis by senior management for making decisions on the operations, allocation of resources and strategic approach.

On its part, total assets and liabilities by segment are not specifically reported internally for management purposes and consequently they are not disclosed in the framework of IFRS 8 - Operating segments.

Reportable segments include development of the following activities:

Colombia:

- Éxito: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Carulla.
- Discount: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Surtimax and Super Inter.
- B2B: The most significant products and services for this segment come solely from retailing activities in B2B format and with stores under the banner Surti wholesaler.

Brazil:

- Food: The most significant products and services for this segment come solely from food trading activities.
- Non Food: The most significant products and services for this segment come solely from the trading of household appliances and other goods other than food.
- E-Commerce: The most significant products and services for this segment come solely from the trading of products through the Internet or electronic commerce.

Argentina and Uruguay:

- The most significant products and services for this segment come solely from retail trading activities. In Argentina with stores under the banner Libertad and Mini Libertad, and in Uruguay with stores under the banner Disco, Devoto and Géant.

The accounting policies of segments being reported are the same as the Parent's accounting policies described in Note 4.

The Parent discloses information by segment pursuant to IFRS 8 - Operating Segments, which are defined as a component of an entity with separate financial information assessed by senior management on an ongoing basis.

Sales by each segment for the six-month periods ended June 30, 2016 and June 30, 2015 are as follows:

Country	Segment	June 30, 2016	June 30, 2015
Colombia	Éxito	3,507,785	3,326,997
	Carulla	757,518	709,857
	Discount	817,947	755,201
	B2B	144,634	117,153
Brazil	Food	16,435,206	-
	Non Food	6,508,325	-
	E-Commerce	4,364,455	-
Argentina		652,337	-
Uruguay		1,156,481	966,121
Total sales		**34,344,688**	**5,875,329**
Eliminations		(3,710)	-
Total consolidated		**34,340,978**	**5,875,329**

Information by geographical area relates to:

	At June 30, 2016						
	Colombia	**Brazil (2)**	**Argentina (2)**	**Uruguay (2)**	**Total**	**Eliminations (1)**	**Total**
Total retail sales	5,227,884	27,307,986	652,337	1,156,481	34,344,688	(3,710)	34,340,978
Trade margin	1,336,407	6,885,166	247,953	401,698	8,871,224	(120)	8,871,104
Total recurring expenses	1,105,292	6,323,641	232,565	294,681	7,956,179	(120)	7,956,059
ROI	231,115	561,525	15,388	107,017	915,045	-	915,045
Recurring EBITDA	353,547	988,569	22,805	104,694	1,469,615	-	1,469,615

	At June 30, 2015						
	Colombia	**Brazil (2)**	**Argentina (2)**	**Uruguay (2)**	**Total**	**Eliminations (1)**	**Total**
Total retail sales	4,909,208	-	-	966,121	5,875,329	-	5,875,329
Trade margin	1,204,079	-	-	338,860	1,542,939	-	1,542,939
Total recurring expenses	996,715	-	-	271,667	1,268,382	-	1,268,382
ROI	207,364	-	-	67,193	274,557	-	274,557
Recurring EBITDA	310,086	-	-	79,145	389,231	-	389,231

	At June 30, 2015, restated						
	Colombia	**Brazil (2)**	**Argentina (2)**	**Uruguay (2)**	**Total**	**Eliminations (1)**	**Total**
Total retail sales	4,909,208	-	-	966,121	5,875,329	-	5,875,329
Trade margin	1,204,079	-	-	338,860	1,542,939	-	1,542,939
Total recurring expenses	996,715	-	-	269,393	1,266,108	-	1,266,108
ROI	207,364	-	-	69,467	276,831	-	276,831
Recurring EBITDA	310,086	-	-	82,149	392,235	-	392,235

(1) Refers to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements.

(2) For information presentation purposes, non-operating companies (holding companies that hold interests in the operating companies) are assigned by segments to the geographical area to which the operating companies belong. Should a holding company hold interests in various operating companies, it is assigned to the most significant operating company.

Note 36. Relevant facts

At June 30, 2016

Revolving trench disbursement

A disbursement in amount of $400,000 was made on January 5, 2016, as part of the revolving trench under the peso contract executed in July 2015.

Investigation against Cnova N.V.

As announced by Companhia Brasileira de Distribuição – CBD and its subsidiary Cnova N.V, on December 18, 2015 certain law firms opened an investigation on the grounds of inventory management practices. Other matters have been included in the investigation, related with accounting topics as timely announced to the market.

During the first half of 2016 and as part of the investigation, other topics were included related with accounting issues regarding "suppliers" and "other accounts receivable", which were announced to the market on January 12, 2016.

With the support of a firm of lawyers, Cnova N.V. management conducted a physical count of inventories at December 31, 2015, including the seven distribution centers located in Brazil. The results of the physical count did not show significant discrepancies in the expected number of new products in stock. However, inconsistencies were identified regarding the appraisal of damaged and/or returned products, which resulted in recognition of a further defective product provision. Also, some inconsistencies mainly related with accounts payable were identified. Likewise, an overestimation of net sales and accounts receivable was identified during the review of net sales, regarding unrecorded returns of goods sold. The relevant financial information at June 30, 2015 is being adjusted retrospectively, regarding the effects of the investigation.

These adjustments are under review to be included in the current purchase price allocation process relevant to this transaction.

Request for arbitration filed by Morzan

On January 27, 2016, the International Court of Arbitration - ICA issued an addendum to its decision wherein it (i) declared that the request filed by Companhia Brasileira de Distribuição – CBD and Wilkes is inadmissible; (ii) partially accepted the request filed by CBD and Wilkes to correct the estimation of fees and expenses payable to Morzan, with a reduction of USD 225,000; and (iii) partially accepted the request filed by Morzan to correct the estimation of fees and expenses payable to Morzan, with an increase of USD 30,000.

The amount initially recognized for this lawsuit was $156,805, taken to current liabilities at the closing of December 31, 2015, under the line item "other accounts payable". On April 1, 2016, the liability updated by the indexes defined by the ICC was $194,990, including legal expenses, liability fully paid on that date.

Cnova class action

In January 2016, certain shareholders of Cnova N.V., some of its officers and directors, and the subscribers of its initial public offer, filed three class action lawsuits against Cnova N.V., on the grounds of alleged infringement of the U.S. Securities Act. Two cases were brought before the District Court of the United States of America, South District of New York, and one before the Supreme Court of the State of New York. The action before the courts of the State of New York was withdrawn from the District Court of the United States of America. Cnova N.V. has stated its belief that the allegations of the plaintiffs lack foundation, and intends to advocate vigorously for its rights.

Such claims undergo preliminary stages and as of the date of this report the outcome cannot be reliably measured. Cnova N.V. has stated its belief that the allegations of the plaintiffs lack foundation, and intends to advocate vigorously for its rights, with the support of specialized American law firms. Neither Companhia Brasileira de Distribuição - CBD nor Vía Varejo S.A. are parties to these claims.

Service of notice by Comissão de Valores Mobiliários do Brasil - CVM

On February 18, 2016, subsidiary Via Varejo was serviced notice by Comissão de Valores Mobiliários do Brasil - CVM, presenting the understanding of the Company Relation Department - SEP, regarding certain accounting entries related with corporate transactions at the level of Via Varejo S.A. in 2013; in addition, Companhia Brasileira de Distribuição – CBD received notice from CVM that discloses the understanding of SEP regarding an accounting entry received by Via Varejo S.A.

CVM notified its understanding, which differs from that of Via Varejo S.A. in 2013 regarding (a) the revaluation of the interest previously held in the sale of the interest of Nova PontoCom to Companhia Brasileira de Distribuição – CBD (such transaction has no effect on the consolidated financial statements); and (b) the accounting treatment of the acquisition of control of Movéis Bartira, arising from the acquisition of an additional 75% interest. Regarding Companhia Brasileira de Distribuição – CBD, the CVM notified its understanding in relation with the above-mentioned subsection (b).

Companhia Brasileira de Distribuição – CBD and its subsidiary Via Varejo S.A. intend to file an appeal before the CVM requesting a suspensive effect in the terms of Deliberation CVM 463.

General Meeting of Shareholders

The Parent's General Meeting of Shareholders was held on March 30, 2016, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2015 and approval of dividend distribution to shareholders.

Appointment of new members of the Board of Directors.

On March 30, 2016, the Parent's General Meeting of Shareholders appointed the following Directors:

a) Independent Members:
    1. Luis Fernando Alarcón Mantilla
    2. Daniel Cortés McAllister
    3. Felipe Ayerbe Muñoz
    4. Ana María Ibáñez Londoño

b) Equity Members:
    1. Yves Desjacques
    2. Philippe Alarcon
    3. Bernard Petit
    4. Hervé Daudin
    5. Matthieu Santon

Appointment of the Statutory Auditor

On March 30, 2016, the Parent's General Meeting of Shareholders approved the proposal to retain Ernst & Young Audit S.A.S. as the Parent's and its Colombian subsidiaries' Statutory Auditor for the period 2016 to 2018.

Termination of a shareholders' agreement

The "Shareholders' Agreement" entered into by and between Casino Guichard Perrachon S.A. and certain Colombian shareholders on November 29, 2010 was terminated on April 7, 2016. Upon termination, all of obligations, commitments, charges and any other relations arising from such Agreement were extinguished to the satisfaction of the parties thereto.

Revolving trench disbursement

A disbursement in amount of $100,000 was made in April 2016, as part of the revolving trench under the peso contract executed in July 2015.

Corporate reorganization of subsidiary Companhia Brasileira de Distribuição - CBD

On April 27, 2016 the Extraordinary General Meeting of Shareholders approved the merger of the net assets of Sendas Distribuidora S.A. Such reorganization was preceded by the following company acts: (i) Redemption of the shares of subsidiary Barcelona retained by subsidiary Novasoc Comercial Ltda; (ii) merger approved on the same date, of total net assets of subsidiary Barcelona into Sendas Distribuidora S.A.; Barcelona was consequently liquidated; and (iii) splitting of part of the net assets of Sendas Distribuidora S.A., also approved on the same date at this subsidiary. The purpose of this reorganization is to simplify the corporate structure, and will be effective with the balances of these entities at April 30, 2016. The reorganization did not have any effects on this subsidiary's consolidated half-yearly information.

Dividend distribution at subsidiary Companhia Brasileira de Distribuição - CBD

During the Extraordinary General Meeting of Shareholders held on April 27, 2016, the shareholders approved the proposal to distribute the dividends relevant to the period ended December 31, 2015, in amount of $98,969, which includes dividends declared earlier.

Exception made of quarterly advances paid during 2015, the subsidiary will pay within 60 days as of April 27, 2016 the amount of $3,327 relevant to the outstanding installment of dividends for 2015. As of April 28, 2016, the shares will be negotiated without right to dividends until the date of payment thereof, which will be timely announced.

At December 31, 2015

Agreement on the sale of trade establishments entered into by and between Almacenes Éxito S.A. and Caja de Compensación Familiar - CAFAM

On February 23, 2015, the Parent entered into a trade establishments sales agreement with Caja de Compensación Familiar - CAFAM, which main purpose was: (i) the sale by Cafam to the Parent of the stores owned by Cafam and operated by the Parent; (ii) the sale by the Parent to Cafam of the drugstores owned by the Parent and operated by Cafam; (iii) the sale by the Parent to Cafam of Carulla drugstores owned by the Parent, and (vi) the termination of the Cooperation Agreement executed on September 23, 2010 setting out each of the parties' obligation to pay to the other a share of the monthly net sales of the stores and drugstores.

Acquisition of 100% of Lanin S.A.

On February 26, 2015 Larenco S.A., a subsidiary domiciled in Uruguay, acquired an additional share interest of 3.18% represented in 98,287 shares of Lanin S.A., owner of Devoto stores in that country.

Such acquisition resulted from the exercise of seller shareholders' right to sell, and consolidated the Parent's 100% interest in Lanin S.A., through Spice Investment Mercosur S.A., owner of 7.37% and Larenco S.A. that consolidates a 92.63% interest.

Exercise of the purchase option on establishments under the Super Inter banner.

On April 15, 2015, the Parent exercised the option to acquire 29 trade establishment under the Súper Inter banner and the intellectual property rights associated to the Súper Inter trademark, title to which was vested in Comercializadora Giraldo Gómez ("Comercializadora"), pursuant to the purchase option agreement executed on February 8, 2014.

The Parent thus acquired ownership of the trade establishments it had been operating since October 2014 under an operation agreement, as well as the trade name, trademarks, slogans and other intellectual property elements associated to the Súper Inter trademark, which right to use had been obtained under a license agreement. Consequently, the operation agreement and the license agreement were terminated, including obligations imposed by such agreements on each of the parties.

Such transaction is completed upon compliance with the requirements of the Superintendence of Industry and Trade to carry out the integration operation, which included the obligation to sell to a competitor 4 out of the 50 trade establishments originally included in the transaction, that is, the sale of 2 out of 19 establishments that were the purpose of the sale-purchase agreement and of 2 of 31 establishments that were the purpose of the operation agreement.

Acquisition of control of Grupo Disco del Uruguay S.A. through Spice Investments Mercosur S.A.

On April 27, 2015, the Parent entered into a Shareholders Agreement relevant to Grupo Disco Uruguay S.A. (GDU), with a two-year term, which granted to it the voting rights of more than 75% of such company and involved the effective control and global consolidation of the financial statements.

Previously, in September 2011, the Parent had acquired a share interest of 62.49% in this company under a situation of joint control arising from the capital structure and the various types of shares, which was accounted for using the equity method until December 31, 2014.

The valuation method used to measure the fair value of the previous interest in GDU was based on the discounted cash flow method.

The Company recognized a profit of $29,681 arising from the measurement at fair value of the 62.49% interest held in GDU prior to the business combination, for the period ended December 31, 2015.

The non-controlling interest in GDU was measured at fair value.

Appointment of new members of the Board of Directors.

Due to the death of Mr. Nicanor Restrepo Santamaría, the Board of Directors and the CEO of the Parent called an extraordinary General Meeting of Shareholders to appoint the new members of the Board for the remaining of the period until 2016.

On June 11, 2015, the Parent's General Meeting of Shareholders confirmed the appointment of 8 of the 9 members of the Parent's Board elected during the ordinary meeting held in March 2014, and as new member appointed Luis Fernando Alarcón Mantilla, who was also appointed as Chairman.

Damage to Almacén Éxito Las Flores in Valledupar.

As a consequence of an act of nature, on June 23, 2015 the premises of Almacén Éxito Las Flores in Valledupar were damaged and technical studies concluded that it was necessary to rebuild the store.

At present, the Parent is in the process of providing the insurance company with supporting evidence of damages.

This store is expected to reopen during the first half of 2016.

Approval of the acquisition of shares of Compañía de Financiamiento TUYA S.A.

On July 1, 2015, the Parent and its subsidiary Almacenes Éxito Inversiones S.A.S. entered into a share sales-purchase agreement with Bancolombia S.A., Fundación Bancolombia and Fondo de Empleados del Grupo Bancolombia, by means of which they will acquire 50% of the outstanding shares of Compañía de Financiamiento Tuya S.A. ("Tuya"), company through which an alliance has been developed over a decade between Bancolombia and the Parent for the promotion of consumer lending on products such as Éxito Credit Card, among others.

Formalization of the contract was conditional, among others, upon the approval by the Colombian Financial Superintendence, which was granted on December 30, 2015. Once all other authorizations required are obtained and paperwork is finalized, the parties will proceed to fulfil their obligations.

Funding of investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

a. Peso credit facility agreement.

   A peso credit facility agreement was entered into on July 29, 2015, by means of which certain Colombian financial institutions granted the Parent a credit facility for up to $3,500,000 (three trillion five hundred billion Colombian pesos). Fiduciaria Bancolombia S.A. was appointed as general partner to the contract.

   An amendment to said agreement was executed on December 21, 2015, including the main following changes to borrowing terms and conditions:

   (i) Amendment to borrowing amounts as per the following detail:

	Total contract value	**Amount disbursed under initial conditions**	**Amount disbursed under current conditions**
10-year long-term loan in millions of pesos	$2,000,000	$1,850,000	$1,850,000
18-month short-term loan in millions of pesos	$1,000,000	$1,000,000	-
5-year medium-term loan in millions of pesos	-	-	$838,000
Revolving credit in millions of pesos with a term of 12 months, renewable	$500,000	$400,000	$400,000
Total	**$3,500,000**	**$3,250,000**	**$3,088,000**
Bridge loan in millions of US Dollars (18 months)	USD400	USD400	-
Syndicated loan in millions of US Dollars (3 years)	-	-	USD450
Total in USD	**USD400**	**USD400**	**USD450**

   (ii) The extension of the weighted average term of repayment from 3.4 to 4.3 years, resulting from:

   - Partial payment of the eighteen-month Short-Term Trench of the Peso Credit Facility agreement.

   - The extension of the remaining Short-Term Trench of the Peso Credit Facility, from 18 months to 5 years (now the "Medium-Term Trench").

   Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Parent in favor of creditors.

b. US Dollar credit facility agreement

A US Dollar credit facility agreement was entered into with Citibank N.A. on July 29, 2015 granting a credit facility available in amount of USD 400,000,000, which was fully disbursed on August 20, 2015.

The bridge loan was repaid and the agreement terminated on December 21, 2015, and instead a three-year syndicated credit facility agreement in US Dollars was entered into with Citigroup Global Markets INC., Banco Santander S.A., BNP Paribas Securities Corp., Credit Agricole Corporate and Investment Bank, J.P. Morgan Securities LLC., The Bank of Nova Scotia, and The Bank of Tokio-Mitsuibishi UFJ, LTD., granting a credit facility available in amount of USD 450,000,000, which was fully disbursed. Citibank N.A. was appointed as general partner to the contract.

Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Parent in favor of creditors.

Investments in Companhia Brasileira de Distribuição - CBD, and Libertad S.A.

In compliance with the share sale-purchase agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição - CBD, a company with domicile in Brazil, in amount of USD 1,536, and 100% of the shares of Libertad S.A., a company domiciled in Argentina, at a value of USD 293.

Changes in administrative structure

On September 1, 2015, the Parent's Board appointed Mr. Carlos Mario Díez Gómez, who occupied the position of Retail Vice-President, as Chief Operating Officer of the Retail operation in Colombia; the creation of the International Business Vice-President position, to be occupied by Mr. José Gabriel Loaiza Herrera, who was formerly the Commercial and Supply Vice-President; and finally, appointed the following Vice-Presidents: Jacky Yanovich Mizrachi as Sales and Operations Vice-President and Carlos Ariel Gómez Gutierrez as Commercial Vice-President.

Action seeking protection of fundamental rights ("acción de tutela") arising from the investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

Notice of the final decision for the Parent, under the appeal of the acción de tutela proceedings brought by a Parent's minority shareholder was served on December 10, 2015. The appeal court found that there was no violation of the fundamental rights of said shareholder.

Request for arbitration filed by Morzan

On August 14, 2015, Companhia Brasileira de Distribuição – CBD and its controlling shareholder Wilkes were ordered by the International Court of Arbitration - ICA to jointly pay an indemnification to Morzan Empreendimentos e Participações Ltda. ("Morzan") on the grounds that both companies failed to comply with the terms of the purchase-sale agreement executed by subsidiary Mandala Empreendimentos e Participações SA on June 8, 2009 (the "Agreement") for the acquisition of 86,962,965 nominative ordinary shares, with no par value, representing at that time 70.2421% of the total and voting capital of Globex Utilidades SA (currently Via Varejo SA).

On November 17, 2015, Companhia Brasileira de Distribuição – CBD filed a request before the Paris Appeal Court to demand suspension of the arbitration award. Companhia Brasileira de Distribuição – CBD has a term until April 2016 to submit the reasons supporting its request.

Investigation against Cnova N.V.

As announced by Companhia Brasileira de Distribuição – CBD and its subsidiary Cnova N.V, on December 18, 2015, certain law firms opened an investigation on the grounds of inventory management practices. Other matters have been included in the investigation, related with accounting topics as timely announced to the market.

The effects of the investigation related to prior years represent 45% of the total effect registered in 2015; they have been assessed and defined as immaterial by the management of Companhia Brasileira de Distribuição – CBD taking into consideration the effect on each item of the financial statements, as well as on the overall financial statements. Such conclusion was reached by the Management of Companhia Brasileira de Distribuição – CBD after analyzing quantitative and qualitative aspects of the subject matter.

In preparing the financial statements for the period ended December 31, 2015, Companhia Brasileira de Distribuição – CBD takes all information available into consideration and does not believe that the new information on the investigation by law firms shall have a significant effect or lead to a change in the adjustments recognized.

In allocating the purchase price of the interest in Companhia Brasileira de Distribuição – CBD, the Group recognized in equity the amount of $114,640 as an adjustment of the measurement period.

Merger of subsidiaries

a. Sé Supermercado Ltda.

The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Sé Supermercados Ltda. into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits.

Since it is the merger of a globally consolidated subsidiary, there is no effect on the consolidated financial statements.

b. Nova Holding

The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Nova Holding into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits and in the optimization of the structure of the entrepreneurial group.

Since it is the merger of a globally consolidated subsidiary, there is no effect on the consolidated financial statements.

Note 37. Events subsequent to the reporting period

Issue of trade papers by subsidiary Companhia Brasileira de Distribuição - CBD

During a meeting held on July 14, 2016, the Board of Directors approved the collecting of $455,115 (R $500 million) via the second public issue of trade papers. Their main purpose of this issue is reinforcing working capital.

Incorporation of Viva Malls

The Patrimonio Autónomo Viva Malls was incorporated by means of public deed 679 granted on July 15, 2016 before the Notary 31 of Medellín; it is a real estate vehicle, intended for developing the Parent's real estate projects. The incorporation was completed with the contribution of 5 shopping malls, namely Puerta del Norte, Viva Buenaventura, Viva Wajiira, Viva Laureles and Viva Palmas, and of 8 commercial galleries, namely Éxito Cartagena, Éxito Colombia, Éxito Country, Éxito La 33, Éxito La Flora, Éxito Occidente, Éxito Pasto and Éxito San Antonio. This real estate vehicle is 100% owned by the Parent.