# Almacenes Éxito S.A.

## Consolidated Financial Results 3Q17

### For the third quarter and nine-month period ended September 30, 2017

***Envigado, Colombia, November 14, 2017 Almacenes Éxito S.A.*** *("Éxito" or "the Company" – BVC, Colombian Stock Exchange: ÉXITO; ADR Program: ALAXL), announces its results for the period ended September 30, 2017. All figures are expressed in COP – Colombian Pesos. All comparisons are with the same period last year, except when stated otherwise. Via Varejo S.A., treated as a discontinued operation in the quarterly financial statements of GPA as of September 30, 2017, due to the ongoing divestment process as announced in the material fact notice of November 23, 2016, with a retrospective adjustment of net sales and other profit or loss accounts, as required under IFRS 5/CPC 31 and approved by CVM Resolution 598/09 – sale of non-current assets and discontinued operations.*

## Solid performance from GPA continued to benefit consolidated results

### KEY BUSINESS HIGHLIGHTS

### Operating Highlights

- Net result and EPS improved levels.
- GPA increasing contribution to results ratifies the strategic decision to diversify within the region.
- Growth of consolidated top line and EBITDA despite a lower food inflation trend in the region.
- Annual synergies target (USD $50M) already reached during 3Q17.
- Consolidated Group Capital Expenditures was COP$626,000 million.

### Financial Highlights

- **Net Sales** totalled COP$13.7 billion driven by low double-digit growth in Brazil and high single-digit growth in Uruguay.
- **Recurring Ebitda** grew 5.5% to COP$670,127 million to a 4.8% margin.
- **Recurring Operating Income** reached COP$414,084 million to a 3.0% margin.
- **Net Income Group Share** was COP$30,339 million in 9M17 from a net loss of COP$147,971million in 9M16.

### Outlook

- LatAm synergy outlook exceeding USD$50 million.
- Mid-term economic recovery expected in Colombia, Brazil and Argentina.
- Focus on cost and expense control activities.
- Expansion focus on high-return formats such as cash and carry in Brazil and Colombia.
- High potential from store conversions and renovations of premium stores.

*"The results in 3Q17 keeps us confident about the strategy followed on each of the countries in where the Company operates. In Brazil we highlight the positive figures and growth of the food business through Assaí, Extra and Pão de Açúcar. In Colombia, the expansion of Surtimayorista, the innovation with Carulla Fresh Market and the cost cutting strategies will create differentiation in the long-run. In Uruguay, the convenience format with Devoto Express, continues as strong contributor to results, and in Argentina, we see the country to show evidence of economic recovery and a real estate business that continues to contribute to the results".* ***Carlos Mario Giraldo - CEO Grupo Éxito.***

## I. Consolidated Financial and Operational Performance

### Consolidated Income Statement

| | 3Q17 In COP M | 3Q16 In COP M | %Var | 9M17 In COP M | 9M16 In COP M | %Var |
|---|---|---|---|---|---|---|
| **Net Revenues** | **13,919,543** | **12,823,243** | 8.5% | **40,713,177** | **36,668,832** | 11.0% |
| **Gross Profit** | **3,193,655** | **3,033,663** | 5.3% | **10,000,949** | **8,865,298** | 12.8% |
| *Gross Margin* | *22.9%* | *23.7%* | | *24.6%* | *24.2%* | |
| **SG&A expenses** | **-2,779,571** | **-2,625,897** | 5.9% | **-8,348,078** | **-7,640,481** | 9.3% |
| *SG&A/Net Revenues* | *-20.0%* | *-20.5%* | | *-20.5%* | *-20.8%* | |
| **Recurring Operating Income** | **414,084** | **407,766** | 1.5% | **1,652,871** | **1,224,817** | 34.9% |
| *Recurring Operating margin* | *3.0%* | *3.2%* | | *4.1%* | *3.3%* | |
| **Operating Income (Ebit)** | **290,622** | **373,310** | -22.1% | **1,332,230** | **973,743** | 36.8% |
| *Operating margin* | *2.1%* | *2.9%* | | *3.3%* | *2.7%* | |
| **Net Income Group Share** | **-31,331** | **-100,278** | N/A | **30,339** | **-147,971** | N/A |
| *Net margin* | *-0.2%* | *-0.8%* | | *0.1%* | *-0.4%* | |
| **Recurring EBITDA** | **670,127** | **635,319** | 5.5% | **2,403,242** | **1,873,120** | 28.3% |
| *Recurring EBITDA margin* | *4.8%* | *5.0%* | | *5.9%* | *5.1%* | |
| **EBITDA** | **546,665** | **600,863** | -9.0% | **2,082,601** | **1,622,046** | 28.4% |
| *EBITDA margin* | *3.9%* | *4.7%* | | *5.1%* | *4.4%* | |

*Note: Consolidated statements of income as of September 30, 2016 include the effects of the restatement of the discontinued operation relevant to Via Varejo S.A. and Cnova N.V. for comparison purposes to 2017.*

- **Consolidated Net Revenues** grew by 8.5% in 3Q17 and by 11.0% in the first 9 month of 2017, driven by the strong **Net Sales** performance in Brazil, Uruguay and Argentina. It is rewarding to see that our investment in Brazil continues contributing strongly to the consolidated performance of Grupo Éxito and ratifies the accuracy of the investment diversification within the region.

- The lower contribution of the food category to sales (58.7% of the mix vs 62.2% in 3Q16) reflected an inflation deceleration trend in the region while the non-food benefitted by the performance of entertainment and the textile categories.

- **Other Operating Revenues** were also a strong contributor with an important 35.6% grow driven mainly by the performance and contribution of complementary business, particularly real estate in both Colombia and Argentina.

- **Gross Profit** grew by 5.3% and margin was 22.9% derived mainly from the mix of sales and the still challenging consumer environment within the region. 9M17 gross profit grew by 40 basis points and margin reached 24.6% as percentage of Net Revenues.

- **SG&A expenses** decreased as percentage of Net Revenues both in 3Q17 and YTD versus the same period last year. The lower expense trend in 2017 confirms the continuous benefit from productivity efforts and other cost-cutting initiatives despite the effect of high inflation from last year.

| Consolidated | 3Q16 | 4Q16 | 1Q17 | 2Q17 | 3Q17 |
|---|---|---|---|---|---|
| SG&A expenses growth | 15.0% | 17.8% | 10.9% | 9.0% | 5.9% |

- **Recurring Operating Income** grew by 1.5% in 3Q17 and by 34.9% in the first 9 months of the year versus the same period in 2016. Recurring Operating margin grew 80 basis points YTD to 4.1% margin driven mainly by the solid performance of our operation in Brazil.

- **Recurring EBITDA** grew by 5.5% and 28.3% and margin was 4.8% and 5.9% in 3Q17 and 9M17 respectively. Margin improvement YTD reflected the strong top line and gross profit growth and lower expenditure levels from productivity efforts.

- **The consolidated Net Result** in 3Q17 was COP $-31,331 M that compares to the COP $-100,278 Net Result obtained in the same period last year.


The **Net Group Share Result** in 3Q17 had an improvement of near COP$70.000 M over the 3Q16 derived from:

- **Strong operational performance of Brazil.**

- **Better financial result** as interest rates are dropping in Colombia and Brazil.

In the first 9 months of 2017, the Company reached a **Net Income Group Share** of **COP $30,339 M,** which compares to the loss of **COP -$147.971 M** obtained in the same period last year.

### Earnings per Share (EPS)

- Diluted EPS was COP-$69,99 per common share**.**

### Capex

- **The level of Consolidated Capital Expenditures** in 3Q17 was COP$626,000 M, of which 60% was allocated to retail and real estate expansions as well as conversions and the remaining 40% was used in maintaining and supporting operational structures, updating IT systems and for logistics.

- In Colombia, Capital Expenditures reached COP$92,000 M in 3Q17 of which nearly 40% corresponded to real estate projects, including the construction of Viva Envigado and Viva Tunja projects.

**Food Retail Expansion**

- In Colombia, the Company opened 3 Éxito, 2 Super Inter and 2 Surtimayorista stores (from conversions) and added 84 “Aliados”. In Brazil, the Company opened 3 Minuto Pão de Açúcar, 1 Pão de Açúcar and 5 Assaí stores (4 converted from Extra Hiper). In Uruguay the Company opened 2 Devoto Express stores.

- As a net result, during 3Q17, Grupo Éxito ended the period with 1,557 food retail stores, geographically diversified with 573 stores in Colombia, 871 in Brazil, 83 in Uruguay and 30 in Argentina. Stores in Brazil do not include pharmacies, gas stations and stores from the discontinued business unit of Via Varejo. The Company´s consolidated selling area reached 2.75 million square meters.

**Real Estate Expansion**

- In Colombia, the Company moved forward on the construction of Viva Envigado, which is at 47% completion and is expected to open by the 2H18. The construction of Viva Tunja advanced by 20% and the shopping mall is expected to open by the 4Q18.

- In Argentina, the construction of Paseo San Juan advanced and finally opened in mid-October. With the reopening of Paseo San Juan as well as efficiencies achieved through sales area redesigns, the gross leasable areas in Argentina reached 167,000 sqm. Paseo Rivera Indarte shopping mall is also advancing with 90% completion and expected to open by mid-December.

- In Brazil, the Company reopened the commercial centre at Extra Interlagos and added over 2,400 square meters of gross leasable areas to existing spaces and reaching a 100% occupancy rate.

**Strategic Activities**

- Grupo Éxito was included in the Dow Jones Sustainability Emerging Markets index for the 5th consecutive year.

## II. Financial and Operational Performance by Country

### Net Sales - Colombia

| | 3Q17 | | | Adjusted by calendar (1) | | 9M 2017 | | | Adjusted by calendar (1) | |
|---|---|---|---|---|---|---|---|---|---|---|
| In COP M | Net Sales | % Var. Net Sales | %Var. SSS | % Var. Total | % Var. SSS | Net Sales | Var. Net Sales | Var. SSS | Var. Net Sales | Var. SSS |
| **Total Colombia** | **2,573,838** | **-3.7%** | **-5.6%** | **-4.1%** | **-6.0%** | **7,688,960** | **-2.9%** | **-4.1%** | **-2.7%** | **-4.0%** |
| Éxito | 1,754,060 | -3.3% | -4.8% | -3.8% | -5.2% | 5,239,367 | -1.6% | -3.2% | -1.6% | -3.2% |
| Carulla | 363,673 | -5.2% | -5.6% | -5.4% | -5.9% | 1,096,486 | -3.9% | -4.5% | -3.5% | -4.1% |
| Surtimax + Super Inter | 371,648 | -8.6% | -10.1% | -8.9% | -10.3% | 1,137,695 | -7.1% | -7.9% | -6.6% | -7.4% |
| B2B(2) + Other | 84,457 | 26.3% | 8.9% | 26.3% | 8.9% | 215,412 | -4.8% | 1.5% | -4.8% | 1.5% |

1) % Var. Net Sales and SSS including calendar effect of +0.4% for the Q and -0.1% YTD.
2) B2B: Sales from Allies, Institutional, 3rd party sellers and Surtimayorista.

- The macro environment in Colombia in 3Q17 had mixed trends. There was a high unemployment rate (9.2%) and a still negative consumer confidence level (-10.3) versus the same period last year. In contrast, consumption in the country seemed to enter in a recovery face derived from the further reduction in interest rates YOY of 250 basis points and the lower inflationary trend (-330 bps) versus the same period last year. Thus, retail sales --- excluding gas and vehicles –posted a 1.5% growth during the third quarter of 2017.

- Grupo Éxito´s **Net Sales in Colombia** reached COP $2.57 billion and suffered an annual contraction of 4.1% in 3Q17 adjusted by the calendar effect versus the same period last year (-3.7% when including a calendar effect of 0.4%). Top line included sales from 30 stores opened in the last 12 months. In the first 9M of the year, Net Sales in Colombia decreased by 2.7% adjusted by the calendar effect versus the same period last year.

- Top line performance in Colombia was negatively affected by the lower inflationary trend. The CPI index was reduced by 330 bps from 7.3% in 3Q16 to 4.0% in 3Q17, led mainly by food inflation deceleration (from 10.6% in 3Q16 to 2.2% in 3Q17). The plunge in food inflation (-840 bps) strongly affected sales, considering the high mix of the food category within the Company´s sales, which was 72.9% in 3Q17. The non-food category benefited from the increased share and growth in electronics.

- **Same-store sales in Colombia** decreased by 6.0% in 3Q17 adjusted by the calendar effect (-5.6% including the calendar effect) and by 4.0% adjusted by the calendar effect during the first 9M of the year.

- The **Éxito** segment gained 30 basis points and represented approximately 68% of the sales mix in Colombia. Sales experienced a decrease of 3.8% in 3Q17 adjusted by the calendar effect and a decrease of 1.6% in the first 9M of the year and adjusted by the calendar effect mainly derived mainly from the supermarket format. In terms of like-for-like, Éxito posted a decrease of 5.2% in 3Q17 and of 3.2% in the first 9M of the year both adjusted by the calendar effect.

- The premium and the low-cost segments each represented approximately 14% of the sales mix. The performance of Carulla, Surtimax and Super Inter was strongly affected by the lower food inflation level considering the high mix of the category within their sales (97%). Nevertheless, the Carulla banner continued posting healthy low-double digit EBITDA margin while Super Inter and Surtimax registered a mid-single digit profitability at the operational level reflecting the Company´s profitable expansion strategy that compares to the aggressive non-profitable expansion at any cost seen from other players.

- Sales in the **B2B and the Other** segment represented approximately 4% of the mix and included a sales growth from the 1,243 "Aliados" as of 3Q17 and a +27% sales growth of the cash and carry store "Surtimayorista". Surtimayorista benefitted from 4 profitable stores opened year-to-date that grew sales by 2.7 times per square meter versus the previous banner on-site. Notably the expected store base increased from the initially guided 3 to 8 stores in 2017.

- Sales in Colombia were also benefitted by the strong omnichannel contribution (+20%, mainly ecommerce, market place and home delivery).

## Operating Performance in Colombia

| Colombia | 3Q17 | 3Q16 | | 9M17 | 9M16 | |
|---|---|---|---|---|---|---|
| | In COP M | In COP M | 3Q17/16 | In COP M | In COP M | 9M17/16 |
| **Net Sales** | **2,573,838** | **2,671,908** | -3.7% | **7,688,960** | **7,914,555** | -2.9% |
| **Other Revenues** | **122,865** | **99,684** | 23.3% | **347,120** | **308,547** | 12.5% |
| **Net Revenues** | **2,696,703** | **2,771,592** | -2.7% | **8,036,080** | **8,223,102** | -2.3% |
| **Gross Profit** | **640,437** | **679,741** | -5.8% | **1,972,142** | **2,019,340** | -2.3% |
| *Gross Margin* | *23.7%* | *24.5%* | | *24.5%* | *24.6%* | |
| **SG&A Expenses** | **-587,303** | **-565,391** | 3.9% | **-1,767,769** | **-1,683,646** | 5.0% |
| *SG&A /Net Revenues* | *-21.8%* | *-20.4%* | | *-22.0%* | *-20.5%* | |
| **Recurring Operating Income** | **53,134** | **114,350** | -53.5% | **204,373** | **335,694** | -39.1% |
| *Recurring Operating margin* | *2.0%* | *4.1%* | | *2.5%* | *4.1%* | |
| **Recurring EBITDA** | **115,105** | **171,742** | -33.0% | **388,614** | **516,611** | -24.8% |
| *Recurring EBITDA margin* | *4.3%* | *6.2%* | | *4.8%* | *6.3%* | |

- Quarterly **Net Revenues** decreased by 2.7% in 3Q17 and by 2.3% YTD negatively affected by a lower food inflation index. The top line performance benefited from the growth of revenues from complementary businesses, mainly the real estate business that grew near 30% during the quarter and despite the reduction of revenues from the financial business versus the same period last year, reflecting the country´s weak consumption and indebtedness trend YTD.

- **Gross margin** levels in 3Q17 reflected the negative effect derived from mix and lower sales. **Gross Margin** in the first 9M of the year had a slight decrease of 10 bps and was 24.5% as percentage of Net Revenues benefited by YTD improvements in productivity levels mainly from lower shrinkage as percentage of sales, lower logistic cost and focus on decreasing inventories.

- **SG&A** expenses in 3Q17 (+3.9%) grew below the rate posted in last 8 quarters. The lowest increase versus 2Q17 (+6.3%) and the YTD level reached (+5.0%), reflecting the strong internal focus on efforts to control the higher inflation level from last year (5.75%) and its negative effect on the expense base. Activities to optimize SG&A expenses including operating efficiencies and productivity at stores enabled them to reach their lowest level to date.

| Colombia | 4Q15 | 1Q16 | 2Q16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 | 3Q17 |
|---|---|---|---|---|---|---|---|---|
| SG&A expenses growth | 8.2% | 10.4% | 13.1% | 14.5% | 9.4% | 4.9% | 6.3% | 3.9% |

- **Recurring Operating Margin** was 2.0% in 3Q17 and 2.5% YTD while **Recurring EBITDA** margin was 4.3% and 4.8% respectively. Margins reflected productivity efforts offset by a weak top line performance due mainly to food inflation deceleration and cost pressures.

- In summary, the Company´s sales performance in Colombia reflected the negative effect of lower food inflation that offset the benefit from increased revenues mainly from the real estate business. Grupo Éxito benefitted from clear actions to control cost and expenses and maintained a fairly stable yearly gross margin and a decreasing expenditure trend despite a challenging consumer environment.

## Net Sales - Brazil

| | 3Q17 | | | 9M 2017 | | |
|---|---|---|---|---|---|---|
| In COP M | Net Sales | Var. Net Sales (1) | Var. SSS (1) | Net Sales | Var. Net Sales (1) | Var. SSS (1) |
| **Total Brazil** | **10,171,471** | **8.1%** | **3.3%** | **29,534,066** | **8.7%** | **4.7%** |

(1) Variations in sales and SSS in local currency and adjusted for the calendar effect. Brazil's food figures include: Multivarejo + Assaí. Via Varejo registered as a discontinued operation

- Brazil continued with high unemployment levels and a weak consumer spending trend that has not reacted yet to the lower inflation and repo rates. Despite the challenging environment, GPA has managed to outperform the industry and obtained market share gains reflecting the accuracy of the Company´s strategies.

- **Net sales at GPA** related to the food business reached COP$10.2 billion in 3Q17and COP$29.5 billion in the first 9M of 2017. Sales in Brazil rose 8.1% and LFL by 3.3%, in terms of local currency in 3Q17 and adjusted by the calendar effect, versus the same period last year. Sales and SSS performance at GPA grew strongly sustained by the solid growth at Assaí, despite the sharp quarterly food deflation in Brazil versus last year and versus the previous quarter.

- Assaí posted a solid 25.2% sales growth and a 7.7% LFL level in terms of local currency when adjusted by the calendar effect, which significantly outpaced inflation and food deflation. The banner posted the strongest combined growth in sales volume and customer traffic of recent quarters, derived from the solid performance of new stores as well as from converted boxes from the Extra Hiper banner demonstrating the banner´s acceptance among customers.

- Assaí´s successful expansion plan included 17 stores opened with 9 store conversions from the Extra Hiper banner in the last twelve months, for a total count of 115 Assaí stores year-to-date. In 3Q17, 5 Assaí stores opened while 4 were converted from Extra Hiper. The outcome of conversions continued delivering sales growth of nearly 3.0x which for instance, contributed +290 bps to Assaí´s quarterly sales.

- Assaí´s solid performance offset the deflationary effect and the strong comparison base as a result of commercial actions implemented, including the development of new categories and improved purchasing by centralizing activities with local suppliers. The banner increased its sales contribution to the food segment to 42.9%, +590 basis points versus the same period last year. Store maturity and higher traffic allowed the banner to gain 330 basis points of market share in 3Q17 versus the same period in 2016.

- Multivarejo posted positive SSS levels in terms of local currency and market share gains versus last year despite the closing of stores due to the conversion plan (15 hypermarkets YTD, negative impact over 300 bps) and the deflationary food trend affecting its high mix on total sales. In 3Q17, Multivarejo improved its trend of sales volume and customer traffic benefitting from accurate commercial activities implemented. The segment benefitted by the sales and volume recovery at the Pão de Açúcar banner while the Extra Hiper delivered the best SSS performance among formats and continued gaining market share for the 12th consecutive quarter.

- The recovery at Pão de Açúcar stemmed from a product assortment review and the launching of iconic products as well as from assertive commercial strategies such as "My Discount" program and the "Collect & Win" promotion. The "My Discount" program registered 3 million app downloads, increased the customer base by 1 million with promotions representing 25% of customers at the Pão de Açúcar banner and 20% at the Extra banner. The segment posted a sales volume recovery of approximately 12% driven by a higher average ticket in 3Q17 versus the previous quarter. The Company also launched a plan to renovate approximately 50 Pão de Açúcar stores by year-end, of which 11 stores will be fully renovated while the other 39 will be partially renovated.

- Extra Hiper delivered the best LFL performance among all banners and posted increases both in volume and traffic despite the negative effect of food deflation, driven by the growth of non-food categories and commercial initiatives such as the transversal activity "1,2,3 Saving Steps".

- Extra Super´s performance in real terms improved in 3Q17 versus the previous quarter as well as posted a significant improvement in sales volume during the period despite the negative effect of food deflation and the challenging macro environment.

- In terms of food retail expansion --- during 3Q17 the Company opened 3 Minuto Pão de Açúcar, 1 Pão de Açúcar and 5 Assaí stores (4 converted from Extra Hiper). 9 additional stores are in the conversion process for 4Q17 totalling 16 stores by year-end.

## Operating performance in Brazil

| Brazil<br>Food Segment | 3Q17<br>In COP M | 3Q16<br>In COP M | 3Q17/16 | 9M17<br>In COP M | 9M16<br>In COP M | 9M17/16 |
|---|---|---|---|---|---|---|
| **Net Sales** | 10,171,471 | 9,114,806 | 11.6% | 29,534,066 | 25,550,555 | 15.6% |
| **Other Revenues** | 79,667 | 47,365 | 68.2% | 214,885 | 155,143 | 38.5% |
| **Net Revenues** | 10,251,138 | 9,162,171 | 11.9% | 29,748,951 | 25,705,698 | 15.7% |
| **Gross Profit** | 2,228,082 | 2,043,319 | 9.0% | 7,037,512 | 5,900,009 | 19.3% |
| *Gross Margin* | *21.7%* | *22.3%* | | *23.7%* | *23.0%* | |
| **SG&A Expenses** | -1,900,939 | -1,786,094 | 6.4% | -5,728,842 | -5,169,482 | 10.8% |
| *SG&A /Net Revenues* | *-18.5%* | *-19.5%* | | *-19.3%* | *-20.1%* | |
| **Recurring Operating Income** | 327,143 | 257,225 | 27.2% | 1,308,670 | 730,527 | 79.1% |
| *Recurring Operating margin* | *3.2%* | *2.8%* | | *4.4%* | *2.8%* | |
| **Recurring EBITDA** | 511,125 | 419,748 | 21.8% | 1,844,490 | 1,185,340 | 55.6% |
| *Recurring EBITDA margin* | *5.0%* | *4.6%* | | *6.2%* | *4.6%* | |

Note: 3Q17 and 3Q16 data do not include Via Varejo S.A and Cnova N.V. operations (classified as discontinued operations).

- Low double-digit **Net Revenues** growth in Colombian Pesos despite food deflation derived from the consistent customer and volume growth at Assaí, solid performance at Extra Hiper and the recovery of the Pao de Açúcar banner. Other revenues were also a strong contributor posting a 68.2% growth in Colombian Pesos. **Net Revenues** grew by 15.7% and other revenues by 38.5% in the first 9 month of 2017.

- **Gross Profit** rose by 9.0% versus last year to a margin of 21.7% in 3Q17 in Colombian Pesos. The margin performance in local currency benefited from very precise commercial strategies, the maturing of Assaí stores and low shrinkage levels derived from synergy initiatives.

- **SG&A** expenses grew below inflation in local currency by 100 bps from efficiency and productivity initiatives at Multivarejo (lower electricity and headcount) that offset the requirements derived from conversions and the expansion plan at Assaí.

- **Recurring Operating Income** in 3Q17 grew by 27.2% in Colombian Pesos and margin went from 2.8% to 3.2%. In the first 9M17, **Recurring Operating Income** grew by 79.1% in Colombian Pesos and margin went from 2.8% to 4.4% versus the same period of last year.

- **Recurring EBITDA** in Colombian Pesos grew by 21.8% and margin went from 4.6% to 5.0% in 3Q17. In local currency, Recurring EBITDA grew 40 bps, benefited by margin expansion both at Multivarejo and Assaí from gross margin expansion and expense dilution. In the first 9M17, **Recurring EBITDA** grew by 55.6% in Colombian Pesos and margin went from 4.6% to 6.2% versus the same period of last year.

- The solid performance of GPA despite the food deflationary trend and still weak macro in Brazil, showed the benefits of the Company´s clear focus and efforts on operational improvements. GPA strong contribution to consolidated results, benefited Grupo Éxito´s outcome and confirms the accuracy of the investment in this important asset.

## Net Sales and Operating Performance in Uruguay

| Uruguay | 3Q17 In COP M | 3Q16 In COP M | 3Q17/16 | 9M17 In COP M | 9M16 In COP M | 9M17/16 |
|---|---|---|---|---|---|---|
| **Net Sales** | 611,919 | 566,162 | 8.1% | 1,884,257 | 1,722,643 | 9.4% |
| **Other Revenues** | 3,979 | 3,537 | 12.5% | 15,243 | 17,409 | -12.4% |
| **Net Revenues** | 615,898 | 569,699 | 8.1% | 1,899,500 | 1,740,052 | 9.2% |
| **Gross Profit** | 204,549 | 199,400 | 2.6% | 639,328 | 601,916 | 6.2% |
| *Gross Margin* | *33.2%* | *35.0%* | | *33.7%* | *34.6%* | |
| **SG&A Expenses** | -171,199 | -172,084 | -0.5% | -511,975 | -467,583 | 9.5% |
| *SG&A /Net Revenues* | *-27.8%* | *-30.2%* | | *-27.0%* | *-26.9%* | |
| **Recurring Operating Income** | 33,350 | 27,316 | 22.1% | 127,353 | 134,333 | -5.2% |
| *Recurring Operating margin* | *5.4%* | *4.8%* | | *6.7%* | *7.7%* | |
| **Recurring EBITDA** | 39,553 | 31,715 | 24.7% | 145,833 | 136,408 | 6.9% |
| *Recurring EBITDA margin* | *6.4%* | *5.6%* | | *7.7%* | *7.8%* | |

- The macroeconomic environment in Uruguay improved and benefitted from a lower inflationary trend (5.75% in 3Q17 versus 8.9% in 3Q16) as well as posted an improved unemployment rate (7.8% vs 8.4% respectively).

- **Net sales** in Uruguay grew by 5.7% in local currency, in line with inflation, and by 8.1% in Colombian Pesos in 3Q17 versus the same period last year. The food sales mix in Uruguay gained 70 basis points to 87.7% in 3Q17. Notably, the fresh category grew despite a strong food inflation decrease during the period while the textile category posted low double-digit growth. The convenience format continued contributing to sales, growing by over 80% in the 3Q17 versus the same period last year, strongly benefitted by the rapid expansion of Devoto Express stores.

- Same-store-sales levels in Uruguay grew by 4.0% in 3Q17 in local currency when adjusted for the calendar effect, benefitted mainly by the fresh category and the non-food segment led by textiles and electronics.

- Notably, we had a solid performance in the top line and SSS levels in Uruguay, despite a slow-down in inflation, especially in food as the index went from 9.2% in 3Q16 to 2.1% in 3Q17, taking into account the high mix of the food category in the Company´s sales in the country.

- In the first 9 months of the year, net sales in the country grew 6.8% and 5.0% in terms of LFL in local currency and 9.4% in Colombian Pesos.

- Quarterly **Net Revenues** rose by 8.1% and up 9.4% in Colombian Pesos in the first 9 months versus the same period last year.

- **Gross Profit** in 3Q17 grew by 2.6% in Colombian Pesos and the margin was 33.2% as a percentage of Net Revenues. Margins were affected by increased promotional activity, logistic cost growing over inflation as well as and the mix effect from the higher stake of the express format on the Company´s sales. Gross profit in the first 9 months of 2017 grew by 6.2% in Colombian Pesos at a margin of 33.7% as a percentage of Net Revenues.

- **SG&A** expenses decreased by 0.5% in 3Q17 and margin improved by 10 bps in the first 9 months of the year as percentage of Net Revenues. Quarterly expenses mainly related to wage increases (+10.1%) were way over inflation and other related higher commissions to transactions (+12%) and property taxes (+7.4%) were offset by the Company´s efforts focused on operational efficiencies, productivity plans to reduce the staff base (-150 FTEs) and much lower marketing expenses (-12%).

- **Recurring Operating Income** margin grew strongly by 22.1% to 5.4% in 3Q17 while the margin reached 6.7% year-to-date. **Recurring EBITDA** margin also gained 80 basis points to 6.4% in 3Q17 and was 7.7% year-to-date.

- Margins in Uruguay continued performing positively with healthy retail profitability levels despite lower consumer confidence and strong pressure of CPI on expenses, due to the Company´s optimization plan.

## Net Sales and Operating Performance in Argentina

| Argentina | 3Q17 | 3Q16 | | 9M17 | 9M16 | |
|---|---|---|---|---|---|---|
| | In COP M | In COP M | 3Q17/16 | In COP M | In COP M | 9M17/16 |
| **Net Sales** | **341,195** | **308,380** | 10.6% | **982,062** | **960,717** | 2.2% |
| **Other Revenues** | **21,792** | **16,898** | 29.0% | **59,535** | **48,822** | 21.9% |
| **Net Revenues** | **362,987** | **325,278** | 11.6% | **1,041,597** | **1,009,539** | 3.2% |
| **Gross Profit** | **122,058** | **111,482** | 9.5% | **354,991** | **344,432** | 3.1% |
| *Gross Margin* | *33.6%* | *34.3%* | | *34.1%* | *34.1%* | |
| **SG&A Expenses** | **-121,601** | **-102,607** | 18.5% | **-342,516** | **-320,169** | 7.0% |
| *SG&A /Net Revenues* | *-33.5%* | *-31.5%* | | *-32.9%* | *-31.7%* | |
| **Recurring Operating Income** | **457** | **8,875** | -94.9% | **12,475** | **24,263** | -48.6% |
| *Recurring Operating margin* | *0.1%* | *2.7%* | | *1.2%* | *2.4%* | |
| **Recurring EBITDA** | **4,344** | **12,114** | -64.1% | **24,305** | **34,761** | -30.1% |
| *Recurring EBITDA margin* | *1.2%* | *3.7%* | | *2.3%* | *3.4%* | |

- The macro environment in Argentina has experienced signs of recovery in the last months versus the trend seen in previous quarters. In 3Q17, the repo rate decreased to 26.25% and the country experienced the strongest inflation deceleration trend of all our 4 operations in LatAm (from 43.5% in 3Q16 to 24.6% in 3Q17). These elements improved the consumer sentiment in the country, although, the recovery has not been economically material yet. Retail sales remained weak and according to CAME contracted by 2.3% year-to-September versus the same period last year, an improvement versus the 3.0% decreased reported as of the 2Q17. Argentina also seems to have a less volatile political environment at this time.

- Libertad **Net sales** in 3Q17 grew by 10.6% in Colombian pesos. Net sales and SSS in local currency seemed benefited by the improved macro trend and posted a growth of 26.1%. The net sales performance of Libertad was solid amidst the still complex consumption environment and the lower inflation level (-1.890 basis points). Net sales benefited from the increased contribution of convenience stores and growth volume at hypermarkets and strong performance of non-food categories such as electronics and textiles. The textile category excelled and recorded 74% sales growth in the quarter with 55% growth in the first 9M of the year versus the same period last year. The strong performance of apparel was driven by the successful implementation of the textile model, present now at 15 of our hypermarkets.

- The food mix in Argentina grew by 40 bps in 3Q17 versus the same period last year to 74.8% mainly driven by expansion in convenience.

- **Quarterly Net Revenues** growth in 3Q17 reflected a positive retail sales performance and the continued solid contribution of the real estate business.

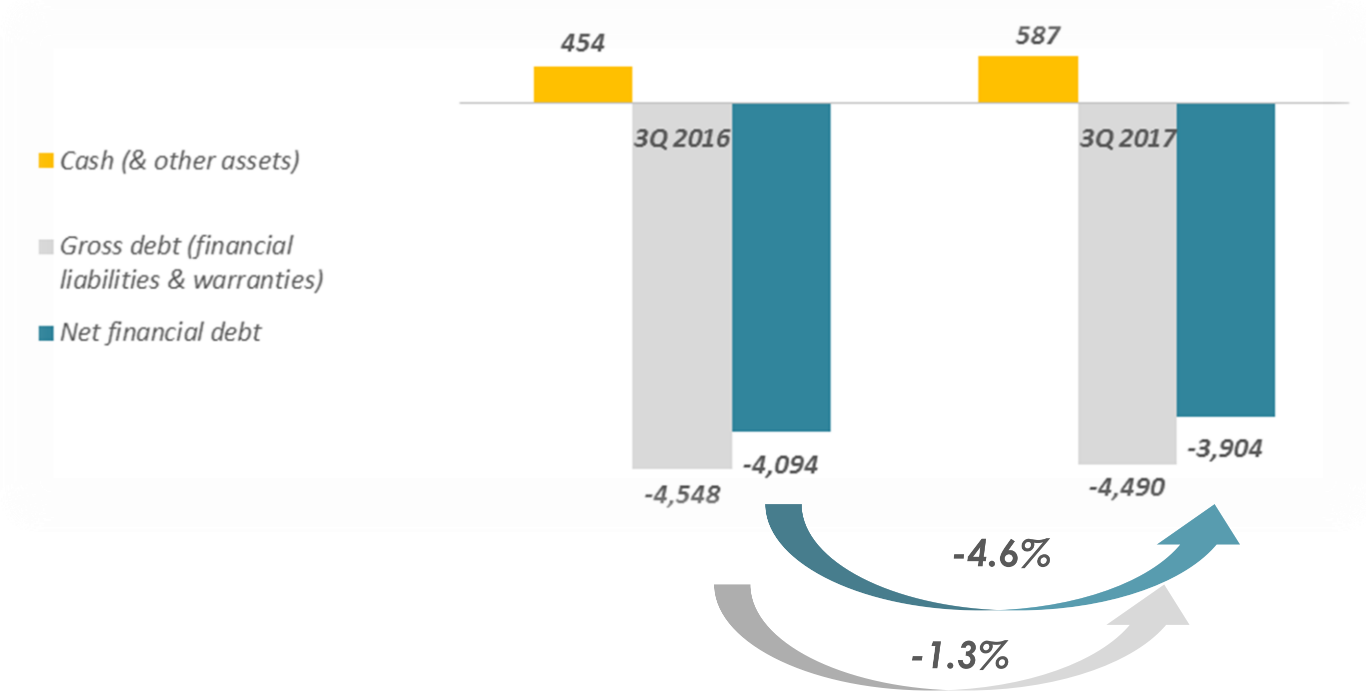
- **Gross Profit** in 3Q17 posted a 33.6% margin as a percentage of Net Revenues negatively impacted by commercial activities and mix effect due to the increased share of fresh, partially benefited by the strong contribution of the real estate business. In the first 9 months of the year, gross margin remained stable at 34.1% as percentage of Net Revenues.

- **SG&A** expenses grew by 18.5% in Colombian pesos and slightly below inflation in local currency. Expenses mainly related to labour cost increasing strongly above inflation (+40%) partially mitigated by productivity efforts. 9M17 **SG&A** expenses reflected the effect of the 40% inflation in 2016.

- **Recurring Operating and Ebitda Margin** decrease in 3Q17 and in the first 9M of the year reflected the improved trend of the top line and strong contribution of the real estate offset by the negative effect of last year 40% inflation affecting the cost and expense level.

The Company expects that the improved political environment and early signs of macro recovery in Argentina, will continue to positively influence the consumption trend in the county and benefit the performance of Libertad in the coming quarters.

## III. Financial Performance at Holding Level




**Net Debt holding level**

- In 3Q17, the NFD at the holding level closed at approximately COP$3.9 billion, representing a decrease of 4.6% versus the level in 3Q16, related to the cash centralization at the holding level and optimization of receivables collection, among others.
- Interest rates related to the Company´s debt were below IBR3M + 3.5% in COP and below LIBOR3M + 1.75% in USD.
- The repo rate in 3Q17 of 5.25% was 250 bps lower than the one posted versus the same period last year (7.75%).

**Cash at holding level**

- In 3Q17, the cash at the holding level closed at approximately COP$587,000 M, representing an increase of 29.3% versus the level in 3Q16. The cash flow level increase of COP$133,000 M stemmed mainly from WK improvements.

## IV. International Strategy and Synergy Process

### Company´s International Strategy and the Synergy Process Follow Up

- Synergies captured as of 3Q17 in value **exceeded the yearly target in 2017 of at least USD$50M.**

- **Grupo Éxito confirms that the expected run rate from synergies** will exceed initial guidance of USD$50 M in recurring gains in 2017 at consolidated level.

**LatAm**

- Joint negotiation in categories for indirect purchasing of items (shopping carts, baskets, plastic bags, among others).
- Exchange of best practises to reduce shrinkage in perishables.
- Joint commodity purchasing.

**Brazil**

- Execution of the textile project with the implementation in around 40 Extra Hiper stores in 2017.

**Colombia**

- Surtimayorista stores are already profitable and grew sales by 2.7 times per square meter versus the previous format. The positive result obtained from our cash and carry format led us to increase our expected store openings from 3 - as initially guided - to a total of 8 stores in 2017.

**Uruguay & Argentina**

- The Company continued its expansion plan in Uruguay and Argentina – mainly focused on opening of proximity formats.

## V. Outlook

### LatAm

Strategic Priorities

- LatAm integration with benefits at the recurrent operational profit level. Run rate benefits from synergies in 2017 exceeding USD$50 M through 18 initiatives across the 4 countries, mainly related to: the launch of a renewed loyalty program in Brazil; the exchange of best practices between Colombia and Brazil in supply chain to reduce shrinkage in perishables; and other synergies derived from the ongoing integration process between countries.
- The gradual decrease of interest rates in Colombia and Brazil may lower financial expenses and trigger consumption levels.
- Mid-term economic recovery expected in Colombia, Brazil and Argentina.
- Focus on cost and expense control activities.
- Expansion focus on high-return formats such as cash and carry in Brazil and Colombia.
- High potential from store conversions and renovations of premium stores.

### Colombia

Strategic Priorities

- Grupo Éxito continues focusing on cost and expense control activities and in profitable expansion to maintain profitability.
- Strengthening the differentiation of the textile, the fresh model from Super Inter, allies, unbeatable and private label penetration to defend the Company´s market positioning and to improve sales volumes in the country.
- The recently announced loyalty program "Puntos Colombia" may improve the Company´s strength for traffic monetization in the near future and a high potential for optimizing Grupo Éxito´s intangible asset base.

Guidance

- Opening 25 to 30 stores in profitable formats mainly in mid-sized cities to avoid cannibalization, including 8 cash and carry stores, for a sales expansion of nearly 35,000 square meters in 2017.
- Real estate expansion of Viva Malls will represent additional 120k sqm of GLA in 2018.
- Capex around COP$300,000 M.

### Brazil

Strategic Priorities

- Assaí openings (5 stores) and conversions (15 stores).

- Focus on food segment.

Guidance

- Colombian textile business model implemented in 40 stores in Brazil by year-end.
- Market share gains at Multivarejo and Assaí.
- Recurring EBITDA Margin around 5.5% in the food segment derived from higher profitability in Assaí and stability in Multivarejo.
- CapEx around R$1.2 billion.

**Uruguay**

Strategic Priorities

- To maintain solid margin levels and to continue strengthening market share.

Guidance

- Expanding in high-return formats --- such as with the opening of 10 to 15 Devoto Express stores.

**Argentina**

Strategic Priorities

- Strengthening the real estate business as the Company´s key business unit in the country.

Guidance:

- To construct GLA of nearly 35.000 square meters in the next 2/3 years.

## VI. Additional Information

### Conference Call Details

Almacenes Éxito S.A. Cordially invites you to participate in its Third Quarter 2017 Earnings Conference Call

Date: Wednesday, November 15, 2017
Time: 9:00 a.m. Eastern Time
9:00 a.m. Colombia Time

To participate, please dial:
U.S. Toll Free 1 888 771 4371
Colombia Toll Free: 01 800 9 156 924
International (outside U.S. dial): +1 847.585.4405

**Conference ID Number: 45894744**

3Q17 results will be accompanied by a webcast presentation and audio webcast that will be available on the company's website at www.grupoexito.com.co under "Investors" or
http://event.onlineseminarsolutions.com/wcc/r/1536632-1/402653EE4B643209361CE9A50B17D223?partnerref=rss-events

### Upcoming Financial Publications

Fourth Quarter 2017 Earnings Release – February TBC, 2018

### IR and PR contacts

**María Fernanda Moreno R**.
Investor Relations Director
+ (574) 604 96 96 ext. 306560
maria.morenorodriguez@grupo-Éxito.com
Cr 48 No. 32B Sur – 139 –Envigado, Colombia

**Claudia Moreno B.**
PR and Communications Director
+ (574) 604 96 96 ext. 305174
claudia.moreno@grupo-Éxito.com
Cr 48 No. 32B Sur – 139 – Envigado, Colombia

## Company Description

Grupo Éxito is one of the largest multinationals in Colombia and a relevant food retailer in Latin America. The Company has clear competitive advantages derived from its strength in bricks and mortar and the value of their brands, supported by the quality of its human resource. Grupo Éxito also leads an e-commerce strategy and diversifies its revenues with a sound set of complementary businesses to enhance its retail offering.

In 2016, Consolidated Net Revenues totalled COP$51.6 billion derived from retail sales and its strong portfolio of complementary businesses: credit card, travel, insurance and real estate with shopping malls in Colombia, Brazil and Argentina. The Company operates near to 1.600 stores: in Colombia with Grupo Éxito; in Brazil with Grupo Pão de Açúcar; in Uruguay with Grupo Disco and Grupo Devoto, and in Argentina with Libertad. Grupo Éxito is also the e-commerce leader in Colombia with exito.com and carulla.com.

Grupo Éxito´s solid omni-channel model and multi-format and multi-brand strategies make it the leader in all modern retail segments. The Company´s hypermarkets lead under the Éxito, Extra, Geant and Libertad brands; in premium supermarkets under the Carulla, Pão de Açúcar, Disco and Devoto brands; in proximity under the Carulla, Éxito, Devoto and Libertad Express and Minuto Pão de Açúcar brands. In discount, the Company leads with Surtimax and Super Inter brands and in Cash and Carry with Assai and Surtimayorista.

## Disclaimer

Consolidated statements of income as of September 30, 2016 include the effects of the restatement of the discontinued operation relevant to Via Varejo S.A. and Cnova N.V. for comparison purposes to 2017.

## VII. Appendices

### Notes:

- Numbers expressed in COP billion represent 1.000.000.000.000.
- Growth and variations expressed versus the same period last year, except when stated otherwise.

### Glossary

- **Consolidated results:** includes Almacenes Éxito results with Colombian and international subsidiaries.
- **Holding results:** includes Almacenes Éxito results without Colombian and international subsidiaries.
- **Colombia results:** includes the consolidation of Almacenes Éxito S.A. and its subsidiaries in the country.
- **Total Net Sales:** sales related to the retail business.
- **Adjusted sales:** sales excluding the calendar effect.
- **Other Revenues:** revenues related to complementary businesses (real estate, insurance, financial services, transportation business unit, etc.) and other revenues.
- **Net Revenues:** total revenues related to Total Net Sales and Other Revenues.
- **Recurring Operating Income (ROI):** Includes the Gross Profit adjusted by SG&A expenses and D&A.
- **EBIT:** Recurring Operating Income adjusted for the Other Non-Recurring Operational Income/Expense result.
- **Recurring EBITDA:** Measure of profitability that includes ROI adjusted for D&A.
- **EBITDA:** Measure of profitability that includes EBIT adjusted for D&A.
- **Net Income Group Share:** Net Income attributable to Grupo Éxito's Shareholders.
- **EPS:** Earnings Per Share calculated on an entirely diluted basis.
- **Financial Result:** impacts of interests, derivatives, financial assets/liabilities valuation, FX changes and other related to cash, debt and other financial assets/liabilities.

# Consolidated Financial Statements

## 1. Consolidated P&L

| Consolidated Income Statement | 3Q17 In COP M | 3Q16 In COP M | 3Q17/16 | 9M17 In COP M | 9M16 In COP M | 9M17/16 |
|---|---|---|---|---|---|---|
| Net Sales | 13,692,439 | 12,655,713 | 8.2% | 40,079,420 | 36,139,367 | 10.9% |
| Other Revenues | 227,104 | 167,530 | 35.6% | 633,757 | 529,465 | 19.7% |
| **Net Revenues** | **13,919,543** | **12,823,243** | **8.5%** | **40,713,177** | **36,668,832** | **11.0%** |
| Cost of Sales | -10,725,888 | -9,789,580 | 9.6% | -30,712,228 | -27,803,534 | 10.5% |
| % of Net Revenues | -77.1% | -76.3% | | -75.4% | -75.8% | |
| **Gross Profit** | **3,193,655** | **3,033,663** | **5.3%** | **10,000,949** | **8,865,298** | **12.8%** |
| % of Net Revenues | 22.9% | 23.7% | | 24.6% | 24.2% | |
| SG&A | -2,523,528 | -2,398,344 | 5.2% | -7,597,707 | -6,992,178 | 8.7% |
| % of Net Revenues | -18.1% | -18.7% | | -18.7% | -19.1% | |
| Depreciation and Amortization | -256,043 | -227,553 | 12.5% | -750,371 | -648,303 | 15.7% |
| % of Net Revenues | -1.8% | -1.8% | | -1.8% | -1.8% | |
| **Total SG&A** | **-2,779,571** | **-2,625,897** | **5.9%** | **-8,348,078** | **-7,640,481** | **9.3%** |
| % of Net Revenues | -20.0% | -20.5% | | -20.5% | -20.8% | |
| **Recurring Operating Income (ROI)** | **414,084** | **407,766** | **1.5%** | **1,652,871** | **1,224,817** | **34.9%** |
| % of Net Revenues | 3.0% | 3.2% | | 4.1% | 3.3% | |
| Non - Recurring income and expenses | -123,462 | -34,456 | N/A | -320,641 | -251,074 | 27.7% |
| % of Net Revenues | -0.9% | -0.3% | | -0.8% | -0.7% | |
| **Operating Income (EBIT)** | **290,622** | **373,310** | **-22.1%** | **1,332,230** | **973,743** | **36.8%** |
| % of Net Revenues | 2.1% | 2.9% | | 3.3% | 2.7% | |
| Net Financial Income | -250,626 | -346,378 | -27.6% | -810,724 | -909,926 | -10.9% |
| % of Net Revenues | -1.8% | -2.7% | | -2.0% | -2.5% | |
| Income from associates & joint ventures | -8,097 | 13,196 | N/A | -41,381 | 50,175 | N/A |
| % of Net Revenues | -0.1% | 0.1% | | -0.1% | 0.1% | |
| **EBT** | **31,899** | **40,128** | **N/A** | **480,125** | **113,992** | **N/A** |
| % of Net Revenues | 0.2% | 0.3% | | 1.2% | 0.3% | |
| Income Tax | -38,813 | -99,695 | -61.1% | -134,286 | -142,920 | -6.0% |
| % of Net Revenues | -0.3% | -0.8% | | -0.3% | -0.4% | |
| **Net Income** | **-6,914** | **-59,567** | **N/A** | **345,839** | **-28,928** | **N/A** |
| % of Net Revenues | 0.0% | -0.5% | | 0.8% | -0.1% | |
| Net Income of discontinued operations | 57,072 | -282,786 | N/A | 173,779 | -804,838 | N/A |
| % of Net Revenues | 0.4% | -2.2% | | 0.4% | -2.2% | |
| Non-controlling interests | -81,489 | 242,075 | N/A | -489,279 | 685,795 | N/A |
| % of Net Revenues | -0.6% | 1.9% | | -1.2% | 1.9% | |
| **Net income Group Share** | **-31,331** | **-100,278** | **N/A** | **30,339** | **-147,971** | **N/A** |
| % of Net Revenues | -0.2% | -0.8% | | 0.1% | -0.4% | |
| **Recurring EBITDA** | **670,127** | **635,319** | **5.5%** | **2,403,242** | **1,873,120** | **28.3%** |
| % of Net Revenues | 4.8% | 5.0% | | 5.9% | 5.1% | |
| **EBITDA** | **546,665** | **600,863** | **-9.0%** | **2,082,601** | **1,622,046** | **28.4%** |
| % of Net Revenues | 3.9% | 4.7% | | 5.1% | 4.4% | |

## 2. Consolidated Balance Sheet

| Consolidated Balance Sheet (In Millions of COP) | Sep 2017 | Dec 2016 | Var % |
|---|---|---|---|
| ASSETS | 57,234,833 | 61,024,095 | -6.2% |
| **Current Assets** | **28,151,980** | **32,628,094** | **-13.7%** |
| Cash & Cash Equivalents | 2,059,010 | 6,117,844 | -66.3% |
| Inventories | 5,977,547 | 5,778,173 | 3.5% |
| Accounts receivable | 1,505,420 | 1,132,750 | 32.9% |
| Assets for taxes | 506,291 | 875,185 | -42.2% |
| Non-current assets held for sale | 17,803,793 | 18,429,787 | -3.4% |
| Others | 299,919 | 294,355 | 1.9% |
| **Non-current Assets** | **29,082,853** | **28,396,001** | **2.4%** |
| Goodwill | 5,583,692 | 5,616,136 | -0.6% |
| Other intangible assets | 5,647,591 | 5,663,422 | -0.3% |
| Property, plant and equipment | 12,225,481 | 12,256,656 | -0.3% |
| Investment Properties | 1,957,251 | 1,843,593 | 6.2% |
| Investments in associates and JVs | 915,086 | 1,068,087 | -14.3% |
| Deferred tax assets | - | - | NA |
| Assets for taxes | 1,244,388 | 581,947 | 113.8% |
| Others | 1,509,364 | 1,366,160 | 10.5% |

| Consolidated Balance Sheet (In Millions of COP) | Sep 2017 | Dec 2016 | Var % |
|---|---|---|---|
| LIABILITIES | 37,497,695 | 41,912,886 | -10.5% |
| **Current Liabilities** | **26,299,712** | **30,853,598** | **-14.8%** |
| Trade Payables | 9,028,078 | 11,537,028 | -21.7% |
| Borrowing-Short Term | 2,314,497 | 2,963,111 | -21.9% |
| Other financial liabilities | 635,676 | 805,413 | -21.1% |
| Non-current liabilities held for sale | 13,687,869 | 14,592,207 | -6.2% |
| Liabillities for taxes | 195,635 | 303,418 | -35.5% |
| Others | 437,957 | 652,421 | -32.9% |
| **Non-current Liabilities** | **11,197,983** | **11,059,288** | **1.3%** |
| Trade Payables | 47,639 | 42,357 | 12.5% |
| Borrowing-Long Term | 4,145,449 | 4,354,879 | -4.8% |
| Other provisions | 2,459,964 | 2,706,629 | -9.1% |
| Deferred tax liabilities | 1,425,076 | 1,508,720 | -5.5% |
| Liabillities for taxes | 631,944 | 502,452 | 25.8% |
| Others | 2,487,911 | 1,944,251 | 28.0% |
| **Shareholder´s Equity** | **19,737,138** | **19,111,209** | **3.3%** |
| Non-controlling interests | 11,985,699 | 11,389,522 | 5.2% |
| Shareholder´s Equity | 7,751,439 | 7,721,687 | 0.4% |

## 3. Consolidated Cash Flow

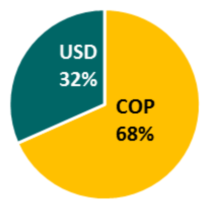
| Summary Consolidated Cash Flow Statement (In miilions of COP) | 9M 2017 | 9M 2016 | % Var |
|---|---|---|---|
| **Profit (loss)** | **519,618** | **- 833,766** | **-162.32%** |
| Adjustment to reconciliate Net Income | (4,789,806) | (5,127,390) | -6.6% |
| Cash Net provided (used) in Operating Activities | (4,285,891) | (6,336,895) | -32.4% |
| Cash Net provided (used) in Invesmtent Activities | (1,454,124) | (1,267,790) | 14.7% |
| Cash net provided (used) in Financing Activities | (1,570,856) | 936,387 | -267.8% |
| **Increase (decresase) Net of cash and cash equivalents before the FX rate changes** | **- 7,310,871** | **- 6,668,298** | **9.64%** |
| Effects on FX changes on cash and Cash equivalents | 37,900 | 865,578 | -95.6% |
| Ajustes por Interés minoritario | - | - | |
| **Increase (decresase) Net of cash and cash equivalents** | **- 7,272,971** | **- 5,802,720** | **25.34%** |
| Ending Balance of Cash of Non-Current Assets held for sale | **3,710,833** | **-** | **NA** |
| **Opening Balance of Cash and cash equivalents** | **6,117,844** | **10,068,717** | **-39.24%** |
| Ending Balance of Cash of Non-Current Assets held for sale | **496,696** | **581,239** | **-14.55%** |
| **Ending Balance of Cash and cash equivalents** | **2,059,010** | **3,684,758** | **-44.12%** |

## 4. Debt by Country- Currency and Maturity

| 30 September 2017, (millions of COP) | Colombia | Uruguay | Brazil | Argentina | Consolidated |
|---|---|---|---|---|---|
| Short-term debt | 1,174,688 | 381,241 | 1,318,821 | 75,422 | 2,950,173 |
| Long-term debt | 3,445,938 - | 0 | 3,078,234 | - | 6,524,173 |
| **Total gross debt (1)** | **4,620,626** | **381,241** | **4,397,056** | **75,422** | **9,474,346** |
| Cash and cash equivalents | 752,790 | 106,904 | 1,170,745 | 28,570 | 2,059,010 |
| **Net debt** | **3,867,836** | **274,337** | **3,226,311** | **46,852** | **7,415,336** |

*(1) Debt without contingent warranties and letters of credit*

**Holding Gross Debt (2) by currency**




*(2) Debt at the nominal amount*

### Holding Gross debt by maturity

| 30 September 2017, (millions of COP) | Nominal amount (3) | Nature of interest rate | Maturity Date | 30/09/2017 (3) |
|---|---|---|---|---|
| Long term | 1,850,000 | Floating | August 2025 | 1,557,515 |
| Mid term COP | 838,000 | Floating | December 2020 | 838,000 |
| Mid term - Bilateral | 158,380 | Fixed | April 2019 | 158,380 |
| Mid term USD | 1,321,502 | Floating | December 2018 | 1,321,502 |
| Revolving credit facility - Syndicated | 500,000 | Floating | August 2018 | 370,000 |
| Revolving credit facility - Bilateral | 100,000 | Floating | August 2018 | 100,000 |
| Short term - Bilateral USD | 79,290 | Floating | November 2017 (4) | 79,290 |
| **Total gross debt** | **4,847,171** | | | **4,424,686** |

*(3) The loans in USD were converted to COP using the Central Bank's closing exchange rate as of September 30th, 2017 (2,936.67)*

*(4) With option to extend up to November 2018*

## 5. P&L and Capex by Country

| In COP M | Colombia 3Q17 | Brazil 3Q17 | Uruguay 3Q17 | Argentina 3Q17 | Consolidated 3Q17 |
|---|---|---|---|---|---|
| **Net Revenues** | 2,696,703 | 10,251,138 | 615,898 | 362,987 | 13,919,543 |
| **Gross Profit** | 640,437 | 2,228,082 | 204,549 | 122,058 | 3,193,655 |
| *% Net Revenues* | *23.7%* | *21.7%* | *33.2%* | *33.6%* | 22.9% |
| **SG&A Expenses** | -525,332 | -1,716,957 | -164,996 | -117,714 | -2,523,528 |
| *% Net Revenues* | *-19.5%* | *-16.7%* | *-26.8%* | *-32.4%* | *-18.1%* |
| **Depreciation and Amortization** | -61,971 | -183,982 | -6,203 | -3,887 | -256,043 |
| **Total SG&A** | -587,303 | -1,900,939 | -171,199 | -121,601 | -2,779,571 |
| *% Net Revenues* | *-21.8%* | *-18.5%* | *-27.8%* | *-33.5%* | *-20.0%* |
| **Recurring Operating Income** | 53,134 | 327,143 | 33,350 | 457 | 414,084 |
| *% Net Revenues* | *2.0%* | *3.2%* | *5.4%* | *0.1%* | *3.0%* |
| **Non- Recurring Income and Expenses** | -1,806 | -121,644 | -16 | 4 | -123,462 |
| **Operating Income (EBIT)** | 51,328 | 205,499 | 33,334 | 461 | 290,622 |
| *% Net Revenues* | *1.9%* | *2.0%* | *5.4%* | *0.1%* | *2.1%* |
| **Recurring EBITDA** | 115,105 | 511,125 | 39,553 | 4,344 | 670,127 |
| *% Net Revenues* | *4.3%* | *5.0%* | *6.4%* | *1.2%* | *4.8%* |
| **EBITDA** | 113,299 | 389,481 | 39,537 | 4,348 | 546,665 |
| *% Net Revenues* | *4.2%* | *3.8%* | *6.4%* | *1.2%* | *3.9%* |
| **Net financial income** | -99,018 | -145,109 | 1,626 | -8,125 | -250,626 |

| CAPEX | Colombia | Brazil | Uruguay | Argentina | Consolidated |
|---|---|---|---|---|---|
| **In COP million** | 92,509 | 496,357 | 30,277 | 7,033 | 626,176 |
| *In Local Currency (in million)* | 92,509 | 536 | 293 | 39 | |

*Note: Consolidated figures include eliminations and adjustments*

## 6. SOTP Analysis

| (COP Millions) | LTM net revenues[1] | LTM recurring EBITDA | LTM ROI | Net debt (Last quarter)[2] | Éxito stake | Market Value of the Stake[3] |
|---|---|---|---|---|---|---|
| Colombia | 11,248,373 | 695,225 | 452,980 | 3,867,836 | 100% | |
| Brazil | 40,434,685 | 2,487,016 | 1,780,602 | 3,226,311 | 18.72% | 3,471,854 |
| Uruguay | 2,561,875 | 197,833 | 173,647 | 274,337 | 62.5%-100%[4] | |
| Argentina | 1,434,310 | 58,353 | 42,938 | 46,852 | 100% | |
| **Total** | 55,679,243 | 3,438,427 | 2,450,167 | 7,415,336 | | |

(1) Do not includes Intercompany eliminations
(2) Gross Debt (Without contigent warranties and letters of credit) - Cash
(3) Market Capitalization of GPA as at 30/09/2017
(4) Éxito Owns 100% of Devoto and 62.5% of Disco

## 7. Almacenes Éxito P&L

| Income Statement Almacenes Éxito | 3Q17 In COP M | 3Q16 In COP M | 3Q17/16 | 9M17 In COP M | 9M16 In COP M | 9M17/16 |
|---|---|---|---|---|---|---|
| **Sales** | 2,563,439 | 2,663,461 | -3.8% | 7,666,684 | 7,880,451 | -2.7% |
| **Other Revenues** | 80,545 | 69,634 | 15.7% | 220,034 | 213,000 | 3.3% |
| **Net Revenues** | 2,643,984 | 2,733,095 | -3.3% | 7,886,718 | 8,093,451 | -2.6% |
| **Gross Profit** | 599,183 | 648,180 | -7.6% | 1,851,518 | 1,927,112 | -3.9% |
| *Gross Margin* | *22.7%* | *23.7%* | | *23.5%* | *23.8%* | |
| **SG&A expenses** | -576,684 | -552,469 | 4.4% | -1,724,953 | -1,637,439 | 5.3% |
| *SG&A/Net Revenues* | *-21.8%* | *-20.2%* | | *-21.9%* | *-20.2%* | |
| **Recurring Operating Income** | 22,499 | 95,711 | -76.5% | 126,565 | 289,673 | -56.3% |
| *Recurring Operating margin* | *0.9%* | *3.5%* | | *1.6%* | *3.6%* | |
| **Operating Income (Ebit)** | 20,977 | 96,533 | -78.3% | 73,917 | 233,616 | -68.4% |
| *Operating margin* | *0.8%* | *3.5%* | | *0.9%* | *2.9%* | |
| **Net Income** | -31,331 | -103,283 | N/A | 30,339 | -147,971 | N/A |
| *Net margin* | *-1.2%* | *-3.8%* | | *0.4%* | *-1.8%* | |
| **Recurring EBITDA** | 75,996 | 147,239 | -48.4% | 286,547 | 453,716 | -36.8% |
| *Recurring EBITDA margin* | *2.9%* | *5.4%* | | *3.6%* | *5.6%* | |
| **EBITDA** | 74,474 | 148,061 | -49.7% | 233,899 | 397,659 | -41.2% |
| *EBITDA margin* | *2.8%* | *5.4%* | | *3.0%* | *14.5%* | |

- **Net Revenues** decreased due to sales trends affected by lower inflation partially offset by the growth of Real Estate revenues (+30%).
- Margins were affected by the weak top line that offset actions to control cost and expense.

## 8. Almacenes Éxito Balance Sheet

| Holding Balance Sheet | Sep 2017 | Dec 2016 | Var % |
|---|---|---|---|
| ASSETS | 15,164,150 | 15,450,108 | -1.9% |
| **Current Assets** | **2,238,406** | **2,695,276** | **-17.0%** |
| Cash & Cash Equivalents | 586,761 | 1,098,825 | -46.6% |
| Inventories | 1,232,502 | 1,077,659 | 14.4% |
| Accounts receivable | 153,903 | 183,330 | -16.1% |
| Assets for taxes | 125,050 | 191,292 | -34.6% |
| Others | 140,190 | 144,170 | -2.8% |
| **Non-current Assets** | **12,925,744** | **12,754,832** | **1.3%** |
| Goodwill | 1,453,077 | 1,453,077 | 0.0% |
| Other intangible assets | 163,964 | 174,413 | -6.0% |
| Property, plant and equipment | 2,423,585 | 2,497,016 | -2.9% |
| Investment Properties | 453,296 | 312,047 | 45.3% |
| Investments in associates and JVs | 8,329,479 | 8,207,810 | 1.5% |
| Others | 102,343 | 110,469 | -7.4% |
| LIABILITIES | 7,412,711 | 7,728,421 | -4.1% |
| **Current Liabilities** | **3,860,183** | **3,930,675** | **-1.8%** |
| Trade Payables | 2,174,522 | 2,968,282 | -26.7% |
| Borrowing-Short Term | 1,076,826 | 469,362 | 129.4% |
| Other financial liabilities | 77,399 | 87,457 | -11.5% |
| Liabillities for taxes | 29,268 | 43,920 | -33.4% |
| Others | 502,168 | 361,654 | 38.9% |
| **Non-current Liabilities** | **3,552,528** | **3,797,746** | **-6.5%** |
| Trade Payables | 3,374,060 | 3,499,454 | -3.6% |
| Other provisions | 18,699 | 23,093 | -19.0% |
| Deferred tax liabilities | 70,241 | 201,049 | -65.1% |
| Others | 89,528 | 74,150 | 20.7% |
| Shareholder´s Equity | 7,751,439 | 7,721,687 | 0.4% |

## 9. Financial indicators

| | Indicators at Consolidated Level | | Indicators at Holding Level | |
|---|---|---|---|---|
| | September 2017 | December 2016 | September 2017 | December 2016 |
| Assets / Liabilities | 1.52 | 1.44 | 2.05 | 2.00 |
| Liquidity (Current Assets / Current Liabilities) | 1.07 | 1.06 | 0.58 | 0.69 |

## 10. Store Number and Sales Area

| Almacenes y área de ventas | Alm | Área de ventas (m2) |
|---|---|---|
| **Colombia** | | |
| Éxito | 266 | 632,071 |
| Carulla | 100 | 84,961 |
| Surtimax | 132 | 69,239 |
| Super Inter | 71 | 64,395 |
| Surtimayorista | 4 | 6,654 |
| **Total Colombia** | **573** | **857,320** |
| **Uruguay** | | |
| Devoto | 52 | 37,880 |
| Disco | 29 | 31,446 |
| Geant | 2 | 16,439 |
| **Total Uruguay** | **83** | **85,765** |
| **Brasil** | | |
| Pao de Acucar | 185 | 239,041 |
| Extra hiper | 118 | 723,331 |
| Extra super | 188 | 214,840 |
| Minimercado Extra | 183 | 45,928 |
| Minuto Pao de Acucar | 82 | 19,501 |
| Assaí | 115 | 460,049 |
| **Total Brasil** | **871** | **1,702,690** |
| **Argentina** | | |
| Libertad | 15 | 107,251 |
| Mini Libertad | 15 | 2,446 |
| **Total Argentina** | **30** | **109,697** |
| **TOTAL** | **1,557** | **2,755,472** |

## Note on Forward-Looking Statements

*This document contains certain forward-looking statements. This information is not historical data and should not be interpreted as guarantees of the future occurrence of such facts and data.*
*These statements are based on data, assumptions and estimates that the Group believes are reasonable. The Group operates in a competitive and rapidly changing environment. It is therefore not in a position to predict all of the risks, uncertainties or other factors that may affect its business, their potential impact on its business, or the extent to which the occurrence of a risk or a combination of risks could have results that are significantly different from those included in any forward-looking statement.*
*The forward-looking statements contained in this document are made only as of the date hereof. Except as required by any applicable law, rules or regulations, the Group expressly disclaims any obligation or undertaking to publicly release any updates of any forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this press release is based.*

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

"The Issuers Recognition -IR granted by the Colombian Stock Exchange is not a certification about the quality of the securities listed at the BVC nor the solvency of the issuer".

******

.