Almacenes Éxito S.A.

Interim separate financial statements

At June 30, 2016

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

Almacenes Éxito S.A.
Interim separate 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
Current assets			
Cash and cash equivalents	6	495,591	810,647
Trade receivables and other accounts receivable	7	168,006	217,742
Prepaid expenses		10,159	18,008
Accounts receivable from related parties	8	65,621	71,887
Inventories	9	1,176,106	1,141,806
Tax assets	24	204,124	133,373
Other financial assets	10	30,416	67,027
Total current assets		**2,150,023**	**2,460,490**
Non-current assets			
Property, plant and equipment, net	11	3,008,974	2,961,052
Investment property, net	12	147,769	96,442
Goodwill		1,453,077	1,453,077
Intangible assets other than goodwill, net	13	153,445	140,115
Investments accounted for using the equity method, net	14	7,900,518	7,900,651
Trade receivables and other accounts receivable	7	18,475	19,709
Prepaid expenses		13,257	12,996
Other financial assets	10	107,963	138,177
Other non-financial assets		398	398
Total non-current assets		**12,803,876**	**12,722,617**
Total assets		**14,953,899**	**15,183,107**
Current liabilities			
Financial liabilities	16	976,229	529,710
Employee benefit provisions	17	3,790	4,103
Other provisions	18	27,360	69,192
Trade payables and other accounts payable		2,123,152	2,565,071
Accounts payable to related parties	8	261,302	157,619
Tax liabilities	24	52,818	48,988
Other financial liabilities	19	51,205	2,351
Other non-financial liabilities		97,669	84,803
Total current liabilities		**3,593,525**	**3,461,837**
Non-current liabilities			
Financial liabilities	16	3,555,859	3,911,747
Employee benefit provisions	17	25,165	32,257
Other provisions	18	26,888	8,520
Deferred tax liabilities	24	169,761	190,776
Other non-financial liabilities		48,438	49,488
Total non-current liabilities		**3,826,111**	**4,192,788**
Total liabilities		**7,419,636**	**7,654,625**
Shareholders' equity, see attached statement		**7,534,263**	**7,528,482**
Total liabilities and shareholders' equity		**14,953,899**	**15,183,107**

The accompanying Notes are an integral part of the interim separate financial statements.

Almacenes Éxito S.A.
Interim separate 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	April 1 to June 30, 2016	April 1 to June 30, 2015
Continuing operations					
Revenue from ordinary activities	25	5,357,651	5,027,171	2,642,536	2,488,516
Cost of sales	9	(4,081,424)	(3,854,061)	(2,001,540)	(1,895,800)
Gross profit		**1,276,227**	**1,173,110**	**640,996**	**592,716**
Distribution expenses		(573,527)	(513,230)	(270,187)	(239,718)
Administration and sales expenses		(88,561)	(82,538)	(49,559)	(43,805)
Employee benefit expenses	26	(431,922)	(386,314)	(216,620)	(192,016)
Other operating revenue	27	15,341	31,050	5,797	36
Other operating expenses	27	(61,782)	(70,409)	(2,243)	(11,452)
Other profits, net	27	1,307	71,721	1,303	71,655
Profit from operating activities		**137,083**	**223,390**	**109,487**	**177,416**
Financial revenue	28	253,632	66,588	70,343	23,099
Financial expenses	28	(465,211)	(44,962)	(181,111)	(12,083)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method		34,277	55,137	(7,355)	25,570
(Loss) earnings before income tax from continuing operations		**(40,219)**	**300,153**	**(8,636)**	**214,002**
Tax expense	24	(4,469)	(70,398)	(36,999)	(54,113)
Net period profit (loss) from continuing operations		**(44,688)**	**229,755**	**(45,635)**	**159,889**
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share from continuing operations		(99.84)	513.30	(101.96)	357.21
Earnings per diluted share (*):					
Diluted (loss) earnings per share from continuing operations		(99.84)	513.30	(101.96)	357.21

(*) Amounts expressed in Colombian pesos.

The accompanying Notes are an integral part of the interim separate financial statements.

Almacenes Éxito S.A.
Interim separate statements of comprehensive income
For the six-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	April 1 to June 30, 2016	April 1 to June 30, 2015
Net period profit	**(44,688)**	**229,755**	**(45,636)**	**159,889**
Other comprehensive income for the period				
Components of other comprehensive income that will not be reclassified to period results, net of taxes				
Gain (loss) from investments in equity instruments	-	749	-	(1,256)
Total other comprehensive income that will not be reclassified to period, results, net of taxes	**-**	**749**	**-**	**(1,256)**
Components of other comprehensive income that will be reclassified to period results, net of taxes				
Gain (loss) from translation exchange differences	352,986	(20,216)	284,382	(33,727)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	7,308	(58)	3,895	(92)
Total other comprehensive income that will be reclassified to period results, results, net of taxes	**360,294**	**(20,274)**	**288,277**	**(33,819)**
Total other comprehensive income	**360,294**	**(19,525)**	**288,277**	**(35,075)**
Total comprehensive income	**315,606**	**210,230**	**242,641**	**124,814**
Earnings per share (*)				
Earnings per basic share (*):				
Earnings per basic share from continuing operations	705.10	469.68	542.09	278.85
Earnings per diluted share (*):				
Diluted earnings per share from continuing operations	705.10	469.68	542.09	278.85

(*) Amounts expressed in Colombian pesos.

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

	June 30, 2016	**June 30, 2015**
Cash flows from operating activities		
Net period (loss) profit	**(44,688)**	**229,755**
Adjustments to reconcile period (loss) profits		
Income tax	4,469	70,398
Financial costs	169,100	3,952
Financial revenue	(4,171)	(32,833)
(Increase) decrease in inventories	(34,300)	37,717
Decrease in trade receivables	13,818	10,337
Decrease (increase) in other accounts receivable from operating activities	40,562	(48,448)
Decrease in trade payables	(429,819)	(526,873)
Decrease (increase) in other accounts payable from operating activities	(91,302)	31,447
Depreciation and amortization of fixed assets and intangible assets	119,926	101,647
Provisions	52,344	58,745
Loss (gain) from net unrealized exchange difference	(10,990)	(16,414)
Gain from reappraisal at fair value	-	(29,681)
Undistributed earnings from the application of the equity method	(34,277)	(55,137)
Other adjustment from items other than cash	(200)	(994)
Gain from the disposal of non-current assets	(23,264)	(74,028)
Total adjustments to reconcile period (loss) profits	**(228,104)**	**(470,165)**
Net cash flows (used in) operating activities	**(272,792)**	**(240,410)**
Income tax paid	(104,352)	(107,521)
Net cash flows (used in) operating activities	**(377,144)**	**(347,931)**
Cash flows from investment activities		
Cash flows used to gain control of subsidiaries or other businesses	(4,303)	(3,275)
Proceeds from the sale of property, plant and equipment	38,793	19,488
Acquisition of property, plant and equipment	(247,301)	(115,871)
Proceeds from the sale of intangible assets	-	81,165
Acquisition of intangible assets	(14,358)	(469,122)
Proceeds from the sale of other long-term assets	-	(1,121)
Dividends received	90,142	7,605
Interest received	3,652	33,935
Net cash flows (used in) investment activities	**(133,375)**	**(447,196)**
Cash flows from financing activities		
Borrowings	499,926	-
Loan repayments	-	(150,023)
Payment of finance lease liabilities	(2,312)	(101)
Dividends paid	(140,477)	(124,353)
Interest paid	(161,924)	(9,548)
Net cash flows from (used in) financing activities	**195,213**	**(284,025)**
Net decrease in cash and cash equivalents, before the effects of changes in exchange rates	**(315,306)**	**(1,079,152)**
Effects of the variation in the exchange rates on cash and cash equivalents	250	(2,408)
Net decrease in cash and cash equivalents	**(315,056)**	**(1,081,560)**
Cash and cash equivalents at the beginning of period	**810,647**	**2,706,110**
Cash and cash equivalents at the end of period	**495,591**	**1,624,550**

Almacenes Éxito S.A.
Interim separate statements of changes in shareholders' equity
For the six-month periods ended June 30, 2016 and June 30, 2015
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Donations reserve	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total shareholders' 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**
Cash dividend declared												(260,022)		(260,022)
Net income for the period												229,755		229,755
Other comprehensive income											(19,525)			(19,525)
Appropriation for reserves					168,844		30,000			198,844		(198,844)		-
Other (decrease) in shareholders' equity, net												(416)		(416)
Decrease from changes in the ownership of subsidiaries that do not result in loss of control													(35,042)	(35,042)
Balance at June 30, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	-	**1,419,416**	**43,961**	**1,347,220**	**(36,054)**	**7,619,757**
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**
Cash dividend declared							(15,709)			(15,709)		(286,748)		(302,457)
Net loss for the year												(44,688)		(44,688)
Other comprehensive income											360,294			360,294
Appropriation for reserves					279,937			6,810		286,747		(286,747)		-
Other increase in shareholders' equity, net									2,635			(10,808)	805	(7,368)
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)**	**1,061,180**	**(40,211)**	**7,534,263**

Note 1. General information

Almacenes Éxito S.A. 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 Company goes to December 31, 2050.

Almacenes Éxito S.A. is listed on the Colombian Stock Exchange (BVC) since 1994. The Company is under the surveillance 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 Company'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 Company.

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

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 Company has decided for the earlier implementation of such regulations, in order to present financial information incorporating the amendments to the standards 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 periods 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

Company's management is 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

Company'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 Company 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 separate financial statements are presented in Colombian pesos, which is the Company's functional currency. The amounts shown have been adjusted to millions of Colombian pesos.

Company's functional currency is not part of a highly inflationary economy, 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 or the reporting period, the exchange differences arising from the translation of such transactions, between the historical exchange rate when recognized 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.

Accounting accrual basis

The separate 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.

Fair value measurement

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 Company's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Significant accounting policies

The attached interim separate financial statements have been prepared using the same accounting policies, measurements and bases used to present the separate 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 financial statements, a summary of which was included with the financial statements for the period ended December 31, 2015:

- Investments in subsidiaries, 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
    * If the Company acts as the lessee
    * If the Company acts 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

- 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
  * Current income tax
  * Deferred income tax
- Share capital
- Ordinary revenue
- Loyalty programs
- Costs and expenses
- Earnings per share

Note 4. New and modified standards and interpretations

Note 4.1. 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 4.2. 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 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 Company does not consider early application since Decree 2496 of December 23, 2015 expressly forbids early application thereof during the current year.

Note 4.3. Standards adopted earlier as at June 30, 2016

During the three-month period ended June 30, 2016, and based on section 4.1, the Company has not applied any Standards earlier.

Note 4.4. 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 Company 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 Company elected the earlier application of this amendment, incorporating its effects 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 of 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 Company 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 11 - Joint Arrangements - Accounting for the acquisition of an interest in a Joint Operation (May 2014)

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 Company 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 Company 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 Company 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 Company 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 Company 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 5. Business combinations

Note 5.1. 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.

Note 5.2. Business combinations achieved during 2015

Agreement between the Company and Caja de Compensación Familiar - CAFAM

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

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

- The acquisition by the Company of the stores owned by Cafam, which it had been operating since September 2010, date on which the inventories in amount of $33,506 and property, plant and equipment associated to such stores in amount of $21,200 were purchased.

- 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 Company. 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 Company, some of which had been operated by Cafam since September 2010, resulted in a net gain of $74,515, recognized in period results as "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 Company 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 Company 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**

Goodwill in amount of $262,047 is attributable to economies of scale expected from the integration of the operations of the stores acquired and Company 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 6. 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	303,487	301,286
Banks	145,686	467,112
Fiduciary rights (1)	45,487	35,636
Total local currency	**494,660**	**804,034**
Foreign currency		
Banks	806	5,602
Cash in hand	125	1,011
Total foreign currency	**931**	**6,613**
Total cash and cash equivalents	**495,591**	**810,647**

(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. Exception made of resources aimed at Fundación Éxito, at December 31, 2015 there are no restrictions or liens that limit the availability of cash and cash equivalents.

Note 7. Trade receivables and other accounts receivable

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

	June 30, 2016	December 31, 2015
Trade accounts receivable (7.1)	87,143	103,178
Other accounts receivable (7.2)	99,338	134,273
Total trade receivable and other receivables	**186,481**	**237,451**
Current	**168,006**	**217,742**
Non-current	**18,475**	**19,709**

Note 7.1. Trade accounts receivable

The balance of trade receivables is as follows:

	June 30, 2016	December 31, 2015
Domestic customers	63,842	82,218
Compañía de Financiamiento Tuya S.A. (1)	22,581	19,212
Rentals and dealers	9,988	8,362
Employee funds	3,190	4,777
Impairment loss (2)	(12,458)	(11,391)
Total trade receivables	**87,143**	**103,178**

(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.

(2) 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 Company 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 includes $1,067 ($5,183 at June 30, 2015; $1,295 at December 31, 2015). The development of the impairment of receivables during the period is as follows:

Balance at December 31, 2015	**11,391**
Recognized impairment loss	3,444
Reversal of impairment loss	(1,611)
Receivables written-off	(766)
Balance at June 30, 2016	**12,458**

Note 30, Policies on financial risk management, includes the considerations on the credit risk for trade debtors.

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	June 30, 2016	December 31, 2015
Employee funds	58,760	47,939
Business agreements	25,881	44,436
Tax claims	2,442	2,442
Money transfer services	1,175	26,587
Shipments	1,059	6,283
Sale of fixed assets, intangible assets and others	78	246
Other	9,943	6,340
Total other accounts receivable	**99,338**	**134,273**

Note 7.3. 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
Current		
Domestic customers	63,842	82,218
Employee funds	44,703	34,214
Business agreements	25,881	44,436
Compañía de Financiamiento Tuya S.A.	22,581	19,212
Rentals and dealers	9,988	8,362
Tax claims	2,442	2,442
Money transfer services	1,175	26,587
Shipments	1,059	6,283
Sale of fixed assets, intangible assets and others	78	246
Other	8,715	5,133
Impairment loss	(12,458)	(11,391)
Total current	**168,006**	**217,742**
Non-current		
Employee funds	17,247	18,502
Other	1,228	1,207
Total non-current	**18,475**	**19,709**

Note 7.4. 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			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
June 30, 2016	198,939	108,402	39,987	5,362	7,237	37,951
December 31, 2015	248,842	140,380	38,820	2,799	15,966	50,877

Note 8. Accounts receivable from and accounts payable to related parties

Transactions with related parties represent sales of goods, loans 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**	**June 30, 2016**	**December 31, 2015**
Controlling entity (1)	3,814	204	137,124	61,477
Subsidiaries (2)	57,216	66,665	115,059	89,441
Key management personnel (3)	32	78	-	-
Members of the Board	-	-	19	1
Grupo Casino companies (4)	4,559	4,842	8,847	4,839
Other related parties (5)	-	98	253	1,861
Total	**65,621**	**71,887**	**261,302**	**157,619**

(1) Accounts payable to the Controlling entity refer to consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. ad Geant International B.V. Balances receivable from the Controlling entity refer to the strategic direction service agreement entered into with Casino Guichard Perrachon S.A. on June 24, 2016.

(2) The balance of accounts receivable from subsidiaries relate to: direct operations of Almacenes Éxito Inversiones S.A.S where Almacenes Éxito S.A acts as payer to third parties under a mandate agreement in amount of $18,115 (2015 - $25,319); sale of goods to Cdiscount Colombia S.A.S in amount of $317 (2015 - $19,007), collection of profits declared receivable from Special Equity Trust Deposits $22,627 (2015 - $12,406), sale of goods and loans to Gemex O&W S.A.S $10,291 (2015 - $8,147), transfer of the put option contract to Spice Investments Mercosur S.A. $3,460 and all other subsidiaries in amount of $2,406 (2015 - $1,786).

Accounts payable to subsidiaries include: purchase of goods from Distribuidora de Textiles y Confecciones S.A. $88,470 (2015 - $71,462), corporate plans and reloads payable to Almacenes Éxito Inversiones S.A.S. $2,789 (2015 - $7,046), advance payment of dividends received from Carulla Vivero Holding Inc. $4,423 (2015 - $4,778), transportation services received from Logística, Transporte y Servicios Asociados S.A.S, $2,542 (2015 - $3,178), rental fees to Special Equity Trust Deposits (Patrimonios Autónomos, $6,727 (2015 - $1,452), services received from Éxito Viajes y Turismo S.A.S. $1,467 and purchase of goods from and balance pending capitalization of Cdiscount Colombia S.A.S. $8,641 (2015 – rental fees $1,525).

(3) Transactions between Almacenes Éxito S.A. and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered into between the parties. Key management personnel includes the CEO, Vice-presidents, business corporate managers, directors, and members of their families.

(4) Accounts receivable from and payable to Grupo Casino companies mainly arise from the purchase of goods and energy optimization services.

(5) Costs and expenses with other related parties relate 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 9. Inventories

The detail of inventories is as follows:

	June 30, 2016	December 31, 2015
Inventories available for sale	1,160,774	1,117,890
Inventories in transit	31,367	24,266
Materials, small spares, accessories and packaging material	13,523	14,736
Raw materials	2,301	3,281
Product in process	1,588	2,832
Inventories of property under construction (1)	1,897	1,897
Inventory impairment (2)	(35,344)	(23,096)
Total inventories	**1,176,106**	**1,141,806**

(1) Relate to buildings in process of construction, to be traded through real estate projects.

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

Balance at December 31, 2015	**23,096**
Period loss expense	5,829
Reclassifications	6,419
Balance at June 30, 2016	**35,344**

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	4,395,157	4,163,618	2,155,419	2,046,746
Trade discounts and rebates on purchases	(522,182)	(500,844)	(259,142)	(245,858)
Logistics costs	124,776	117,709	63,721	57,416
Damage and unknown reduction	77,844	73,578	37,253	37,496
Impairment loss recognized during the period	5,829	-	4,289	-
Total cost of goods sold	**4,081,424**	**3,854,061**	**2,001,540**	**1,895,800**

The following is a detail of expenses included in logistics costs:

Description	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Services	58,752	54,249	29,384	26,349
Leases	25,888	24,182	13,399	11,910
Employee benefits	24,596	25,477	12,721	12,929
Depreciation and amortization	6,084	5,859	3,136	2,382
Maintenance and repairs	4,350	3,190	2,545	1,689
Packaging materials and marking expenses	1,735	1,785	896	829
Other expenses	3,371	2,967	1,640	1,328
Total	**124,776**	**117,709**	**63,721**	**57,416**

Note 10. Other financial assets

The balance of other financial assets is as follows:

	June 30, 2016	December 31, 2015
Financial assets measured at amortized cost (1)	136,305	136,166
Derivative financial instruments (2)	82	67,027
Financial assets at fair value through other comprehensive income (3)	1,046	1,046
Financial assets measured at fair value through income (4)	946	965
Total other financial assets	**138,379**	**205,204**
Current	**30,416**	**67,027**
Non-current	**107,963**	**138,177**

(1) Financial assets measured at fair value are investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Company 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.

(2) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. 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 Company 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.

(3) Financial assets measured at fair value through other comprehensive income are equity investments not held for trading. The fair value on each reporting date is:

	June 30, 2016	December 31, 2015
Fogansa S.A. (in process of being liquidated)	798	798
Other minor equity investments	248	248
Total	**1,046**	**1,046**

(4) Include investments in debt securities of Fondo Valorar Futuro to manage liquidity, which are measured at fair value based on the Fondo's unit value. Changes in fair value are recognized as revenue or expense in the statement of income.

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

	June 30, 2016	December 31, 2015
Current		
Derivative financial instruments	82	67,027
Financial assets measured at amortized cost	30,334	-
Total current	**30,416**	**67,027**
Non-current		
Financial assets measured at amortized cost	105,971	136,166
Financial assets measured at fair value through other comprehensive income	1,046	1,046
Financial assets measured at fair value through income	946	965
Total non-current	**107,963**	**138,177**

There are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of the Company'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 11. Property, plant and equipment, net

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

	June 30, 2016	December 31, 2015
Land	778,226	830,245
Buildings	1,163,025	1,151,186
Machinery and equipment	544,241	508,451
Furniture and fixtures	326,341	300,164
Assets under construction	257,744	168,934
Improvements to third party properties	243,366	222,654
Vehicles and transportation equipment	5,030	4,524
Other property, plant and equipment	134,135	125,824
Total cost of property, plant and equipment	**3,452,108**	**3,311,982**
Accumulated depreciation	(443,134)	(350,930)
Total net property, plant and equipment	**3,008,974**	**2,961,052**

The development of the cost of property, plant and equipment, and depreciation thereof, during the reporting periods, are as follows:

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Transportation equipment	Other	Total
Balance at December 31, 2015	**830,245**	**1,151,186**	**508,451**	**300,164**	**168,934**	**222,654**	**4,524**	**125,824**	**3,311,982**
Additions	828	1,171	9,331	2,871	197,379	204	506	4,738	**217,028**
(Decrease) from transfers to investment property	(45,722)	(6,342)	-	-	-	-	-	-	**(52,064)**
Increase (decrease) from transfers from (to) construction in progress	(54)	24,067	27,166	24,662	(108,569)	28,770	-	3,958	**-**
Decrease from transfers (to) other balance sheet accounts	(5,016)	(2,765)	(169)	-	-	-	-	-	**(7,950)**
Disposal of property, plant and equipment	(2,055)	(4,292)	(41)	(4)	-	-	-	-	**(6,392)**
Derecognition of property, plant and equipment	-	-	(497)	(1,359)	-	(7,665)	-	(365)	**(9,886)**
Other changes	-	-	-	7	-	(597)	-	(20)	**(610)**
Balance at June 30, 2016	**778,226**	**1,163,025**	**544,241**	**326,341**	**257,744**	**243,366**	**5,030**	**134,135**	**3,452,108**

Accumulated depreciation	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Transportation equipment	Other	Total
Balance at December 31, 2015		**68,715**	**111,945**	**69,997**	**-**	**62,368**	**1,772**	**36,133**	**350,930**
Depreciation expense/cost		17,675	32,011	19,587	-	18,732	367	12,640	**101,012**
Other changes		(648)	(470)	(1,318)	-	(6,005)	-	(367)	**(8,808)**
Balance at June 30, 2016		**85,742**	**143,486**	**88,266**	**-**	**75,095**	**2,139**	**48,406**	**443,134**

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

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

	June 30, 2016	December 31, 2015
Machinery and equipment	657	707
Other property, plant and equipment	14,513	14,907
Total assets under finance lease	**15,170**	**15,614**

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

There are no limitations or liens imposed on property, plant and equipment that restrict realization or tradability thereof. For the periods reported, the Company has no commitments to acquire, construct or develop property, plant and equipment.

During the six-month period ended June 30, 2016, no compensations have been received from third parties related with assets damaged in accidents.

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

Note 12. Investment property, net

The Company's 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
Land	79,313	32,996
Buildings	73,192	66,850
Total cost of investment property	**152,505**	**99,846**
Accumulated depreciation	(4,736)	(3,404)
Total investment property, net	**147,769**	**96,442**

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

Cost	**Land**	**Buildings**	**Total**
Balance at December 31, 2015	**32,996**	**66,850**	**99,846**
Transfers from property, plant and equipment	45,722	6,342	52,064
Other changes	595	-	595
Balance at June 30, 2016	**79,313**	**73,192**	**152,505**

Accumulated depreciation	**Buildings**
Balance at December 31, 2015	**3,404**
Depreciation expense	981
Transfer to/from property, plant and equipment	351
Balance at June 30, 2016	**4,736**

There are no limitations or liens imposed on investment property that restrict realization or tradability thereof. For the reporting periods included in these financial statements, the Company has 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, nor has it recognized impairment losses.

Note 13. Intangible assets other than goodwill

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

	June 30, 2016	December 31, 2015
Trademarks (1)	81,131	81,131
Computer software (2)	125,895	94,631
Rights (3)	4,499	4,499
Other (4)	1,522	1,522
Total intangible assets other than goodwill, net	**213,047**	**181,783**
Accumulated amortization	(59,602)	(41,668)
Total intangible assets other than goodwill, net	**153,445**	**140,115**

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

Cost	Trademarks (1)	Computer software (2)	Rights (3)	Other	Total
Balance at December 31, 2015	**81,131**	**94,631**	**4,499**	**1,522**	**181,783**
Acquisitions via business combinations	-	-	-	-	-
Additions	-	31,207	-	-	31,207
Transfers	-	58	-	-	58
Disposals and derecognition	-	(1)	-	-	(1)
Balance at June 30, 2016	**81,131**	**125,895**	**4,499**	**1,522**	**213,047**
Accumulated amortization					
Balance at December 31, 2015	**-**	**35,678**	**4,499**	**1,491**	**41,668**
Amortization expense/cost	-	17,932	-	-	17,932
Transfers	-	3	-	-	3
Disposals and derecognition	-	(1)	-	-	(1)
Balance at June 30, 2016	**-**	**53,612**	**4,499**	**1,491**	**59,602**

(1) Relate to Surtimax trademark in amount of $17,427 acquired in the merger with Carulla Vivero S.A., and Super Inter trademark in amount of $63,704 acquired in the business combination with Comercializadora Giraldo Gómez y Cía S.A. (See note 5 Business combinations). Such trademarks have indefinite useful life on the grounds of the Company's considerations thereon.

(2) They include the net value of, among others, the following software: Sistema de Información Comercial (Sinco) $18,615 (2015 - 6,044), System Application and Products (SAP) $15,008 (2015 - 12,776), Master Data Management (MDM) $3,787 (2015 - 3,034) and Oracle Applications $3,007 (2015 - 1,691). Also they include a finance lease with Leasing Bancolombia on the telephone plant software license, with carrying value of $386 at June 30, 2016 (2015 - $441).

(3) 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.

No limitations or liens have been imposed on the reported intangible assets that restrict realization or negotiability thereof. For the reported periods, the Company has neither commitments to acquire or develop intangible assets, nor has it recognized any impairment losses.

Note 14. Investments accounted for using the equity method

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

Companies	Classification	June 30, 2016	December 31, 2015
Onper Investment 2015 S.L.	Subsidiary	5,477,647	5,031,931
Spice Investment Mercosur S.A. (1)	Subsidiary	1,742,288	2,199,763
Distribuidora de Textiles y Confecciones S.A.	Subsidiary	153,223	152,409
Patrimonio Autónomo Viva Villavicencio	Subsidiary	111,863	111,121
Patrimonio Autónomo Viva Barranquilla	Subsidiary	99,297	99,857
Patrimonio Autónomo Viva Laureles	Subsidiary	92,441	93,667
Patrimonio Autónomo Centro Comercial	Subsidiary	57,457	59,403
Patrimonio Autónomo Viva Wajira	Subsidiary	53,809	53,337
Patrimonio Autónomo Viva Sincelejo	Subsidiary	43,226	43,857
Patrimonio Autónomo San Pedro Etapa I	Subsidiary	18,147	18,375
Patrimonio Autónomo Viva Palmas	Subsidiary	13,111	12,989
Cnova N.V.	Subsidiary	9,222	9,222
Carulla Vivero Holding Inc.	Subsidiary	4,338	4,685
Fideicomiso Girardot plot of land	Subsidiary	3,850	3,850
Patrimonio Autónomo Iwana	Subsidiary	3,318	3,348
Éxito Viajes y Turismo S.A.S.	Subsidiary	2,526	2,223
Patrimonio Autónomo Local 108 (Vizcaya)	Subsidiary	-	614
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	738	-
Cdiscount Colombia S.A.S. (2)	Subsidiary	14,017	-
Total		**7,900,518**	**7,900,651**

(1) The Company was party to a put option agreement with the holders of non-controlling interests of subsidiary Grupo Disco del Uruguay. Such option was measured at fair value and amounted to $310,323. On June 30, 2016, the Company transferred this put option contract to subsidiary Spice Investments Mercosur S.A.

(2) A capitalization in amount of $24,990 was completed on April 7, 2016.

Note 15. 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 16. Financial liabilities

The balance of financial liabilities is as follows:

	June 30, 2016	December 31, 2015
Local currency		
Current		
Bank loans (1)	943,994	216,197
Finance leases	700	41
Total current financial liabilities in local currency	**944,694**	**216,238**
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	**3,210,093**	**2,703,739**
Foreign currency		
Current		
Put option (2)	-	310,323
Finance leases	2,795	2,200
Bank loans (1)	28,740	949
Total current financial liabilities in foreign currency	**31,535**	**313,472**
Non-current		
Finance leases	15,027	20,056
Bank loans (1)	1,275,433	1,404,190
Total non-current financial liabilities in foreign currency	**1,290,460**	**1,424,246**
Total financial liabilities in foreign currency	**1,321,995**	**1,737,718**
Total financial liabilities	**4,532,088**	**4,441,457**
Current	**976,229**	**529,710**
Non-current	**3,555,859**	**3,911,747**

(1) In August 2015, the Company 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 $3,027.20 Colombian pesos) for the acquisition of the operations in Brazil and Argentina 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 Company 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 Company, among others.

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

(2) The Company was party to a put option agreement with the holders of non-controlling investments of subsidiary Grupo Disco del Uruguay. The exercise price of such option was based on a previously agreed upon formula, and the option could be exercised at any time. The option was measured at fair value. On June 30, 2016, the Company transferred the put option contract to subsidiary Spice Investments Mercosur S.A. This transaction generated a revenue of $3,460 (USD $1.2 million), recorded under other operating revenue.

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

Year	Total
2017	213,126
2018	1,783,828
2019	512,174
>2020	1,046,731
Total	**3,555,859**

Note 16.1. 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 Company has committed to 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 Company 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 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 Company receive one or several insurance compensations as payment for one or several claims arising from the loss or damage or one or several of its assets, which aggregate amount exceed 20% of the assets included in the latest available annual financial statements, the Company 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 Company intends to prepay any bank credit in foreign currency, the Company shall prepay the short-term trench in proportion to the amount prepaid to the bank credit in foreign currency, and in proportion to each creditor.

Note 16.2. Obligations undertaken under credit contracts (financial liabilities)

(a) Financial: The Company 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 Company intends to incur additional debt, it shall require the prior authorization of creditors, which shall be deemed automatically granted if the Company 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 17. Employee benefit provisions

The balance of employee benefit provisions is:

	June 30, 2016	December 31, 2015
Defined benefit plans (17.1)	26,384	25,259
Long-term benefits (17.2)	2,571	11,101
Total	**28,955**	**36,360**
Current	**3,790**	**4,103**
Non-current	**25,165**	**32,257**

Note 17.1. 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 17.2. Long-term benefits

The long-term benefit plan involves a time-of-service bonus payable to the employees.

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	**11,101**
Cost of present service	273
Interest expense	395
Actuarial loss from changes in experience	495
Actuarial loss from financial assumptions	23
Gain from settlements	(9,161)
Benefits directly paid by the Company	(555)
Balance at June 30, 2016	**2,571**

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, disabilities and early retirement rates:

	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)	(144)
Discount rate - 25	36	148
Discount rate + 50	(69)	(285)
Discount rate - 50	72	299
Discount rate + 100	(134)	(556)
Discount rate - 100	148	614
Annual salary increase rate + 25	37	153
Annual salary increase rate - 25	(36)	(150)
Annual salary increase rate + 50	75	310
Annual salary increase rate - 50	(72)	(297)
Annual salary increase rate + 100	153	634
Annual salary increase rate - 100	(141)	(583)

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

Year	**June 30, 2016**	**December 31, 2015**
2016	144	1,581
2017	296	1,605
2018	332	1,362
2019	429	1,367
>2019	2,990	11,704
Total	**4,191**	**17,619**

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).

The Company has not devoted specific assets to guarantee payment of the time-of-service bonus.

Note 18. Other provisions

The balance of other provisions is made as follows:

	June 30, 2016	December 31, 2015
Legal proceedings (1)	19,471	26,853
Taxes other than income tax (2)	10,534	8,812
Restructuring (3)	8,701	8,295
Other (4)	15,542	33,752
Total other provisions	**54,248**	**77,712**
Current	**27,360**	**69,192**
Non-current	**26,888**	**8,520**

The Company has 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 Company, as follows: labor claims, in amount of $13,371 (2015 - $19,211) and civil claims, in amount of $6,100 (2015 - $7,642), assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements.

(2) Provisions for taxes other than income tax relate to the Industry and Trade tax in amount of $4,963 (2015 - $3,256) and tax on real estate in amount of $5,571 (2015 - $5,556).

(3) The restructuring provision relates to reorganization processes announced to employees at the stores and distribution centers that will affect Company activities. The provision is estimated based on the cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation are expected to be completed during 2016. The restructuring provision was recognized in the statement of income as other expenses.

(4) Mainly relate to liabilities carried to recognize additional subsidiary losses exceeding the value of the amount invested in them by the Company. Company management has decided to carry such liability to recognize cash outflows probably required to settle these subsidiaries' liabilities. The detail of this provision is as follows:

	June 30, 2016	December 31, 2015
Almacenes Éxito Inversiones S.A.S.	10,726	12,055
Gemex O & W S.A.S.	3,279	1,813
Cdiscount Colombia S.A.S.	-	4,939
Logística, Transporte y Servicios Asociados S.A.S.	-	1,653
Total	**14,005**	**20,460**

The remaining balance of other provision relates to:

	June 30, 2016	December 31, 2015
Income tax provision	1,537	2,203
Transaction costs related to business combinations	-	5,827
Donation related to the film "Colombia Magia Salvaje" (a)	-	3,907
Other	-	1,355
Total	**1,537**	**13,292**

(a) On March 30, 2016, the General Meeting of Shareholders approved a payment to Fundación Éxito in amount of $4,001 as donation of the profits obtained from the film "Colombia Magia Salvaje". A provision had been recognized at December 31, 2015 in amount of $3,907.

The movement of provisions during the period is as follows:

	Processes Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2015	**26,853**	**8,812**	**8,295**	**33,752**	**77,712**
Increase	4,739	15	8,891	7,640	21,285
Uses	(6)	-	-	-	(6)
Payments	(2,651)	-	(8,485)	(13,169)	(24,305)
Reversals (not used)	(9,480)	-	-	(12,695)	(22,175)
Reclassifications	-	1,707	-	-	1,707
Other changes	16	-	-	14	30
Balance at June 30, 2016	**19,471**	**10,534**	**8,701**	**15,542**	**54,248**

Note 18.1. 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
Current		
Restructuring	8,701	8,295
Legal proceedings	4,654	18,333
Taxes other than income tax	-	8,812
Other	14,005	33,752
Total other current provisions	**27,360**	**69,192**
Non-current		
Legal proceedings	14,817	8,520
Taxes other than income tax	10,534	-
Other	1,537	-
Total other non-current provisions	**26,888**	**8,520**
Total other provisions	**54,248**	**77,712**

Note 18.2. Forecasted payments of other provisions

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

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	4,654	-	8,701	14,005	27,360
More than 1 year	14,817	10,534	-	1,537	26,888
Total estimated payments	**19,471**	**10,534**	**8,701**	**15,542**	**54,248**

Note 19. Other financial liabilities

The balance of other financial liabilities relates to derivative financial instruments. Such derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. 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 Company 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 detail of maturities of these instruments at December 31, 2015 and June 30, 2016, 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					
Forward	7,272	23,610	13,844	-	44,726
Swap	122	5,874	5,827	(5,344)	6,479
Total	**7,394**	**29,484**	**19,671**	**(5,344)**	**51,205**
December 31, 2015					
Forward	1,584	570	197	-	**2,351**

Note 20. Transactions with related parties

Note 20.1. Key management personnel compensation

Transactions between the Company 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 six-month periods ended June 30, 2016 and June 30, 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	21,179	16,486	9,986	8,117
Post-employment benefits	703	624	348	292
Termination benefits		24	-	13
Total	**21,882**	**17,134**	**10,334**	**8,422**

Note 20.2. 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	-	13,168	9,542
Subsidiaries (2)	10,679	1,683	159,174	68,942
Associates (3)	-	24,642	-	-
Members of the Board	-	-	635	403
Grupo Casino companies (4)	1,603	945	14,730	13,619
Other related parties (5)	-	90	4,873	4,844
Total	**15,913**	**27,360**	**192,580**	**97,350**

	Revenue		Costs and expenses	
	April 1 to June 30, 2016	April 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Controlling entity (1)	3,631	-	6,619	4,824
Subsidiaries (2)	5,705	1,391	84,175	27,339
Associates (3)	-	5,883	-	-
Members of the Board	-	-	226	205
Grupo Casino companies (4)	932	(454)	7,355	7,140
Other related parties (5)	-	46	4,237	2,692
Total	**10,268**	**6,866**	**102,612**	**42,200**

(1) Costs and expenses with the Controlling entity refer to consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. Revenue with the Controlling entity refers to the strategic direction service agreement entered into with Casino Guichard Perrachon S.A.

(2) Revenue generated from transactions with subsidiaries relate to the sale of goods to Cdiscount Colombia S.A.S. and Gemex O&W S.A.S.; provision of administrative services to Almacenes Éxito Inversiones S.A.S., Gemex O&W S.A.S., Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos, and to the lease of premises to Patrimonios Autónomos and to Éxito Viajes y Turismo S.A.S. Also, it includes the revenue from the transfer to Spice Investments Mercosur S.A. of the put option contract entered into with the holders of non-controlling interests in subsidiary Grupo Disco del Uruguay.

Costs and expenses accrued with subsidiaries relate to the purchase of goods from Distribuidora de Textiles y Confecciones S.A., purchase of services from Logística y Transporte S.A.S., and lease and property administration services purchased from all other subsidiaries. Costs incurred with subsidiary Cdiscount Colombia S.A.S. relate to the purchase of goods for trading by the Company.

	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Almacenes Éxito Inversiones S.A.S.	4,499	(45)	2,553	(116)
Distribuidora de Textiles y Confecciones S.A.	118,785	61,186	60,866	22,849
Logística y Transporte S.A.S.	24,949	1,462	13,719	1,462
Patrimonios Autónomos (Stand-alone trust funds)	7,604	6,339	3,700	3,144
Companhia Brasileira de Distribuição - CBD	4	-	4	-
Cdiscount Colombia S.A.S.	3,333	-	3,333	-
Total	**159,174**	**68,942**	**84,175**	**27,339**

Until August 30, 2015, Cdiscount Colombia S.A.S. was classified as investment in an 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. In 2016, the revenue from the sale of goods to this Company is shown under the subsidiaries line item.

(3) Revenue obtained from associates related to the sale of goods to Cdiscount Colombia S.A.S. during 2015.

(4) Costs and expenses accrued with Grupo Casino companies mainly arise from the purchase of energy optimization services and intermediation in the import of goods.

(5) Costs and expenses with other related parties relate 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 21. Asset impairment

Note 21.1. Financial assets

During the six-month period ended June 30, 2016, no significant losses were recognized from the impairment of financial assets. Note 7 contains information related to the impairment of Company's trade receivables.

Note 21.2. 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-finan cial 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 22. Fair value measurement

Below is a comparison of book values and fair values of the Company's financial assets and liabilities and non-financial assets 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 time (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, 015	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Loans at amortized cost	21,655	18,658	22,091	19,359
Investments in private equity funds	946	946	966	966
Forward contracts measured at fair value through income	82	82	66,271	66,271
Swap contracts measured at fair value through income	-	-	756	756
Equity investments	1,046	1,046	1,046	1,046
Total	**23,729**	**20,732**	**91,130**	**88,398**
Financial liabilities				
Financial liabilities at amortized cost	4,512,431	4,394,812	4,107,637	4,042,279
Finance leases at amortized cost	19,657	19,633	23,445	22,191
Put option (1)	-	-	310,323	310,323
Forward contracts measured at fair value through income	44,726	44,726	2,351	2,351
Swap contracts measured at fair value through income	6,479	6,479	-	-
Total	**4,583,293**	**4,465,650**	**4,443,756**	**4,377,144**

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 preclosing value for the day, divided by the total number of fund units on the closing of operations for the day. The fund administrator appraises the assets on a daily basis.	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 average price quoted for 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
Equity investments	Level 1	Market quote prices	The fair value of such investments is determined as reference to the prices listed in active markets if Companies are listed; in all other cases, 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 commonly used by market participants might generate higher costs than the value of benefits.	N/A

	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. Periodically, the Company applies three different formulae agreed upon by the parties under contract. The final result of the valuation is the highest value obtained from application of the three methods.	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015. 24-month consolidated EBITDA of Supermercados Disco del Uruguay S.A. Consumer price index Uruguay 6-month consolidated net financial debt of Supermercados Disco del Uruguay Contract fixed price US Dollar-Uruguayan peso 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
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 instruments 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 average price quoted for 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.

(1) The development of the put option measurement during the period was:

	Put option ("PUT option")
Balance at December 31, 2015	**310,323**
Assignment of the put option	(293,329)
Changes in fair value recognized in Investments (a)	(16,994)
Balance at June 30, 2016	**-**

The Company was party to a put option agreement with the holders of non-controlling interests of subsidiary Grupo Disco del Uruguay. The exercise price of such option was based on a previously agreed upon formula, and the option could be exercised at any time. The option was measured at fair value. On June 30, 2016, the Company transferred the put option contract to subsidiary Spice Investments Mercosur S.A. This transaction generated a revenue of $3,460 (USD $1.2 million), recorded under other operating revenue.

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

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

The Company determines whether transfers between fair value hierarchy levels have occurred, through a change in valuation techniques, in such a way that the new measurement is the most accurate picture of the new fair value of the appraised asset or liability.

Changes in hierarchies may occur if new information is available, certain information used for valuation is no longer available, if there are changes resulting in the improvement of valuation techniques or changes in market conditions.

Note 23. Contingent assets and liabilities

Note 23.1. Contingent assets

The Company has no significant contingent assets at June 30, 2016.

Note 23.2. Contingent liabilities

On July 13, 2015 the Company extended a guarantee in amount of $5,000 to Cdiscount Colombia S.A.S. to protect one of its most important suppliers in case of default of obligations arising from the procurement of goods; at June 30, 2016, the guarantee is still valid.

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.

At June 30, 2016, the Company 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 Company 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 Company from paying the amounts claimed by the tax authority.

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.

Note 24. 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 24.1. Current tax assets and liabilities

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

Current tax assets

	June 30, 2016	December 31, 2015
Income tax and CREE tax paid in advance (1)	76,422	103,751
Income tax for equality CREE advance payments	22,701	18,817
Excess income tax from private assessment (2)	94,681	-
Industry and trade tax advance payment and withholdings.	9,113	10,640
Receivable value added tax from imports	165	165
Other taxes receivable	1,042	-
Total current tax assets	**204,124**	**133,373**

(1) The balance is made as follows:

	June 30, 2016	December 31, 2015
Income tax withholdings	65,464	132,254
Income tax for equality CREE withholdings	22,796	-
Tax discount to be requested	11,933	7,654
Subtotal	**100,193**	**138,908**
Less income tax expense	(10,244)	(36,157)
Less income tax for equality CREE expense	(13,527)	-
Total income tax paid in advance	**76,422**	**103,751**

(2) Relates to a balance receivable estimated in the income tax return for taxable 2015.

Current tax liabilities

	June 30, 2016	December 31, 2015
Income tax for equality CREE payable (1)	-	6,600
Industry and trade tax payable	26,660	42,167
Other taxes payable	616	221
Tax on equity payable	25,542	-
Total current tax liabilities	**52,818**	**48,988**

(1) The balance is made as follows:

	June 30, 2016	December 31, 2015
Income tax for equality CREE payable	-	52,275
Less income tax for equality CREE withholdings	-	(45,675)
Income tax for equality CREE payable	**-**	**6,600**

Note 24.2. Income tax

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	April 1 to June 30, 2016	April 1 to June 30, 2015
(Loss) Earnings before income tax	**(40,305)**	**300,153**	**(8,722)**	**214,002**
Add:				
Receivables written-off	1,258	5,927	861	4,088
Non-deductible expenses	-	4	-	1
Non-deductible taxes	19	45	2	8
Taxes taken on and revaluation	2,412	10,351	1,004	306
Fines, penalties and litigation expenses	1,280	1,639	1,115	1,557
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 thereof.	4,624	-	4,624	-
Tax on financial transactions	4,621	3,671	2,034	(274)
Presumptive Interests	37	3	37	3
Tax on equity	51,083	57,772	-	234
Less:				
Goodwill tax deduction, in addition to the accounting deduction	(14,214)	(20,003)	-	(9,800)
40% deduction of investment in income-generating assets	(77,618)	(26,955)	(45,459)	(19,074)
Withdrawal of gain on sale of fixed assets deemed occasional gain	(19,711)	(84,725)	(19,598)	(84,724)
IFRS adjustments with no tax effects	56,892	(159,660)	50,644	(41,653)
2015 industry and trade tax paid in 2016	(14,392)	-	23,100	-
Recovery of provisions	(1,851)	(1,043)	(99)	(728)
Disabled employee deduction	(419)	(253)	(267)	(101)
Allowance for doubtful accounts	(6,641)	-	(5,350)	470
Taxable net income (loss)	**(44,024)**	**86,926**	**12,827**	**64,315**
Income tax rate	25%	25%	25%	25%
Subtotal income tax	**-**	**21,731**	**3,207**	**16,078**
Adjustment to effective rate	12,909	11,821	189	7,774
Occasional gains tax	888	6,258	888	6,258
Tax discounts	(3,553)	-	-	-
Total income tax expense	**10,244**	**39,810**	**4,284**	**30,110**
Income tax for equality CREE expense	**8,193**	**13,044**	**2,368**	**9,552**
Income tax for equality CREE surcharge expense	**5,334**	**8,606**	**1,267**	**6,666**
Expense (recovery) from prior year's tax	**1,714**	**(1,631)**	**1,714**	**(1,631)**
Total current income tax	**25,485**	**59,829**	**9,633**	**44,697**

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	April 1 to June 30, 2016	April 1 to June 30, 2015
Current income tax expense	(25,485)	(59,829)	(9,633)	(44,697)
Deferred income tax revenue (expense)	21,016	(10,569)	(27,366)	(9,416)
Total income tax (expense)	**(4,469)**	**(70,398)**	**(36,999)**	**(54,113)**

Note 24.3. 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
Investments at amortized cost	(558)	(75)
Equity investments	(45,496)	(50,065)
Accounts receivable	8,213	(19,307)
Inventories	42,203	38,569
Real estate for trading	(83)	-
Land	(38,837)	(38,704)
Tax consolidation and readjustment	19,733	19,926
Buildings	(113,260)	(98,570)
Non-operating commercial premises	103	40
Investment property	(3,471)	(8,261)
Construction in progress	(18,143)	(16,940)
Other fixed assets	(23,906)	(21,415)
Intangible assets	(73,159)	(52,625)
Deferred charges	12,014	12,089
Financial liabilities	2,206	2,664
Other liabilities	62,680	41,898
Total net deferred tax (liabilities)	**(169,761)**	**(190,776)**

Deferred tax assets and liabilities are made as follows:

	June 30, 2016	December 31, 2015
Deferred tax assets	1,687,826	1,729,704
Deferred tax liabilities	(1,857,587)	(1,920,480)
Total net deferred tax (liabilities)	**(169,761)**	**(190,776)**

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	April 1 to June 30, 2016	April 1 to June 30, 2015
Deferred income tax 25%	7,287	(21,996)	(12,079)	(9,865)
Deferred CREE tax 9%	2,623	(17,038)	(4,349)	(3,553)
Deferred CREE tax surcharge 5%	(401)	10,777	(369)	(13,427)
Deferred occasional gains tax 10%	7,472	19,383	(12,293)	17,429
Deferred retained earnings Uruguay 7%	4,035	(1,695)	1,724	-
Total deferred tax revenue (expense)	**21,016**	**(10,569)**	**(27,366)**	**(9,416)**

Note 25. 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)	5,216,990	4,904,176	2,564,358	2,433,106
Other ordinary revenue (2)	140,661	122,995	78,178	55,410
Revenue from ordinary activities	**5,357,651**	**5,027,171**	**2,642,536**	**2,488,516**

(1) The detail 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
Sale of assets, net of sales returns and rebates	5,187,467	4,886,176	2,534,835	2,415,106
Revenue from the sale of real estate projects (a)	29,523	18,000	29,523	18,000
Total retail sales	**5,216,990**	**4,904,176**	**2,564,358**	**2,433,106**

(a) For 2016, relates to revenue obtained from the sale of Éxito Itagüí real estate project.
For 2015, relates to revenue obtained from the sale of Éxito La Caracas (Avenida Chile) real estate project in Bogotá.

(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 (b)	84,964	76,092	43,385	38,153
Royalty revenue	36,920	43,841	22,217	16,068
Other revenues (c)	18,777	3,062	12,576	1,189
Total other ordinary revenue	**140,661**	**122,995**	**78,178**	**55,410**

(b) Mainly relates to revenue from the rental of premises and physical spaces at the stores (trader) and to revenue as non-banking correspondent.

(c) Relates to:

	January 1 to June 30, 2016	January 1 to June 30, 2015	April 1 to June 30, 2016	April 1 to June 30, 2015
Recovery of revenues arising from commissions as "non-banking correspondent"	7,933	-	6,489	-
Other revenue from Latam strategic direction	3,631	-	3,630	-
Other operating revenues	2,961	466	1,911	44
Other exploitation activities	1,784	1,542	(525)	765
Revenue from maturity of own cards	1,003	908	314	292
Sundries	1,465	146	757	88
Total other ordinary revenue	**18,777**	**3,062**	**12,576**	**1,189**

Note 26. 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)	371,938	334,896	190,778	172,434
Contributions to the social security system	5,102	4,651	2,503	2,215
Other short-term employee benefits	22,421	20,762	10,860	10,149
Total short-term employee benefit expenses	**399,461**	**360,309**	**204,141**	**184,798**
Post-employment benefit expenses, defined contribution plans	33,369	29,766	16,858	14,928
Post-employment benefit expenses, defined benefit plans	1,405	1,998	782	1,519
Total post-employment benefit expenses	**34,774**	**31,764**	**17,640**	**16,447**
Termination benefit expenses	850	1,646	404	920
Other long-term employee benefits (2)	(8,542)	(12,077)	(9,012)	(13,064)
Other personnel expenses	5,379	4,672	3,447	2,915
Total employee benefit expenses	**431,922**	**386,314**	**216,620**	**192,016**

(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, period expense 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.

(2) Since 2015 The Company and 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 $8,542 (2015 - $12,077).

Note 27. 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 Company's 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 Company, 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	3,905	1,016	-	-
Reimbursement of ICA-related costs and expenses	1,774	169	22	36
Recovery of other provisions related to civil legal proceedings	1,541	-	1,227	-
Reimbursement of property tax-related costs and expenses	41	184	41	-
Other recurring operating revenue(1)	**11,881**	**1,369**	**2,337**	**36**
Revenue from the measurement at fair value of interest in companies (2)	-	29,681	-	-
Other revenue (3)	3,460	-	3,460	-
Other non-recurring operating revenue	**3,460**	**29,681**	**3,460**	**-**
Total other operating revenue	**15,341**	**31,050**	**5,797**	**36**
Other operating expenses				
Tax on wealth expense (4)	(51,083)	(57,772)	-	(234)
Indemnifications expense (5)	(8,896)	(2,500)	(1,007)	(2,500)
Other expenses (6)	(1,803)	(10,137)	(1,236)	(8,718)
Total other operating expenses	**(61,782)**	**(70,409)**	**(2,243)**	**(11,452)**
Other profits, net				
Gain from the sale of property, plant and equipment (7)	3,277	-	3,273	-
Net gain from the sale of intangible assets (8)	-	75,397	-	75,397
Derecognition of property, plant and equipment (9)	(1,925)	(3,676)	(1,925)	(3,742)
Expenses from the disposition of assets	(45)	-	(45)	-
Total other profits, net	**1,307**	**71,721**	**1,303**	**71,655**

(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) Refers to the price charged to Spice Investment Mercosur S.A. upon the assignment of the put option contract to which the Company was a party, as mentioned in Note 17.

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

(5) For 2016, refers to expenses from the Company'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, as part of the Company's restructuring plan.

(6) For 2016, includes expenses in amount of ($1,515) incurred in the creation of real estate vehicles; expenses amounting to ($480) arising from the closing of stores and shops; revenue in amount of $227 as recovery of expenses from prior year projects.

For 2015, relates to expenses incurred in business combinations in amount of $1,238; expenses from the acquisition of trade establishments in amount of $1,349; expenses from the assessment of civil and commercial lawsuits in amount of $7,550.

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

(8) The balance includes gains in amount of $74,515 arising from the sale to Cafam of the drugstores owned by the Company, 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.

(9) For 2016, the balance relates to a loss in amount of ($1,791) from the withdrawal of improvements in third party properties, relevant to the stores closed during the first half of 2016, including Carulla Express Avenida 15, Éxito Express Malecón, Éxito Express Kennedy, Éxito Express Avenida del Ferrocarril, Surtimax Paraíso, Éxito Express Colores Cl 53, Éxito Express Exposiciones, Éxito Express Estadio Norte, Bodega Surtimax Calatrava, Éxito Express Universidad Nacional; and a loss of ($134) arising from the accident at Éxito Santa Marta.

For 2015, relates to a loss in amount of $3,742 arising from the contribution of the Éxito Barranquilla premises to Patrimonio Autónomo Barranquilla.

Note 28. 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	April 1 to June 30, 2016	April 1 to June 30, 2015
Revenue from interest, cash and cash equivalents	2,561	31,722	951	12,819
Gain from derivative financial instruments	19,532	18,664	9,310	3,801
Gain from exchange difference	219,425	5,357	54,261	850
Other financial revenue	12,114	10,845	5,821	5,629
Total financial revenue	**253,632**	**66,588**	**70,343**	**23,099**
Interest, borrowings and finance lease expenses	(165,874)	1,644	(86,168)	2,449
Loss from derivative financial instruments	(171,225)	(5,810)	(67,029)	(2,729)
Loss from exchange difference	(112,941)	(20,139)	(18,740)	(2,648)
Commission expense	(1,422)	(1,029)	(393)	(484)
Interest expense, bonds	-	(5,596)	-	(1,601)
Other financial expenses	(13,749)	(14,032)	(8,781)	(7,070)
Total financial expenses	**(465,211)**	**(44,962)**	**(181,111)**	**(12,083)**

Note 29. Seasonality of transactions

The seasonality of the Company's operation cycles is reflected in its operating and financial results, with peaks during the last quarter of the year, particularly at Christmas time, and the second most important promotion event of the year "Special Price Days".

Note 30. Financial risk management policy

During the six-month period ended June 30, 2016, there have not been significant changes to the Company's risk management policies, or changes in the analysis of risk factors that might have an effect on the Company, 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 31. Dividends declared and paid

At June 30, 2016

The Company'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.

At December 31, 2015

The Company'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, 2015 amounted to $124,354.

(*) Expressed in Colombian pesos.

Note 32. Relevant facts

At June 30, 2016

<u>Revolving trench disbursement</u>

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.

<u>General Meeting of Shareholders</u>

The Company'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 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 General Meeting of Shareholders approved the proposal to retain Ernst & Young Audit S.A.S. as the Company's 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.

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 Company entered into an agreement with Caja de Compensación Familiar - CAFAM to sell trade establishments, which main purpose was: (i) the sale by Cafam to the Company of the stores owned by Cafam and operated by the Company; (ii) the sale by the Company to Cafam of drugstores owned by the Company and operated by Cafam; (iii) the sale by the Company to Cafam of Carulla drugstores owned by the Company; and (iv) the termination of the Cooperation Agreement executed on September 23, 2010 which established, among other provisions, the obligation of each party to pay to the other party a share of the net monthly sales of 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 Company'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 Company 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 Company 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 use had been granted to the Company 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 Company 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 resulted in effective control and global consolidation of the financial statements.

Previously, in September 2011, the Company 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 recognized 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% participation 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 Company 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 Meeting of Shareholders confirmed the appointment of 8 of the 9 members of the 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 Company 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 Company 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 Company for the promotion of consumer lending with 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 Company 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 Company 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 Company in favor of creditors.

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

In compliance with the share purchase-sale agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Company 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, in amount of USD 293.

Changes in administrative structure

On September 1, 2015, the 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 Company, under the appeal of the acción de tutela proceedings brought by a minority shareholder of the Company was served on December 10, 2015. The appeal court found that there was no violation of the fundamental rights of said shareholder.

Note 33. Events subsequent to the reporting period

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 Company'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 Company.