

2016

Integrated Report



Colombia

Bra 

Argentina

Uruguay

grupo **éxito**[®]

2016

Integrated

Report



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Scope:

This Integrated Report describes Grupo Éxito's management from January 1 to December 31 2016, in the four countries in which it has a presence.

The results are presented in four chapters: Management Report, Corporate Governance Report, Financial statements and Sustainability Report.

To learn more about the companies in which Grupo Éxito has participation visit the following websites:

- Grupo Éxito: www.grupoexito.com.co
- Grupo Pão de Açúcar: www.gpabr.com
- Libertad: www.libertadsa.com
- Grupo Disco: www.disco.com.uy

Foreword

We are proud to present Grupo Éxito's 2016 Integrated Report, which contains the most significant results related to strategic management, Corporate Governance, finances and sustainability.

The financial report was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS), and was audited by Ernst & Young. The notes to the Consolidated and Separate Financial statements may be consulted at the website www.grupoexito.com.co, Shareholders and Investors section, financial information.

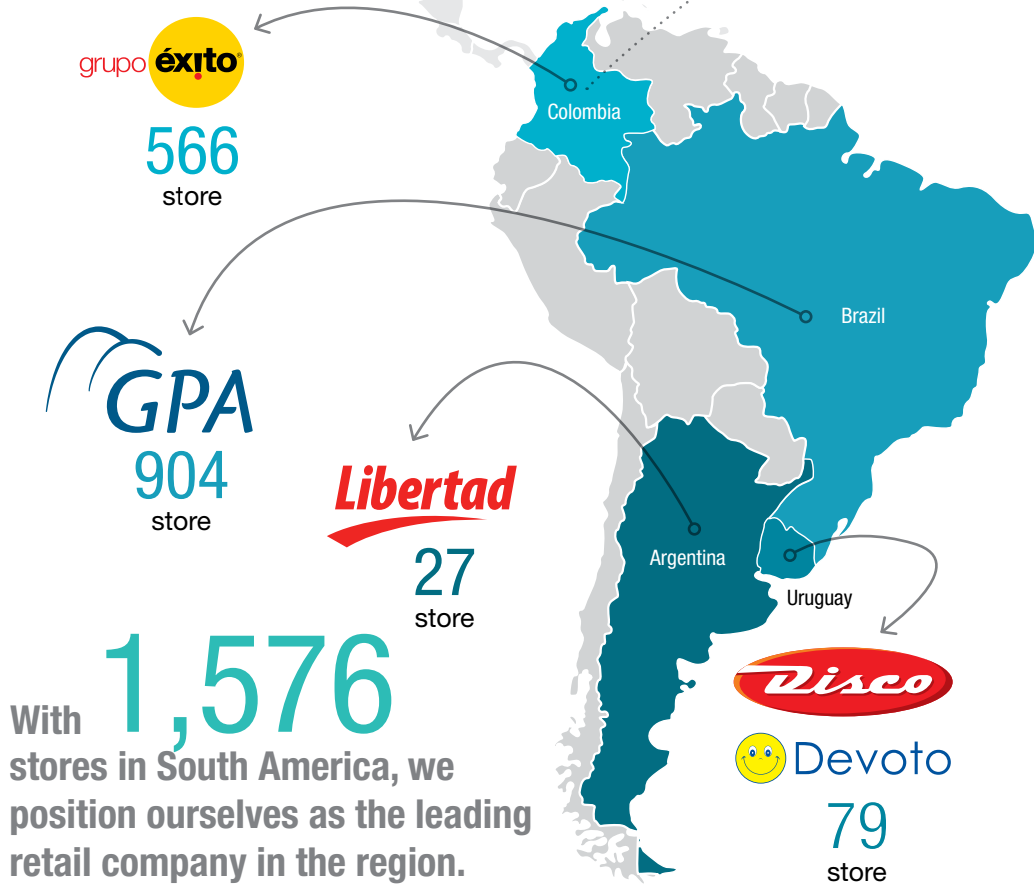
The Corporate Governance Report was validated in compliance with the Code of Best Corporate Practices established by the Financial Superintendence of Colombia.

And finally, the Sustainability Report was formulated in accordance with the parameters set forth by the Global Compact and the best national and international practices on sustainability issues.

Our bet is to continue being a solid, competitive Company with differentiated strategies, committed to society and the environment, forged thanks to our people's engagement and the support and trust of our stakeholders.

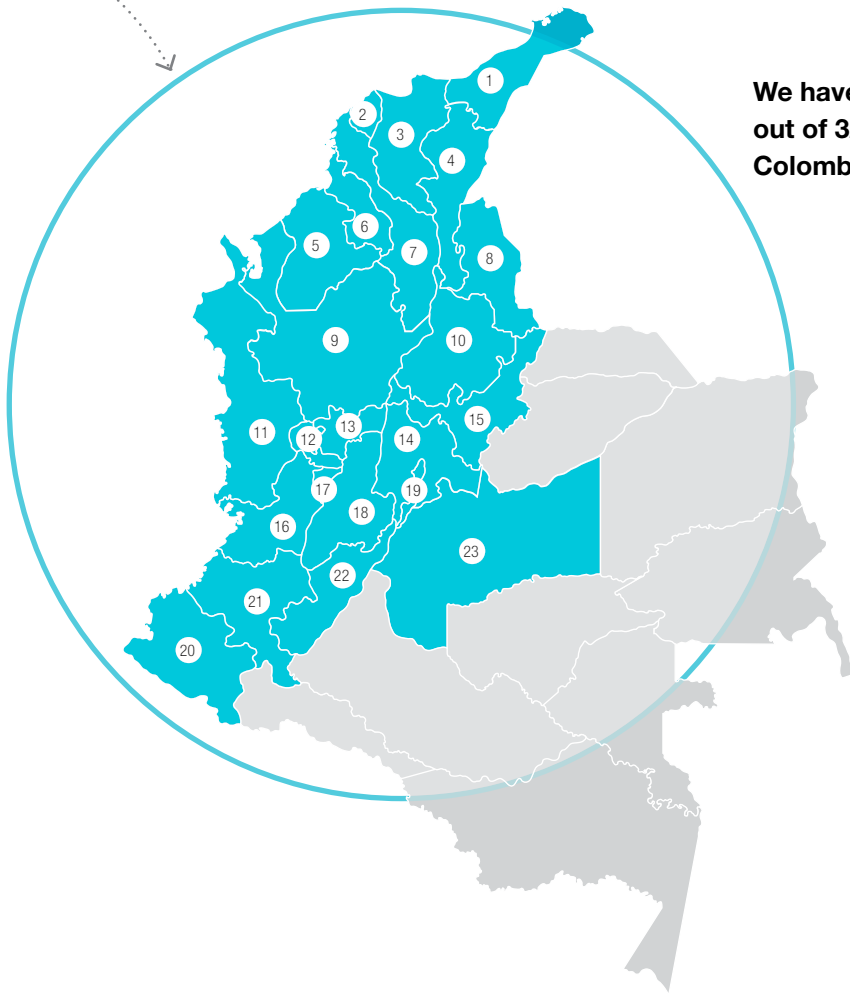
We want to remain in the hearts of the people of the countries in which we have a presence, and that is why **we work every day to make sure our customers keep coming back.**

We work with pride and passion, with tenacity and enthusiasm, with commitment and conviction, giving our best to the countries where we have a presence.



Colombia	Grupo Éxito					
						11 Shopping Centers 15 Shopping Malls
261 stores	100 stores	137 stores	67 stores	1 store		
Brasil	Grupo Pão de Açúcar					
185 stores	77 stores	328 stores	207 stores	107 stores		
Uruguay	Grupos Disco y Devoto			Argentina	Supermercados Libertad	
29 stores	24 stores	24 stores	2 stores	15 stores	11 stores	1 store

We have been serving Colombia for over 110 years



We have presence in **23** out of 32 departments in Colombia

1. La Guajira
2. Atlántico
3. Magdalena
4. Cesar
5. Córdoba
6. Sucre
7. Bolívar
8. Norte de Santander
9. Antioquia
10. Santander
11. Chocó
12. Risaralda
13. Caldas
14. Cundinamarca
15. Boyacá
16. Valle del Cauca
17. Quindío
18. Tolima
19. Bogotá
20. Nariño
21. Cauca
22. Huila
23. Meta

- **Our customers are the center of our business.** We want them to be able to choose what, how, when and where to buy through our different brands, formats and channels.
- Every day, **over 42 thousand employees** work with passion and pride to serve our customers and Colombia.
- We contribute to the development and growth of the places where we have presence. **Over COP 475,900 million in taxes** were paid in 114 municipalities around Colombia.

We work for the customer to return

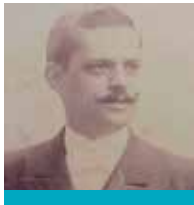


Corporate Values

- Service
- Teamwork
- Innovation
- Simplicity
- Passion

We are proud of what we have built. We have learned from the past, and we always look towards the future to give our very best.

Algunos hechos importantes en la historia del Grupo Éxito



1905 → Carulla was established in Bogotá by the initiative of José Carulla Vidal.

→ **1922** → The Ley supermarket was founded in Barranquilla thanks to Luis Eduardo Yepes.

→ **1949** → The Éxito store was created in Medellín under the leadership of Gustavo Toro Quintero.



← **2005** ←

- The Real Estate business began operations
- The Éxito Card was created.



← **2001** ←

- Almacenes Éxito and Cadenalco merged.



→ **2007** →

- Casino acquired the majority of Almacenes Éxito S.A. shares.
- Almacenes Éxito acquired Carulla Vivero.

- Almacenes Éxito issued international shares through the GDS.
- Viajes Éxito began operations.



← **2012** ←

- Cafam, Pomona and Ley completed the merging process with the Éxito, Carulla and Surtimax brands.
- Viva inaugurated the first shopping center in Medellín.



→ **2013** →

- Móvil Éxito went out to market as mobile telephony.
- International wire transfer service began.
- Aliados Surtimax was created.

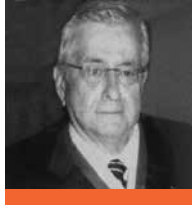
→ **2014** →

- Almacenes Éxito acquired Super Inter, its fourth retail brand.
- Gemex O&W S.A.S. was created as a direct sales channel.

- Opening of the first Surtimayorista, Grupo Éxito's first wholesale store in Colombia.
- Grupo Éxito and Fondo Inmobiliario de Colombia signed an investment

agreement for the creation of Viva Malls, a specialized vehicle in the development and operation of commercial spaces in the country.

- Colombian suppliers began exporting products to Brazil, Uruguay and Argentina.
- Fundación Éxito reached new territories: Córdoba, Magdalena, Nariño and Chocó.



1959

Cadenalco's history began as the owner of the Ley supermarket.

1969

Vivero was born in Barranquilla, driven by Alberto Azout.

1982

Fundación Éxito was created.

1994

Éxito lists its stocks on the Bogotá, Medellín and Occidente (Cali) Stock Exchange.



1999

- Casino acquired 25% of Almacenes Éxito shares.
- Almacenes Éxito acquired the majority shareholder of Cadenalco.



1998

www.exito.com began operation.



2008

- Seguros Éxito was created as a complementary business.
- The Bodega Surtimax format was created.
- Éxito began direct operations of its Service Stations.

2009

Éxito and Cafam signed a partnership agreement.



2011

- Almacenes Éxito acquired 100% of Spice Investments Mercosur shares, the company that owns the Disco, Devoto and Géant chains in Uruguay.



2010

- Almacenes Éxito and Carulla Vivero merged.
- The Éxito Express format was launched.



- Gen Cero (Zero Chronic Malnutrition on Children) goal was introduced to the country as a plan to ensure that by 2030, no child in Colombia suffers from chronic malnutrition.



2015

- Almacenes Éxito acquired 50% of Grupo Pão de Açúcar's (Brazil) voting rights; and 100% of Libertad (Argentina).
- Devoto, in Uruguay, implemented the express format.

2016



- Movie premiere of "Colombia Magia Salvaje (Colombia Wild Magic)".
- The company Logística y Transporte (LTSA, for the Spanish original) began operations.
- The first edition of the Month for Childhood Nutrition was held.

Businesses and brands in Colombia

We offer our customers different businesses, brands and channels so that they can find solutions adapted to every need.

Retail business

261 
stores
More than **23,000** employees
18 new stores

100 
stores
Over **5,100** employees
2 new stores

137 
stores
Over **2,500** employees
1 new stores

67 
stores
Over **3,200** employees
9 conversions from Surtimax to Super Inter in Manizales

Direct business

278,000 
orders delivered
42 million visits

36,500 
orders delivered
3 million visits

320,000 
orders delivered


133 
digital catalogs
48,000 orders

Wholesale business and professional customer

1 **store** 
Approximately **90** employees
The Company's first wholesale store

1,307 
partners
1,138 Aliados Surtimax
169 Aliados Super Inter 

Real Estate business



11 Shopping Centers and **15** Malls

Signing of agreement between Fondo Inmobiliario de Colombia (FIC) and Grupo Éxito to consolidate Viva Malls, the largest real estate vehicle of commercial stores in Colombia
Over **434,000** m² of leasing area.

Complementary businesses

Over

2.4



million cards placed, becoming the leader in plastic money in Colombia

Over

1



million customers insured
24% growth in sales

Over

300,000 

destinations around the world
16% growth in sales

1.2



million users
First virtual operator with 4G LTE Internet

Over

3.7



millones
million national and international transactions

Over

8,000



consultants
53 regions of the country covered
35% growth in sales

Support for business

didetexco
Distribuidora de textiles y confecciones S. A.

24.5 million

garments manufactured for **117** collections



Industria de alimentos

Over

39,500

tons of food dispatched



Almost **310,000** trips made and more than **40.3** million kilometers traveled

Behind each product of our Private Label is a story of growth and development for Colombia.

Over **900** national suppliers produce nearly **13,600** items of our Private Label products, providing our customers:

- 1 innovative strategies
- 2 excellent quality
- 3 affordable prices.

Alimentos y productos de gran consumo



Cuidado personal y cosmética

Textiles



Hogar



Ferretería, deportes, audio y video



We establish permanent spaces for dialog and feedback with our stakeholders

Relationship channels



Shareholders and Investors

- General Meeting of Shareholders.
- Integrated Report.
- Specialized section in our corporate website.
- Quarterly teleconferences to present results.
- Quarterly meetings with traders.
- Meetings with investment funds, pension funds and analysts.
- Addressing requests and concerns about actions through Fiducolumbia.



Employees

- Quarterly presentation of results.
- alDetalle, a bi-monthly magazine for employees.
- Conectados, a weekly bulletin.
- En Minutos, a weekly radio spot.
- Bi-weekly publication of the Agenda of Primary Groups with guidance and strategic instructions.
- Assessment of the work environment.
- *Buzón de sentimientos* and *Buzón 360° Exprésate* for employees to share opinions, recognitions or requests.
- On-going attention to requests through an Ethics hotline



Customers

- Meetings to hear their recommendations, disseminate brand promises and listen to the customer's concerns.
- Respuesta Oportuna a los Clientes (Timely Customer Response; ROC, for the Spanish original) where customers present their requests to the company.
- Quality Service Audit (QSA) to measure customer satisfaction levels with the different brands and businesses.
- Service lines and emails to address customer requests.
- Twitter account @TuExitoTeEscucha.
- On-going attention to requests through an Ethics hotline.



Suppliers

- Supplier tours to disseminate results and present the strategy.
- Business Portal.
- Specialized section in our corporate website.
- Nos Acerca, a quarterly magazine for suppliers.
- Annual competition for Éxito suppliers where they are recognized in 12 categories.
- Quality Service Audit to measure supplier satisfaction levels with the Company's business relation.
- On-going attention to requests through an Ethics Hotline.

Relationship channels



State

- Quarterly results reports to the Financial Superintendence of Colombia and Superintendence of Industry and Commerce.
- Activities results reports upon request.
- Participation in trade union meetings.
- Participation in processes in which we can contribute to the country's development from the private sector.
- On-going relations with the authorities in the regions where we have a presence.
- On-going attention to requests through an Ethics hotline.



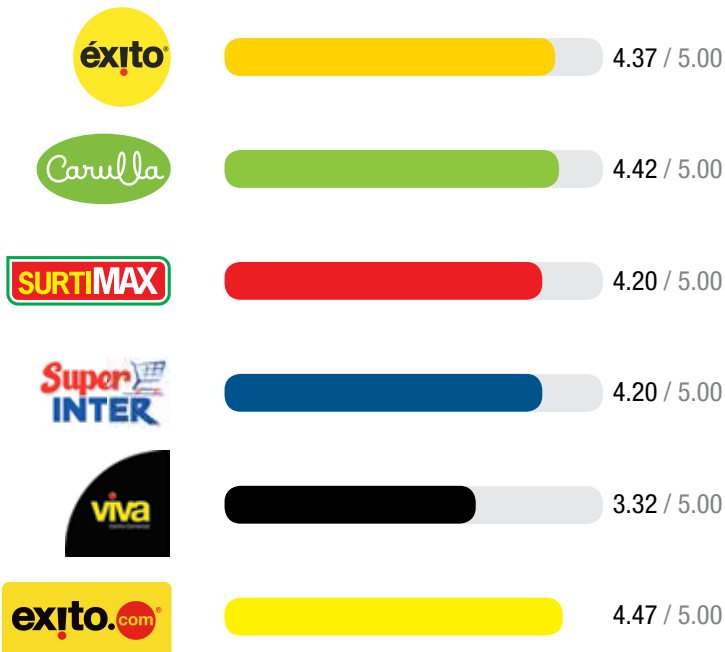
Society and the media

- Corporate and business accounts with Facebook, Twitter, Instagram and YouTube.
- Press Releases with relevant information for media and society.
- Specialized section at our corporate website.
- On-going attention to media.
- Public events.
- On-going attention to requests through an Ethics hotline.

Results of the QSA service rating

Through the Quality Service Audit (QSA), we consult our customers regarding their satisfaction with our different brands. Éxito, Carulla and exito.com are the brands that received the best ratings.

We achieved the best QSA indicator of the last 7 years



These results encourage us to keep working for a top service and the best shopping experience to our customers.



Acknowledgments

- For four consecutive years, we have been among the **nine Colombian companies chosen by the Dow Jones Sustainability Emerging Markets Index (DJSI)**. We ranked between the top three companies with the best Retailers industry performance (Food & Staples Retailing) in the developing countries listing on local stock exchanges.
- **Carlos Mario Giraldo Moreno**, CEO of Grupo Éxito, was recognized as the **Businessman of the Year** by La República newspaper for his strategic vision, high sense of corporate responsibility, service vocation, and leadership. He was listed as **one of the top five corporate leaders with best reputation** in the country, according to the Merco Líderes study.
- We are one of the eight Colombian companies selected by the **FTSE 4 Good Emerging Markets Index**, which is part of the FTSE Russell company that assesses companies that demonstrate strong Environmental, Social and Governance practices from over 20 emerging countries
- We are positioned as the **Company that offers the best quality products in Colombia** and as **one of the five companies with the highest recall level** among Colombian entrepreneurs, according to the results of the Élite Empresarial survey carried out by Portafolio newspaper.
- We were recognized as an **Aliado de la Reintegración 2016 (Ally of Reintegration 2016)** by the Colombian Agency for Reintegration (ACR, for the Spanish original) in the Employability category, for our commitment to generate employment opportunities for vulnerable populations.
- We are one of the ten Companies with the best **Corporate Reputation in Colombia** and the **first company in the Department Stores category**, according to the Merco Empresas y Líderes study.
- Éxito is one of the **five brands of excellence in Colombia** according to Superbrands, which promotes brand management as a discipline and recognizes effective marketing experiences; **the fifth most valuable in the country** and the first in the retail category according to the firm CompassBranding.
- The movie “Colombia Magia Salvaje”, received five awards: “Gran Effie; gold in the categories for “Government and/or Institutional Campaigns” and “Social Transformation Campaigns” at the Effie Awards Colombia; bronze in the “Corporate Reputation and Professional Services” category granted by the Latin America Effie Awards; and the *Distinción Fenalco Solidario* Colombia in the “Work, Chronicle or Documentary on Social Responsibility” category.

Senior Management



Carlos Mario Giraldo Moreno
Chief Executive Officer



Carlos Mario Díez Gómez
Chief Operative Retail
Officer for Colombia



José Gabriel Loaiza Herrera
International Business
Vice-President



Manfred Heinrich Gartz
Administration Vice-President



Juan Felipe Montoya Calle
Resources Vice-President



Juan Lucas Vega Palacio
Real Estate and Development
Vice-President



Jacky Yanovich Mizrach
Sales and Operations Vice-
President



Carlos Ariel Gómez Gutiérrez
Comercial Vice-President



Martín Nova Estrada Marketing
Vice-President



Camilo Alberto Gallego Ferrer
Éxito Services Vice-President



Claudia Echavarría Uribe
General Counsel and manager for
Corporate Affairs



Jesús Alberto Quintero Marín
Supply Chain Manager



Marcela Quintero Vélez
Client Manager



Gladys Elena Estrada Yepes
Audit Officer

Learn more about the Company's Senior Management by going to
<https://www.grupoexitocom.co/en/shareholders-and-investors/corporate-governance/top-management>



Management Report

ALMACENES ÉXITO S.A. CEO AND BOARD OF DIRECTORS' MANAGEMENT REPORT

The year 2016 was marked by major challenges, transformations and decisive steps for the future of Grupo Éxito, which was consolidated as the leading food retailer in South America, operating in Colombia, Brazil, Uruguay and Argentina, through 1,576 stores representing nearly 2.8 million square meters of surface area and thanks to the cooperation of nearly 140 employees.

The region went through a year of social and political uncertainty and a highly demanding macroeconomic context, which saw a reversal in the economies of the four countries and a downturn of nearly 0.7% in the region's GDP ¹. The high levels of inflation placed pressure on the fixed costs of the retail industry, including salaries, leases and public utilities.

Even in this challenging context, Grupo Éxito maintained its leading position on the markets where it operates, which showed the resiliency of its operation, and promoted important strategies to continue competing in an effective and profitable manner in a changing environment.

Some of the milestones of the year include:

- the startup of the Viva Malls operations, as the operation and development vehicle of leading shopping centers and malls in Colombia.
- The simplification of the corporate and operating structure in Brazil through the integration of Via Varejo and Cnova Non-food businesses, and the decision to



CARLOS MARIO GIRALDO MORENO
Presidente Grupo Éxito

We have positioned ourselves as South America's leading food retailer.



Operating
1,576
stores in Colombia, Brazil,
Uruguay, and Argentina.

¹ Source: International Monetary Fund

begin a divestment process of this business to focus the activity on the food business in Brazil on the Food business, and thus consolidate the Group's leadership in South America.

- The debt reduction of the holding, which resulted in an adjusted net financial debt/EBITDA ratio below the year's goal, thanks to the successful definition and implementation of a financial optimization strategy, including the Company's working capital initiatives.
- The continued good performance of the hypermarket formats in the four countries: Éxito in Colombia; Extra in Brazil; Géant in Uruguay; and Libertad in Argentina.
- The profitable expansion of the proximity format through Éxito Express and Carulla Express in Colombia; Minuto Pão de Açúcar in Brazil; and Devoto Express in Uruguay.
- The continued development of the dual retail - real estate model in Argentina, through the expansion of commercial spaces in the Libertad shopping malls, ended the year with nearly 160 thousand square meters of gross leasable area.
- The uniform implementation of several successful strategic business initiatives (1, 2, 33 Ahorrá (Save), Precio Insuperable (Unbeatable Price) and Hyper Feria (Hyper Fair)), that are adapted to the economic and market environment of the four countries in which the Group is operating.
- In the progressive materialization of synergies, just 15 months following the acquisitions in Brazil and Argentina, the implementation of new successful business models between the countries stands out, which are currently generating recurring benefits of USD 25 million in the four countries, in line with the goals that were initially set.

COLOMBIA

The year 2016 was marked by high inflation and an increase in interest rates with a significant impact on the Company's financial and operating expenses.

The operation in Colombia ended the year with 566 stores, and achieved revenue for COP 11.4 trillion, up 7.5% from 2015, driven by the results of the Éxito brand, which had a 7.4% increase in sales. The recurring EBITDA grew by 3.2%, and reached COP 833 billion, which represented a margin of 7.3%.

The sales strategies, such as Precios Insuperables (Unbeatable Prices), the Quincenazo (Fortnight Sale) and the implementation of a new textile model focused on offering everyday low prices, enabled the Company to satisfactorily face the growing competition and improve traffic levels at its stores.

In this context, it is important to highlight the performance of the textile strategy, which has shown excellent results thanks to a disruptive model focused on the democratization of fashion, providing customers with access to the latest trends at low prices. As a result of this strategy, volumes in units grew by more than 26%, reaching around 51 million garments. Sales increased by 18%.

Faithful to the mission of working to make sure customers come back, the Group is focused on getting to know their needs better and improving its service levels. In 2016, the Company made substantial progress in measuring customer service through Invamer Gallup, which obtained an average rating of 4.4 out of 5.0. We are pleased with this result and it challenges us to continue striving for the preference of our clients, placing us on the right path.

In Colombia, commerce is going through a time of dynamic expansion, led by discount formats in the country's different



566

stores in
Colombia.

Revenue
grew **7.5%** by
totaling **11.4**
billion pesos

cities. In this context, the Company is moving forward in the development of new forms of business that will enable it to reach institutional customers (restaurants, cafeterias and hotels) and offer the end consumer a new discount alternative, as well as strengthen its convenient close presence at attractive prices.

In developing this strategy, the Group launched the first wholesale or Cash & Carry store under the Surtimayorista brand, which showed excellent business results by exceeding the initial budget. At the same time, the growth of the Partners program increased under the Surtimax and Super Inter brands, ending the year with 1,307 points of sale. Also, the private label continued to grow stronger, as a value proposition for the consumer, with a share of nearly 14% and 43% of the sale of Food and textile products, respectively. At Grupo Éxito, dynamic, but profitable expansion is favored, to ensure an adequate return on investment and consolidate an alternative of proximity for all audiences.

In turn, the omnichannel strategy, as the center of commercial development of the Company, has continued to show significant performance. During this year, the e-commerce business through exito.com and carulla.com achieved positive EBITDA levels of nearly 5% and a sales growth of 23%, 16% of which is from marketplace sales launched at the end of 2015. Through this system, other companies and brands can offer their products to the end consumer through the Company's virtual platform.

Grupo Éxito's revenue in Colombia has continued to receive the positive contribution of its complementary businesses: financial (through the Éxito Credit Card, Transfers and Remittances), Insurance, Travel, Mobile Telephony, Direct Sales and the exceptional development of the real estate business that opened more than 75 thousand square meters of gross leasable area during the year, including the shopping centers Viva La Ceja and Viva Barranquilla, considered the most important on the Caribbean Coast and the sixth largest in the country.

In the real estate business, it is important to mention the agreement reached in December with Fondo Inmobiliario Colombia (FIC), a private capital fund managed by Fiduciaria Bancolombia. Viva Malls was created through this vehicle controlled by Grupo Éxito, and it increased the value of the Company's real estate assets, represented by 434 thousand square meters of gross leasable area, including assets in operation and ongoing projects at COP 1.6 trillion. Through this long-term partnership, Viva Malls is expected to become the main developer

and operator of shopping centers in Colombia.

In the financial retail segment, the Éxito Credit Card is now the leading card in Colombia, with more than 2.4 million cards issued. The successful franchise partnership with MasterCard offers customers more options and benefits. The insurance business has also continued growing and now covers more than one million customers through micro-insurance alternatives.

Furthermore, Viajes Éxito closed with a 16% growth in sales and more than 210 thousand customers. This made it the sector's second largest company based on tourism package sales in Colombia. The mobile telephony business reached more than 1.2 million users through the Móvil Éxito brand.

Finally, as part of the Company's deleveraging strategy, it is important to mention the effort to optimize working capital in Colombia, with a historical inventory reduction of more than five days, along with the improved supply level of stores in recent years. Along with other operational excellence initiatives, this optimization helped reduce the holding's adjusted net financial debt/EBITDA ratio from 3.8x in 2015 to 3.1x at the end of 2016.

BRAZIL²

Brazil had a year marked by major transformations, particularly in the political arena. Despite the lower levels of consumer confidence and a volatile international environment, the Brazilian real ended the year with a 21.7% valuation. In 2016, the GDP dropped nearly 3.6%, driven by the impairment of private consumers and a declining inflation, which reached a level of 6.29%.

At the end of 2016, the Company had 904 stores, and achieved a revenue of COP 36 trillion, with an 11.4% annual increase in local currency and comparable sales of 6.7%, including the calendar effect. Recurring operating profit reached COP 1.2 trillion and the recurring EBITDA reached COP 1.8 trillion; and the recurring EBITDA margin was 5%.

Assaí, the Cash & Carry wholesale business was consolidated as the country's most attractive and dynamic format, attracting consumers focused on getting value for their money. Assaí currently represents approximately 35% of the total Food sales, with a growth of 38.6% in local currency. Assaí ended the year with more than 13

The net financial debt indicator / EBITDA is

 **3,1**

times higher. It dropped from 3.8 times in 2015.



904

stores in Brazil. Revenue of more than **36 billion pesos** with **11.4% growth in local currency.**

² All of Brazil's figures exclude the Non-food business consolidated in Via Varejo, which is recorded as a discontinued operation.

The Cash & Carry business format by **Assaí** positioned itself as Brazil's most attractive and dynamic format.

38.6% growth in sales in the local currency.

107 stores and 13 openings, including 2 brand conversions.

openings, for a total of 107 stores, and several expansion projects in progress to be completed in 2017, which include, among others, the conversion of low-performing Extra hypermarkets, an initiative whose first two pilots were carried out in 2016 with excellent results.

In turn, Multivarejo, a business unit that brings together the Extra and Pão de Açúcar brands, with a diversity of formats between Hyper, Super, Express and Partners, ended the year with 797 stores. In 2016, it focused on strengthening its market share through sales strategies that would make it possible to offer its customers solutions in accordance with their changing needs. Multivarejo made a significant investment in margins that enabled the gradual recovery on sales and the revitalization of its value proposition. The comparable sales of the last quarter confirm this trend. It closed at 3.7%, which is higher than the 2.0% reached throughout the year. The performance of Extra stood out in particular, whose same-store sales increased in local currency by approximately 5.0% in the last quarter, gaining market share over competitors' comparable formats. As the pillars of this result, the brand implemented the Group's cross-cutting sales strategies adapted to the local economic context, such as 1, 2,3 Passos da Economia (Three steps in Economy), Hiperferia (Hyper Fair) and O Mais Barato (The Cheapest).

In addition, the proximity strategy was championed by the Minuto Pão de Açúcar brand, which had 14 openings during the year and increased its market share. The format stands out for being a profitable model that offers customers a high added value alternative.

during the year, several action plans were implemented with a view to reducing costs, which partially offset the operation's lower sales margin. In addition to the job cuts, the Company's energy consumption was optimized, supply chain efficiencies were achieved, the marketing expense was rationalized and leases were renegotiated. Thanks to these initiatives, expenses were maintained as a percentage of sales at 18%. This item grew 30 basis points less than the income growth.

Since the Food business will require significant investment resources to maintain the lead, develop the Cash & Carry format and continue growing in proximity and qualitative formats, the Group has begun the divestment process of the Via Varejo Non-food business. This will strengthen the focus on Food and the capacity to capture opportunities on the most important market in South America.

It is considered that 2017, despite the continued challenging economic scenario, will show a gradual recovery in the sales and margins of the operation in Brazil, thanks to the acceptance of its brands, its concentration on Food and the aggressive expense reduction strategy carried out in 2016, which is expected to pay off this year.

URUGUAY

Uruguay, in turn, showed real GDP growth of nearly 0.7%, impacted negatively, among others, by the slowdown of its main business and tourism partners: Brazil and Argentina, as well as high inflationary pressures resulting from salary negotiations.

Notwithstanding, the Company maintained the lead on the market, and revenue grew by 11.1% in COP, with a solid recurring EBITDA margin of 7.8% in COP. Comparable sales show an 8.3% increase in local currency.

The operation in this country ended the year with 79 stores, 14 of which were new openings under the proximity format, for a total of 24, thus achieving market leadership in this format. Among the openings, it is important to mention the innovative Fresh Market project located in Punta del Este, which is focused on supermarkets with a supply of fresh, high added value products.

Uruguay continues to be a stable market in which the Company's market share of nearly 44% of modern retail and the extensive recognition of the Disco, Devoto and Géant brands, have enabled us to continue obtaining very positive results.

ARGENTINA

Argentina is going through a transitional stage, in which the current government has made significant progress regarding investor and international banking confidence in the country, conveying a message of respect for private activity by reopening foreign trade. However, the high levels of inflation, in excess of 40%³, have pressured the profitability of most businesses and affected consumer confidence. confianza del consumidor.

In this context, Libertad had outstanding performance, as its sales in local currency grew by 25.4% and it gained market share. The recurring EBITDA margin



79

stores in Uruguay.
Revenue grew by 11.1% in COP,
 maintaining market leadership.

³ Source: Ecolatina



27
stores in
Argentina. Total
revenue of **1.4**
billion pesos.

reached 4.8% as a result of the action plans regarding productivity.

Libertad ended the year with a revenue of COP 1.4 trillion, 27 stores in operation, and a new proximity format in the premium category under the Petit Libertad brand, which opened its first store in the last quarter of the year.

In turn, the dual retail-real estate model, an essential part of the Libertad business plan, made significant progress in 2016. The Chaco shopping centers in Resistencia and Salta were expanded and remodeled, adding 14,600 square meters to the real estate portfolio, which now amounts to nearly 160 thousand square meters of gross leasable space. This consolidates Libertad's position as the leading shopping center and commercial gallery operator outside Buenos Aires.

INTERNATIONAL STRATEGY AND SYNERGIES

Part of the long-term value of integrating Grupo Éxito's sales and real estate activity in the region depends on the effective capture of business synergies and their implementation in the countries where the Group is operating through best practices (such as in the case of exporting know-how in the textile and fashion business from Colombia to Brazil and Argentina) and the development of business models (such as in the case of launching the Cash & Carry format in Colombia). During the year, 19 cross-cutting initiatives were promoted with the four countries, with a total contribution to consolidated operating profit of nearly USD 25 million, in line with the plan to progressively obtain nearly USD 160 million of recurrent impact on the operating margin.

In Colombia, we are venturing into the wholesale business through the opening of the first Surtimayorista store in Bogotá, whose benchmark is the wholesale or Cash & Carry format of Assaí in Brazil. The promising results of the first months of operation have inspired at least two new openings for 2017.

In addition, the textile model of the Éxito brand was implemented in selected Extra and Libertad stores in Brazil and Argentina, respectively. The strategy considers all aspects from the export of more than 476 garments of private labels, such as Arkitect and Bronzini, manufactured by its own industry, Didetexco, to the sales and display process. The initial results are more than encouraging. In these

stores, the textile segment has doubled their EBITDA and has gained a share among their sales. In 2017, the textile strategy will continue to be deployed in stores in these two countries, and it will begin to be implemented in Uruguay.

In the second half of the year, the Partner store owners' program began to be implemented in Brazil under the CompreBem brand, inspired by the Colombian Surtimax and Super Inter model. This sustainable business model ended 2016 with 102 partners in São Paulo and with the goal of 400 openings for 2017.

The 1, 2, 3 Ahorrá todo el mes (1, 2, 3 save all month) business strategy was simultaneously implemented throughout the region. This strategy was born in Argentina and has been replicated in Extra hypermarkets in Brazil as 1, 2, 3 Passos da Economia (Three steps in Economy); in Éxito in Colombia, as Quincenazo (Fortnight Sale), and in Disco supermarkets in Uruguay, as Ahorrá (Save). This discount campaign drove the growth in billing and volume, in addition to gains in market share in the regions where the Group is operating.

Moving forward in the sales integration process, our suppliers exported products from the Food and Non-food categories as a result of the multi-sector business meetings held by the Company in Uruguay, Colombia and Brazil, where buyers from the four countries got to know the local supply of its suppliers. In 2016, orders were completed for coffee, meat products, juices, wines, flowers, kitchen utensils, textile products and small appliances, with 15 region suppliers. Also, more than 300 containers of commodities on domestic and foreign markets, including olive oil, salmon and fruits, among others, were jointly purchased, which led to savings between 5% and 15% on the cost of the products. In addition, agreements were renegotiated with the main multinational Food and Non-food suppliers, improving the terms of these businesses for the entire region.

25
million dollars
in recurrent
operating
benefits obtained
through the
implementation of
**19 cross-cutting
initiatives in the
four countries.**

In 2017, teamwork will continue between the different countries in an effort to create value for the Group and its shareholders. Benefits are expected as a result of synergies for nearly double those of 2016.

FINANCIAL RESULTS

At the end of 2016, Grupo Éxito's consolidated revenue amounted to COP 51.6 trillion, which means a growth of 114.8% compared to last year, and a proforma increase⁴ of 14.5%, due to the positive sales result in Colombia, the recovery of the Food segment in Brazil, the exponential growth of Assaí's Cash & Carry format in Brazil and the opening of convenience formats in Uruguay.

⁴ The consolidated proforma financial information is intended to illustrate the effects that would have occurred if the Brazil and Argentina operations, which began to consolidate on September 1, 2015, had been recorded and had begun to consolidate on January 1, 2015, in order to provide a comparable basis with the statement of income at December 31, 2016. Given the decision to sell the Company, this information also considers the effect of the restatement of results of Vía Varejo S.A. as Discontinued Operations.

This is how synergies are materialized

Textile Model



→ Originally from Colombia.



→ Adapted in Argentina.



→ Adapted in Brazil.

Cash & Carry Model



→ Originally from Brazil.



→ Adapted in Colombia.

Allies Model



→ Originally from Colombia.



→ Adapted in Brazil.

Express Formats



→ Originally from Colombia.



→ Adapted in Uruguay.



→ Adapted in Argentina.

Discount Strategy



→ Originally from Argentina.



→ Adaptado en Colombia.



→ Adapted in Uruguay.



→ Adapted in Brazil.

Dual Retail Real Estate Model



→ Originally from Colombia.



→ Adapted in Argentina.

Consolidated
revenue



114.8%
totaling 51.6
billion pesos.

The consolidated gross margin reached 24.3%, which reflects the resilience of Grupo Éxito's operational model with improvement in Colombia, Uruguay and Argentina. In Brazil, the margin dropped 170 basis points as a result of the decided and effective reversal in prices of the Extra brand on the market.

In turn, expenses were impacted by the inflationary pressures experienced by all the countries in the region during most of 2016, particularly Colombia, due to the collateral effects of the El Niño phenomenon and the trucker strike. The implementation of expense control strategies, as well as productivity efforts achieved a pro-forma evolution of 14.4% in expenditure, which is lower than the growth of revenue.

Recurring operating profit reached COP 2 trillion, with a 3.9% margin. Colombia and Uruguay have maintained their profitability, while Brazil and Argentina have successfully continued in their recovery process thanks to the strategies and initiatives implemented throughout the year. In addition, Grupo Éxito generated a consolidated recurring EBITDA of COP 2.9 trillion, with a 5.6% margin on sales.

The consolidated net financial income stood at COP 1.26 trillion. The holding has a share of nearly COP 460 billion, which correspond mostly to the financial cost of the debt related to the acquisition of new businesses in Brazil and Argentina. The holding's financial expense derived from the transaction was incurred during the entire year (vs. just four months in 2015), and it was negatively impacted by the increase in the intervention rates of the Central Bank of Colombia, Colombia (+175 basis points).

The consolidated net profit of the fiscal year for continued operations amounted to COP 212 billion, COP 101 billion of which are attributable to Grupo Éxito after deducting minority interest.

Finally, after incorporating the income from the Via Varejo operation declared in the fourth quarter of 2016 as a discontinued operation, the net profit attributable to Grupo Éxito after minority interest amounted to COP 43 billion.

SUSTAINABILITY

The year 2016 was important for sustainability in Grupo Éxito. Under the leadership of the Board of Directors' Sustainability Committee, the strategy in this regard was redefined and the Sustainability Policy was created. Also, in recognition of the Company's work, Grupo Éxito was

included in the Dow Jones Sustainability Emerging Markets Index for the fourth consecutive year, with a score of 52, which is eight points above the industry average.

At Grupo Éxito, we promote sustainability through initiatives that generate shared value in order to contribute to economic growth, social development and environmental protection in Colombia, based on five challenges:

Gen Cero (Zero Chronic Malnutrition on Children Compact): through Fundación Éxito, we are working so that, by the year 2030, there are no children in Colombia suffering from chronic malnutrition.

- 38,823 children assisted.
- More than COP 19,700 million invested.
- Thirty-nine municipalities and 4 departments signed the Zero Chronic Malnutrition on Children Compact.
- Support for the promulgation of the Comprehensive Law for Early Childhood Care.

Comercio Sostenible (Sustainable Business): we generated relations of shared value with our partners and suppliers.

- 86% of the fruit and vegetables sold at our stores was acquired directly from the country's producers, thus fostering sustainable agriculture.
- 1,307 store owners are part of the Surtimax and Super Inter program, through which we contribute to the formalization of trade.

Mi Planeta (My Planet): we intend to mitigate and offset the Group's impact on the environment and raise environmental awareness.

- We reduced the use of plastic bags in the stores by 9.35%.
- 2.4 million kWh of energy were saved in the stores through energy efficiency program.
- More than 22,700 tons of waste were recycled.
- We received the Leadership in Energy and Environmental Design (LEED) Gold certifications in the Viva Wajiira shopping center and the Silver certification in the Éxito Mosquera hyper-market.
- 23 thousand volunteers took part in the first Let's Clean Colombia day, in association with the Ministry of the Environment and Sustainable Development, the Ministry of Commerce, Industry and Tourism, Bimbo and the

The **Sustainability Policy** was created to contribute to Colombia's development.



38.823

children were served by in Fundación Éxito thanks to the more than **19,700 million pesos investment.**

Vida Sana (Healthy Life): we encourage healthy living habits among our customers and employees.

- Over 1,800 products assessed with a nutritional profile.
- 23 suppliers trained in product reformulation.
- We created specialized sections and days to promote healthy eating.

The success of Grupo Éxito is in its people: As the largest private employer in Colombia, we offer an attractive and inclusive work environment and the development of employees in being and doing.

- More than 530 thousand benefits delivered through more than 100 programs.
- More than two million hours of training with an investment of COP 4 billion.
- We launched the Professional Equality Policy.
- 799 individuals employed in the Labor Inclusion program with physical or cognitive disability, youths at risk, victims of violence, demobilized persons, and relatives of imprisoned militaries.

For further details on the actions carried out and the achievements regarding sustainability in the year 2016, check the Sustainability Report in the fourth chapter of this Integrated Report.

CORPORATE GOVERNANCE AND INTERNAL CONTROL

In 2016, the Company continued to move forward in the implementation of the corporate governance standards from the Colombian Corporate Governance Best Practices Code issued by the Financial Superintendence, as part of the Organization for Economic Cooperation and Development (OECD) model, and in the voluntary adoption of international best practices.

The performance of the Company's

internal control and financial information disclosure systems is adequate. In this regard, the financial statements, indicators and relevant events were presented on a periodic basis to the Audit and Risk Committee and the Board of Directors and have been certified by its Statutory Auditor. Through the Audit and Risk Committee, the Board of Directors supervised the processes of financial reporting and information, enterprise risk management, the internal control architecture and system, including the monitoring of internal audit and statutory audit management, transactions between related parties and conflicts of interest, compliance with the regulations applicable to the Company and the transparency program.

As managers, we certify that the internal control system showed no failures that would have prevented it from recording, processing, summarizing and adequately presenting the financial information, nor was there any significant fraud that would have affected the quality and integrity thereof. The disclosure of financial information was verified and complies with the current regulations, ensuring that the information at December 31, 2016 is appropriate and contains no defects, inaccuracies or errors preventing the knowledge of the Company's true asset situation.

For further information on Corporate Governance and the Company's internal control system in 2016, check the Corporate Governance Report in the second chapter of this Integrated Report.

TRANSACTIONS WITH RELATED PARTIES

The information regarding transactions carried out with related parties is detailed in the Corporate Governance Report, which is an integral part of this report and in Note 34.2 to the financial statements. Said transactions were carried out in

market conditions and in compliance with the best Corporate Governance standards. They include the information or approval thereof by the Audit Committee or the Board of Directors, depending on their classification as material or non-material, recurrent or non-recurrent, as well as that of the competent Conflict of Interest committees in each case.

It is also important to mention that the Audit and Risk Committee is made up exclusively of the independent members of the Board of Directors and that the members of the Appointment, Remuneration and Corporate Governance Committee include all the independent members of the Board of Directors, who are also the majority of said committee.

As provided in Article 29 of Law 222 / 1995, it is hereby declared that in the year 2016, the Company did not make or fail to make important decisions of interest to its subordinates that should be disclosed in this Report. In addition, the Company did not complete important transactions with third parties of interest to its subordinates that should be disclosed in this Report. Nor did its subordinates make or fail to make decisions of importance or interest to the Company that should be disclosed in this report, nor did they carry out transactions with third parties of interest to their parent company that should be included in this report.

The Company did not perform transactions with its managers other than those arising from the relationship of employment or fees on account of consultancy and assistance for the Boards of Directors and supporting committees.

REGULATORY COMPLIANCE AND INTELLECTUAL PROPERTY

It is reported that the Company has strictly complied with the regulations that regulate matters regarding intellectual property, it is the owner of the brands, names, insignias, slogans and distinctive symbols it uses to distinguish its products and services, or it is authorized to use them under a license agreement. The use of software products by the Company is in compliance with the current legislation. Finally, it is reported that Grupo Éxito has not in any way restricted the free circulation of invoices issued by its suppliers of goods or services.

CLOSING NOTES

In short, we have gone through complex economic times in the region. We have prepared to capture future opportunities with the modern Cash & Carry model; with hypermarkets whose value proposition has been renewed; regionalization of a high added value business that is the textile segment; capturing synergies at all levels and a strict control of working capital and operating expenses with consistent productivity initiatives. We believe that the gradual recovery of the two main regional economies, Brazil and Argentina, will bring great value to the Group.

The gradual reduction of the Organization's financial debt and interest rates in Colombia, along with the progressive improvement of the income of the operation in Brazil, will lead to the gradual strengthening of the Group's net profit and the share value, which has been recovering in a positive manner in recent months.

Grupo Éxito is the food market leader in four attractive countries in the region and, as a whole, in South America. Brazil and Argentina are going through a transitional stage, gradually overcoming their political and economic crises, they will once again be the regional economic drivers, with great potential for companies that, like ours, have businesses with solid foundations, recognized brands and leading positions on the market. Colombia is facing a slowdown in demand, but has maintained strong economic foundations and the investment grade that allow trust in a stable business environment in the long term.

The Group is also developing a customer traffic monetization model, with complementary service and real estate businesses that provide it with resilience in an environment of dynamic competition. Its recent steps toward the integration of its businesses in the region, the launch of its specialized real estate vehicle, its focus on Food, with the consequent structural and strategic simplification, are all aimed at creating value for its shareholders.

Gradual financial debt reduction and interest rates in Colombia, as well as continuously improving Brazil's operation, enabled us to gradually increase net profit and the value of our Grupo Éxito's stock: the leading food market company in South America.

Members of the Board

Chairman



Corporate Governance Report

Our Audit and Risk Committee is comprised exclusively of independent members pursuant to international standards, which underscores the strategic role and leadership they display in managing the Company.

INTRODUCTION

In 2016, the Company continued to implement standards from the New Code of Best Corporate Practices, as part of the OECD's recommendations. We also adopted other international best practices as well.

Of particular note was the composition of our Board of Directors, with 4 of the 9 members being independent, exceeding the suggested standard. Additionally, in line with the best international standards, our Audit and Risk Committee is made up exclusively of independent members. This is a testament to the strategic role and leadership that independent Board Members assume as they oversee the management of the Company on behalf of its shareholders and stakeholders. Each member enriches the vision of the Board of Directors in a variety of relevant areas and acts with complete independence and autonomy.

For the first time, we invited a renowned external advisor to evaluate the Board of Directors. The results were positive, and various strengths were highlighted, such as: the size of the board, the high quality and the diversity of high experienced directors, the smooth operation of its Committees, which add value and effectiveness to the Board, the dedication of the Directors, an excellent dynamic and the outstanding efforts of the Chairman whose constructive leadership stood out.

Over the course of the year, the Board of Directors approved the implementation and modification of the following policies: Transactions with Related Parties, Conflicts of Interest and Insider Trading, Disclosure of Financial and Non-Financial Information, Employee, Manager and Shareholder Duties, Control Architecture and the Senior Management Remuneration and Evaluation. All of these policies are now in place and are being rigorously enforced.

Finally, we would like to highlight the implementation of a new risk management methodology at the strategic level, the goal of which is to identify the trends that have the strongest influence on the fulfillment of our strategic pillars and the relationship that these trends have with strategic risks. This methodology allows us to have a positive vision of risks. This methodology includes a vision of Group enhanced by the risk monitoring and awareness of international subsidiaries and, at a tactical level, where focus is placed on the risk that affects the Company's ability to achieve the objectives of its various business operations in Colombia.

COMPANY OWNERSHIP STRUCTURE

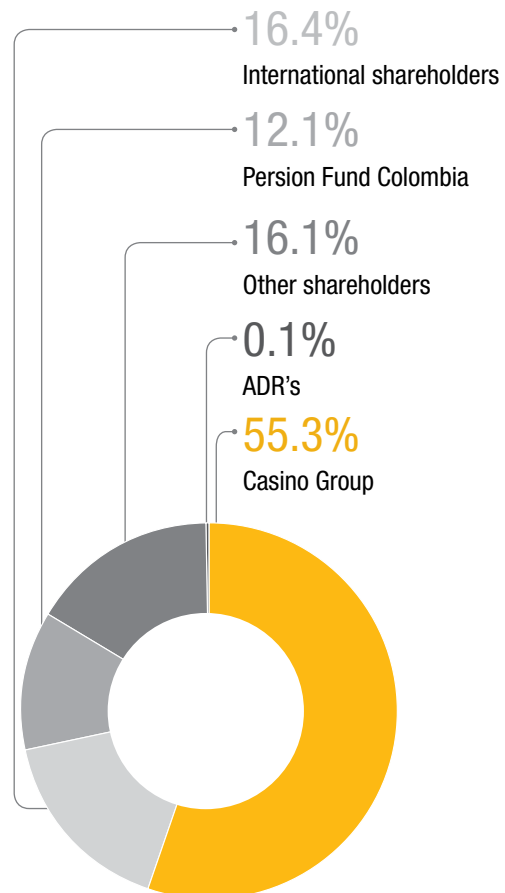
Company capital and ownership structure

The Company has an authorized capital of 530 million common shares, of which 448,240,151 have been issued and 81,759,849 are in reserve. Of the issued shares, 447,604,316 are outstanding and 635,835 have been reacquired.

As at December 31, 2016, the Company had 9,778 shareholders, of which 88.92% are natural persons holding 8.77% of the share capital, and 11.08% are legal entities holding 91.23% of the share capital.

Major direct and indirect shareholders

Éxito is controlled by Casino Guichard-Perrachon S.A., which, as at December 31, 2016, indirectly held 55.30% of the share capital through the companies Géant International B.V., Géant Fonciere B.V. and Bersaar B.V.



Major shareholders as at December 31, 2016

Name	Number of shares	Ownership
Géant International B.V.	187,689,792	41.93%
Géant Fonciere B.V.	47,725,428	10.66%
Fondo De Pensiones Obligatorias Porvenir Moderado	20,296,575	4.53%
Fondo de Pensiones Obligatorias Protección	18,145,251	4.05%
Bergsaar B.V.	12,130,244	2.71%
Jara Albarracín Manuel	11,734,213	2.62%
Alianza Fiduciaria S.A. Fideicomiso Adm. Sonnenblume	7,558,552	1.69%
Moreno Barbosa Jaime	6,883,235	1.54%
Fondo de Pensiones Obligatorias Colfondos Moderado	6,572,492	1.47%
Fondo Bursátil Ishares Colcap	5,714,672	1.28%
Total	324,450,454	72.49%

Shares and securities that are held directly or indirectly by Board members, members of Senior Management, other Administrators and related transactions

Luis Fernando Alarcón Mantilla and Daniel Cortés McAllister, Board Members, acquired common shares of the Company. These transactions were authorized by the Board of Directors in advance and notice was made to the market during the Board meeting held on August 16, 2016. As at December 31, 2016, Luis Fernando Alarcón Mantilla held 10,000 common shares and Daniel Cortés McAllister held 5,500 common shares.

As at December 31, 2016, 8 members of the Senior Management (levels 1, 2 and 3) held a total of 3,257 shares.

At this time, the Company does not have any securities other than its outstanding shares.

Family, commercial, contractual or partnership relationships that exist between major shareholders and the Company, or among major shareholders

Géant International B.V., Géant Fonciere B.V. and Bergsaar B.V. belong to Groupe Casino of France, whose parent company is Casino, Guichard-Perrachon S.A.

The Company does not have any other major shareholders, which are defined as parties holding 10% or more of the outstanding shares.

Shareholder Agreements

On March 4, 2016, the Company's management was informed of a shareholder agreement between Colfondos S.A., Porvenir S.A. and Protección S.A., by means of which Daniel Cortés McAllister was appointed as an independent candidate to the Company's Board of Directors.

On April 7, 2016, Groupe Casino informed the Company's management that Inversiones Pinamar S.A., Alianza Fiduciaria Fideicomiso ADM Sunneblume, Colombiana de Comercio S.A., Alianza Fiduciaria Fideicomiso Birne and several individuals, as party of the first part, and Casino, Guichard-Perrachon S.A., (Géant International B.V., Géant Fonciere B.V., Bergsaar B.V. and Latic - Latam Investment Company LLC), as party of the second part, had mutually agreed to terminate the agreement that existed between them.

The signing and termination of the aforementioned agreements was duly disclosed by the Company through the Relevant Information mechanism. The Company Management is not aware of any other shareholder agreements in effect.

COMPANY MANAGEMENT STRUCTURE

Composition of the Board of Directors and Supporting committees

The Company's Board of Directors is made up of 9 members elected by the General Meeting of Shareholders held on March 30, 2016, for the 2016-2018 period.

Of the 9 elected members, 4 are independent and 5 are equity members.

Luis Fernando Alarcón Mantilla, an independent member, is the Chairman of the Board. He is also the Chair of the Audit and Risk Committee and the Expansion Committee.



Independent

Date of Initial Appointment:

6/11/2015

Date of Last Reelection: 3/30/2016

Luis Fernando Alarcón Mantilla

Civil Engineer and Postgraduate Degree in Economics at the Universidad de Los Andes. Master's of Science in Civil Engineering (Hydraulic Systems) at the Massachusetts Institute of Technology. He also took part in the Advanced Management Program at Oxford University.

Former CEO of Interconexión Eléctrica S.A. (ISA), President of Asofondos and of Flota Mercante Grancolombiana, Ministry of Finance and Executive Director of the Inter-American Development Bank. Prior member of various Boards of Directors including: Avianca, Banco de Bogotá, Bolsa de Valores de Colombia, Bavaria, Caracol S. A., Cafesalud, Valores Bavaria and Caracol Televisión. Current Chairman of the Board of Grupo de Inversiones Suramericana S.A. (SURA), Almacenes Éxito S.A. and the Board of Governors at the Universidad de Los Andes.



Independent

Date of Initial Appointment:

3/20/2014

Date of Last Reelection: 3/30/2016

Ana María Ibáñez Londoño

Economist at the Universidad de Los Andes. Master's and Doctoral degrees in Agricultural Economics and Natural Resources at the University of Maryland, College Park.

From 2012 to 2016, Dean of the School of Economics at the Universidad de Los Andes. Current professor at Universidad de Los Andes.

She is member of the United Nations Peacebuilding Fund Advisory Group, as well as member of the Almacenes Éxito S.A. Board of Directors. Former researcher and consultant at: Fedesarrollo, the World Bank, the Universidad de Los Andes, the University of Maryland, College Park, the Inter-American Development Bank, the Ministry of the Environment, the Central Bank of Colombia, the Colombian Coffee Growers Federation and the "Estrategia Económica y Financiera" journal.

Former member of the Academic Council of the Universidad de Los Andes, the World Bank Commission on Global Poverty Advisory Group and the Ministry of Finance's Advisory Committee on Fiscal Rule. She has participated in and has lead forums and researches on sustainability, diversity, inclusion and female leadership. Board Member since March 2014.



Daniel Cortés McAllister

Accountant, Master's in Business Administration at the Wharton School of the University of Pennsylvania.

Former Treasury Vice President of Banco Santander Colombia, Treasury Executive Vice President of BBVA Colombia, Vice President of Investments at Porvenir, Treasurer of Citibank Colombia, Executive Vice President of Banco Davivienda Capital Markets and President of Old Mutual Colombia.

Previous Board Member of: Fiduciaria Davivienda, Compañía de Seguros Bolívar, Pensiones y Cesantías Santander, Santander Investment Trust, Gas Natural Colombia – E.S.P., Emtelsa, Fiduciaria de Occidente and Citibank Colombia. Alternate member of the Boards of Citibank Colombia and Citivalores SA Brokerage Commission. Economics columnist for Dinero.com journal and the “La República” newspaper.

Independent

Date of Initial Appointment:
3/30/2016



Felipe Ayerbe Muñoz

Lawyer and Ph.D. in Business Law at the Universidad de Los Andes. Studies in Arbitration, International Law and Common Law at New York University. Former primary advisor on acquisition transactions for large companies such as Carulla Vivero y Almacenes Vivero S.A; Carulla Vivero S.A and Surtimax; Productos Yupi S.A – McCain and Yupi Ecuador, among others.

Former legal advisor on issues related to acquisitions, shareholder contracts and shareholder representation. Through this position, he generated value given his expertise in Financial, Business and Corporate Law. Former Chairman of the Carulla Vivero S.A. and Banco Andino Boards of Directors. Former member of the Aseguradora del Valle and Compañía de Financiamiento Comercial International Boards of Directors. Current member of the Banco de Occidente Board of Directors and member of the Almacenes Éxito S.A. Board of Directors since October 2010.

Independent

Date of Initial Appointment:
10/11/2010

Date of Last Reelection: 3/30/2016



Yves Desjacques

Master's in Public Law with specialization in Labor Law of the International Human Resources Management Interdisciplinary Center (CIIFFOP, for the French Original) at the Panthéon-Assas University.

Current Human Resources Corporate Director at Groupe Casino and Member of its Executive Committee. Former advisor to and member of the Mercialys (France) and Companhia Brasileira de Distribuição (Brazil) Boards of Directors.

Member of the Almacenes Éxito S.A. Board of Directors since March 2010.

Equity

Date of Initial Appointment:

3/19/2010

Date of Last Reelection: 3/30/2016



Philippe Alarcon

Degree in Finance and Accounting at the Institute of Technology of the Saint-Etienne University.

International career with Groupe Casino since 1984 with roles that have included: Chief Financial Officer of Supermarkets, member of the Rally Steering Committee, Chief Financial Officer of "Cafetería Casino," Chief Financial Officer for Groupe Casino in Poland and subsequently CEO of Immobilière Group Casino. Current Vice President of International Business and Chief Executive Officer of Real Estate for Groupe Casino internationally.

Member of the Almacenes Éxito S.A. Board of Directors since March 2012.

Equity

Date of Initial Appointment: 3/16/2012

Date of Last Reelection: 3/30/2016



Bernard Petit

Public Accountant with Master's in Accounting.

Various responsibilities within Groupe Casino since 1983, including Director of Accounting, Management Control and Audit. Chair of the Casino Services organization. Member of various Boards of Directors of Groupe Casino companies such as Disco in Uruguay, Libertad in Argentina, and Cdiscount, Banque Casino and Codim in France. Current Associate Chief Financial Officer of Groupe Casino, Latin America.

Member of the Almacenes Éxito S.A. Board of Directors since March 2014.

Equity

Date of Initial Appointment:

3/20/2014

Date of Last Reelection: 3/30/2016



Hervé Daudin

Degree in Physics at the École Normale Supérieure of Paris with a Ph.D. in Economics at the École des Ponts ParisTech.

Current member of the Executive Committee and Marketing Director of Groupe Casino. Former President of Distribution at Casino France, Director of Via Varejo and Deputy Director of Euris Group. General Counsel of Economic and Social Investment for the Treasury Department. Previous roles as: Court Advisor for ASF, SANEF, ATMB, AFTRP Epamarne, SNCM and STIF. Former top-level official at the Ministry of Economy and Finance. Former Director of Strategy and Planning and the Executive Committee Secretary within Groupe Casino.

Equity

Date of Initial Appointment:

3/30/2016



Matthieu Santon

Master's in Finance at the École Supérieure de Commerce of Paris, ESCP Europe.

Early career in investment banking, strategic project, mergers and acquisitions consulting for HSBC, Natixis and Rothschild. Experience working in the Paris and London offices of Bank of America Merrill Lynch and the London office of Perella Weinberg Partners. With Groupe Casino since 2012. Current Associate Director of Corporate and Share Development.

Member of the Almacenes Éxito S.A. Board of Directors since March 2016.

Equity

Date of Initial Appointment:

3/30/2016



Notably, four of the nine directors are independent board members, exceeding that established in the applicable regulations and the New Código País standard.

Board of Directors Committees

The Board of Directors has 5 Supporting Committees with specific responsibilities. Each has at least 3 members and is chaired by an independent director. The most recent appointment of Committee members took place at the Board meeting held on March 30, 2016.

Appointment, Remuneration and Corporate Governance Committee

Felipe Ayerbe Muñoz (Chair)

Luis Fernando Alarcón Mantilla

Ana María Ibáñez Londoño

Daniel Cortés McAllister

Yves Desjacques

Hervé Daudin

Audit and Risk Committee

Luis Fernando Alarcón Mantilla (Chair)

Ana María Ibáñez Londoño

Felipe Ayerbe Muñoz

Daniel Cortés McAllister

Matthieu Santon (permanent non-voting member)

Expansion Committee

Luis Fernando Alarcón Mantilla (Chair)

Hervé Daudin

Philippe Alarcon

Bernard Petit

Matthieu Santon

Tatiana Aristizábal Londoño (external advisor)

Finance Committee

Daniel Cortés McAllister (Chair)

Felipe Ayerbe Muñoz

Philippe Alarcon

Bernard Petit

Matthieu Santon

Sustainability Committee

Ana María Ibáñez Londoño (Chair)

Yves Desjacques

Josseline De Clausade (external advisor)

Board Members who sit on the Boards of Directors of subsidiary companies or hold executive positions thereof

Yves Desjacques is a Board of Directors' member subsidiary Companhia Brasileira de Distribuição. Bernard Petit is a Board of Directors' member of the subsidiaries Grupo Disco de Uruguay S.A. and Devoto Hermanos S.A.

Policies approved by the Board of Directors in the reporting period

In 2016, the Company's Board of Directors approved the following policies as part of the process of implementing and adopting corporate governance standards from the New Code of Best Corporate Practices:

- The Employee, Manager and Shareholder Duties Policy;
- Transactions with Related Parties, Conflicts of Interest and Insider Trading Policy amendment;
- The Disclosure of Financial and Non-Financial Information Policy approval;
- The Control Architecture Policy redesign; and
- The Senior Management Remuneration and Evaluation Policy approval.

These aforementioned policies were incorporated into the Company's Corporate Governance Summary and can be consulted on our webpage: www.grupoexito.com.co

Board Member appointment process

At its meeting held on February 24, 2016, the Board of Directors approved the Procedure for Appointing and Electing Board Members. Regulations were set forth regarding:

- The deadline for appointing candidates.
- The process for appointing candidates.
- The method for evaluating candidates.
- The desired profile of candidates (experience and personal profiles).

At the Ordinary General Meeting of Shareholders held on March 30, 2016, the provisions of the Company Bylaws, the Board of Directors Election and Succession Policy, and the Procedure for the Appointment and Evaluation of Candidates were enacted. Pursuant to these terms, the shareholders were given ten calendar days from the publication of the notice to submit their lists of candidates.

The announcement was published on Thursday, February 25, and the deadline for appointments was Friday, March 4. Once the deadline has expired, a single proposal was submitted via the relevant information mechanism together with the candidates' résumés, their letters of acceptance of the appointment and, for independent candidates, a statement that they met the requirements of independence according to Law 964 of 2005 and the Company's corporate governance regulations.

Once the proposal was received, the Appointment, Remuneration and Corporate Governance Committee proceeded to evaluate the candidates based on their knowledge, management and leadership abilities, personal traits, commitment and impartiality. The committee also verified that all of the candidates met the requirements established in the Board of Directors Election and Succession Policy, except for any directors that had been appointed for reelection.

Once the results of the evaluation were approved by the Board of Directors, they were posted on the website with the résumés of the candidates on March 14, 2016, for the shareholders' review.

Finally, during the Ordinary General Meeting of Shareholders held on March 30, 2016, the list of proposed candidates was approved with 313,063,259 affirmative votes, corresponding to 84.89% of the shares represented at the meeting.

Board of Directors Remuneration Policy

The Board of Directors' Remuneration Policy, approved by the General Meeting of Shareholders on June 11, 2015, states that the members of said organism shall have the right to the same remuneration for attending sessions whether in person or remotely. The amount for the corresponding period will be established by the General Meeting of Shareholders during the election thereof.

Said amount will be determined by the General Meeting of Shareholders according to the following principles and parameters:

- **Consistency:** Remuneration shall be consistent with stringent risk management, without fostering an inappropriate assumption thereof, and be aligned with the shareholders'

interests, promoting the creation of long-term value.

- **Competitiveness:** Remuneration shall be competitive in order to attract and retain talent of the highest professional, academic and personal quality but at the same time be appropriate and fair.
- The structure, obligations, and responsibilities of the Board, as well as the methods for evaluating the performance thereof.
- The personal and professional qualities of its members, as well as their professional experience.
- Time spent.
- The remuneration for this kind of position in comparable national and international companies.
- Any other criteria that the General Meeting of Shareholders deems appropriate when making the decision.

Board of Directors and Senior Management Remuneration

When the Board of Directors Remuneration Policy was drafted during the Ordinary General Meeting of Shareholders on March 30, 2016, the following remuneration for the 2016-2018 period was approved:

- For the Chairman of the Board, a fee of COP 10,500,000 was approved for preparing for and attending each Board Meeting.
- For Board Members other than the Chairman, a fee of COP 7,000,000 was approved for preparing for and attending each Board Meeting.
- For Committee Chairs, a fee of COP 7,000,000 was approved for preparing for and attending each meeting of the respective Committee.
- For Committee Members other than the Committee Chair, a fee of COP 3,500,000 was approved for preparing for and attending each meeting of the respective Committee.

As a result, during 2016, the Company paid Board Members a total of COP 1,261,000,000.

As for the remuneration of the Senior Management, in September 2016, the Board of Directors approved Senior Management Remuneration and Evaluation Policy, which defined the criteria and guidelines that should be considered for remuneration and other financial benefits for Senior Management, i.e., the CEO, the Chief Operative Retail Officer in Colombia, Vice-Presidents, the General Counsel and the Internal Audit Officer.

The amount of the remuneration for Senior Management members is disclosed in the notes to the Company's financial statements and can be consulted on the Company's website: www.grupoexito.com.co

Attendance at Board and Committee Meetings¹

Reuniones de Junta Directiva

Board Member	Sessions Attended
Luis Fernando Alarcón Mantilla	11/11
Ana María Ibáñez Londoño	10/11
Daniel Cortés McAllister	6/6
Felipe Ayerbe Muñoz	11/11
Yves Desjacques	8/11
Philippe Alarcon	11/11
Bernard Petit	11/11
Hervé Daudin	4/6
Matthieu Santon	6/6

¹ Includes in-person and remote attendance.

Reuniones de Comités de Junta Directiva



Members	Attendance
Appointment, Remuneration and Corporate Governance Committee	
Felipe Ayerbe Muñoz (Chair)	11/11
Luis Fernando Alarcón Mantilla	11/11
Ana María Ibáñez Londoño	10/11
Daniel Cortés McAllister	4/5
Yves Desjacques	10/11
Hervé Daudin	2/5
Audit and Risk Committee	
Luis Fernando Alarcón Mantilla (Chair)	6/6
Ana María Ibáñez Londoño	6/6
Felipe Ayerbe Muñoz	6/6
Daniel Cortés McAllister	5/5
Expansion Committee	
Luis Fernando Alarcón Mantilla (Chair)	5/5
Hervé Daudin	2/4
Philippe Alarcon	5/5
Bernard Petit	4/5
Matthieu Santon	4/4
Tatiana Aristizábal Londoño (external advisor)	4/5
Finance Committee	
Daniel Cortés McAllister (Chair)	4/4
Felipe Ayerbe Muñoz	4/4
Philippe Alarcon	4/4
Bernard Petit	4/4
Matthieu Santon	4/4

Quorum for the Board Meetings

The quorums for the various Board Meetings are presented below. They averaged 90%.

Board Meeting	Quorum	%
January 19	9	100%
February 24	7	78%
March 14	9	100%
March 22	9	100%
March 30	6	67%
May 11	8	89%
July 7	8	89%
August 16	9	100%
September 14	7	78%
November 17	8	89%
November 28	9	100%

Chairman of the Board of Directors

Luis Fernando Alarcón Mantilla is the Chairman of the Board. He was first elected Chairman on June 11, 2015, before being reelected on March 30, 2016.

In addition to leading, moderating turns in speaking and making sure that the sessions of the Board of Directors are conducted in an orderly fashion, complying with the agenda and attending to all the issues proposed, the Chairman of the Board also performs the functions stipulated for said position in article 31 of the Company Bylaws:

- Ensure that the Board of Directors efficiently establishes and implements the corporate strategy direction.
- Drive the Company's governance actions, serving as a liaison between the shareholders and the Board of Directors.
- Coordinate and plan the functioning of the Board of Directors by establishing an annual work plan based on the functions assigned.
- Call for meetings, directly or through the Board of Directors Secretary.
- Prepare the Agenda for the meetings, in coordination with the Company CEO, the Secretary of the Board of Directors and the other members.
- Supervise the delivery, in due time and

proper form, of information to the Board Members or through the Board of Directors Secretary.

- Chair meetings and moderate debates.
- Supervise the execution of agreements of the Board of Directors and follow up on its decisions and mandates.
- Monitor the active participation of the Board Members.
- Lead the annual process of assessing the Board of Directors and its Committees, except for his or her own evaluation.

Board of Directors Secretary

Claudia Echavarría Uribe has been the Board of Directors Secretary since March 30, 2015.

Pursuant to article 43 of the Company Bylaws, the functions of the Board of Directors Secretary are as follows:

- To keep, in accordance with the law, the books of Minutes of the General Meeting of Shareholders and the Board of Directors, draft the minutes and authorize with his or her signature any copies issued thereof.
- To be familiar with everything related to the issuance and authentication of share certificates and recording of minutes or documents in the corresponding Stock Ledger.
- To announce the Board meetings and the General Meeting of Shareholders.
- Lead the Company's documents and archives management, and ensure that the books, instruments, securities, receipts and other elements entrusted to it are retained and conserved.
- Keep the Agenda, fulfilling the legal requirements, trademarks, logos, names and other rights that make up intellectual or commercial property; insurance policies, public instruments and other documents related

to property, ownership or holding of assets and rights of the Company.

The Board of Directors Secretary, who is also the Secretary of the General Meeting of Shareholders and the Company's Manager for Corporate Affairs, will continue to oversee the adoption, implementation and enforcement of corporate governance standards from the New Code of Best Corporate Practices as part of the Company's culture of good corporate governance.

Relationships during the year between the Board of Directors and the Statutory Auditor, financial analysts, investment banks and rating agencies, and external advisory services received by the Board of Directors

The relationship between the Board of Directors and the Statutory Auditor was characterized by the active participation of the members of the Audit Committee in the follow-up of auditing processes to the quarterly and year-end financial statements conducted by the Statutory Auditor, as well as the action plans proposed by Management in response to the opportunities for improvement identified in the corresponding reports. During each of the Audit and Risk Committee meetings, the Statutory Auditor reported its progress on the external auditing plan, findings and recommendations related to the accounting and financial processes and systems, as well as follow-up on the action plans proposed by the Management.

In 2016, the Board of Directors received advisory services from three investment banks: Corredores Davivienda S.A. provided consulting services regarding the restructuring of Cdiscount Colombia, an electronics company developed with Cnova N.V.; Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC provided advisory services

on the creation of a new real estate project called Viva Malls and the participation of FIC (Fondo Inmobiliario Colombia) as an investor. The Board also received legal services from Godoy & Hoyos Abogados and Gómez-Pinzón Zuleta Abogados. These services included a legal assessment, and the structuring and implementation of the Viva Malls project, which will consolidate operational shopping malls and development projects.

Management of the Board of Directors information

In 2016, the deadline set forth in the Corporate Governance Summary for the Senior Management to provide information to the Board of Directors was met. Said information consisted of presentations, summaries and supporting material related to the meeting Agenda, and was prepared either by the Senior Management directly or with the support of external advisors.

After each Board Meeting and the respective Committee meetings, the General Counsel and the secretaries of each body assumed custody of the information so that it could be used to help draft the minutes for the various meetings and, when applicable, add them to the minutes. The Company's Chief Financial Officer, as the person responsible for disclosing material information to the market, led the process of disclosing the decisions made by the Board of Directors when they were considered material and required disclosure with support from the Communications Committee.

Activities of the Committees of the Board of Directors

Audit and Risk Committee

In 2016, the Audit and Risk Committee monitored processes related to financial information and reporting, enterprise risk management, the internal control architecture and system (including monitoring Internal and Statutory Audits), regulatory compliance (with an increased focus on anti-money laundering and combating the financing of terrorism) and the transparency program. Furthermore, it monitored the transactions between related parties, as well as the management of the conflicts of interest presented by the Senior Management and Board members.

In 2016, the Committee's activities focused primarily on the following:

- Consideration of the interim and year-end Financial Statements, both individual and consolidated, and the main financial indicators, prior to their presentation to the Board of Directors and their disclosure to the market, including verification of the main changes in accounting policies, compliance with International Financial Reporting Standards and commitments made to the Financial Superintendence.
- Review of strategic risk maps across Grupo Éxito and at the individual business level. The Committee provided insight so that actions could be taken as an appropriate response to mitigate risks.
- Review and approval of the scope, methodology and annual plan of the Internal and Statutory Audits, their results and the action plans agreed with Senior Management, as well as follow-up thereof. The Committee also monitored and evaluated the Internal Audit's performance and the opinion issued by the Statutory Audit.
- Knowledge of the most relevant aspects of the audit of Éxito in Colombia and its national subsidiaries, as well as the management of the audit teams of subsidiaries in Brazil, Uruguay and Argentina.
- Consideration of and recommendation about transactions between related parties that are reported by the Management, including information on their materiality, value generation, protection of the interests of parties, fair treatment of shareholders, and market conditions validated by independent third parties. It also made recommendations to the Board of Directors about transactions that required approval.
- Knowledge of and recommendations about effective management regarding the conflicts of interest among the Board of Directors and Senior Management.
- Review of Transparency Program progress reports, with a focus on understanding and applying Law 1778 of 2016 on Transnational Bribery and its implications for the Company's Corporate Ethics Program. As a result, the Committee requested the Board of Directors the appointment of a Compliance Officer.
- Review of the Compliance Officer's reports on money laundering and financing of terrorism and statistics about suspicious operations reported to the Financial Analysis and Information Unit (UIAF, for the Spanish original) of the Ministry of Finance.

The Audit and Risk Committee supervised processes of:

- Information and financial report.
- Enterprise Risk Management and internal control architecture system.

The Appointment Committee worked on:

- Monitoring Human Resource policies and principle indicators.
- Support Board of Directors in implementing the organizational structure.
- Review proposals to modify and implement corporate governance rules.

Finally, the Committee reported on its activities and management to the Board of Directors, including the recommendations it made on matters related to its expertise. It also validated the Corporate Governance report prepared by the Company.

Appointment, Remuneration and Corporate Governance Committee

In 2016, the Committee oversaw the policies and main indicators related to the Company's human resources, including personnel costs, operational excellence to optimize labor costs, organizational culture and development practices, and variable compensation schemes for employees and management related to retention and adequate compensation at different levels of the organization.

The Committee also helped the Board of Directors to implement an organizational structure to overcome challenges associated with the Group's new structure, validate its labor relations strategy and hire a Chief Financial Officer.

It also contributed to the Board of Directors' evaluation and election process by following the procedure approved therefore during its February 2016 meeting.

Furthermore, the Committee reviewed proposals to modify and implement corporate governance rules that were subsequently submitted to the Board of Directors for approval. These included the Employee, Manager and Shareholder Duties Policy, Transactions between Related Parties Policy amendments, Conflicts of Interest and Insider Trading Policy, the Disclosure of Financial and Non-Financial Information Policy, the Control Architecture Policy redesign, and the Senior Management Compensation and Assessment as part of the application of the New Code of Best Corporate Practices.

Finally, the Committee submitted the Senior Management Compensation and Assessment Policy to the Board of Directors for approval during its September 2016 meeting.

Finance Committee

The work of the Finance Committee during 2016 focused on monitoring the main and relevant economic indicators for cash investment and cash flow position operations,

monitoring the price of the dollar, interest rates and exchange rates to optimize debt costs and to minimize risk, and applying the cash investment and financial risk management policy.

It was also responsible for reviewing indebtedness alternatives to modify current debt conditions and minimize the amount of interest paid. The Committee also continued analyzing options to reprofile the Company's debt and the impact of this debt on the P&L. It monitored liabilities acquired through loan agreements or covenants related to grounding the indebtedness ratio of Net Financial Debt / adjusted EBITDA and coverages related to fluctuations in the exchange and interest rates. The Committee made decisions about using derivative instruments (forwards, interest rate swaps and cross-currency swaps) to minimize the impact of market volatility on the P&L.

Expansion Committee

In 2016, the Expansion Committee was responsible for analyzing and evaluating the opening of 23 retail projects consisting primarily of hypermarkets, supermarkets, "express" convenience stores and gas stations.

In terms of real estate, the Committee evaluated and oversaw more than 55,400 m² of new rentable area for projects that opened in 2016. These included Viva Barranquilla, with 65,000 m², of which 40,400 m² were newly created, and Viva La Ceja, with 11,000 m² and new area for lease created in warehouses to maximize the value of nearly 4,000 m².

The Committee also studied and monitored the real estate project that led to the creation of the "Viva Malls" real estate trust, the goal of which is to develop and operate shopping malls in Colombia under the "Viva" brand name. Fondo Inmobiliario Colombia holds a 49% share in this project.

Sustainability Committee

The work of the Sustainability Committee in 2016 focused on restructuring the sustainability strategy, implementing the Sustainability Policy and validating, defining and monitoring various initiatives: "Gen Cero" (Zero Chronic Malnutrition on Children), "Comercio Sostenible" (Sustainable

The Financial Committee engaged in:

- Monitoring economic indicators.
- Reviewing indebtedness alternatives.
- Monitoring borrowings acquired through loan agreements or covenants.

The Expansion Committee was in charge of analyzing and monitoring the Company's new real estate trust, Viva Malls.

The Sustainability Committee focused on:

- Restructuring the Sustainability Strategy.
- Adopting the Sustainability Policy.

An assessment by an independent third party showed that Grupo Éxito's Board of Directors is performing well.

Business), “Reducir nuestro impacto en el ambiente”(Reducing our environmental impact), “Vida Sana” (Healthy Life) and “El Éxito del Grupo Éxito está en su gente” (The Success of Grupo Éxito Is in Its People).

The Committee also achieved the following:

- It approved sustainability indicators for the variable compensation system and the Company's sustainability indicator system.
- It defined priority actions for the sustainability strategy.
- It requested the Company to generate information about sustainability: A study of its partners, an analysis of materiality and the measurement of its local carbon footprint.
- It monitored and made recommendations for various areas, strategic projects and action plans related to sustainability challenges.

Board of Directors and Senior Management Evaluation

The process for evaluating the Board of Directors began in September 2016 and it was carried out by a renowned independent third party with wide experience in searching, selecting and evaluating Board Members from high-profile companies in Colombia. The results of said evaluation were presented to the Board of Directors at the meeting held on February 27, 2017. The results indicated that the Board of Directors was performing quite well. The following strengths were highlighted:

- The Board of Directors is of the right size for the current business: It allows for agility, it offers enough opportunities for diversity and the formation of permanent committees, and it encourages dialog between members.
- The combination of directors with extensive experience in retail and directors with wide experience in both business-related and unrelated areas adds a lot of value.
- The Board of Directors permanent committees work properly and add value. They make the Board of Directors operate effectively. They carry out their work with great attention and submit good reports.
- The financial compensation is adequate according to the demands and responsibilities of the role and the country's environment.
- The members appear to be free of long-term personal or institutional conflicts of interest.
- The Board of Directors has an ongoing approach to

achieving synergies in terms of regional integration.

- The Chairman of the Board does his job efficiently and with dedication. He is recognized for his clear and constructive leadership.
- The independent directors enrich the vision of the Board of Directors on various aspects within the relevant markets. They perform their roles with complete independence and autonomy.

OPERATIONS WITH RELATED PARTIES

Board of Directors' responsibilities regarding related parties and conflicts of interest

The Policy on Transactions between Related Parties defines the following duties and responsibilities of the Board of Directors:

- Annually, and whenever such situations arise, each Manager and Board Member must provide the Company's General Counsel information about the people or entities with which they have relationships and that could be considered related entities. They must also provide necessary information about the relationship in order to comply with the Policy.
- The Board of Directors authorizes any material transactions (i.e., transactions with a value equal to or greater than 46,000 times the value of the minimum monthly salary at the time of the transaction) and non-recurrent transactions (i.e., those transactions that are not ordinary transfers for the Company's business) in advance, except for those that, according to the Law or the Company Bylaws, are the responsibility of the General Meeting of Shareholders.
- When the General Meeting of Shareholders has responsibility for approving transactions between related parties, both the Audit and Risk Committee and the Board

of Directors must investigate and evaluate the transaction in order to make a proposal to the General Meeting of Shareholders based on the analysis, assessment and conclusions of both organisms.

- In the event of non-compliance with the Policy on Transactions between Related Parties, the Audit and Risk Committee or the Board of Directors, as the case may be, must evaluate the transaction and make a decision on whether it should be approved, modified or terminated. The circumstances that led to the non-compliance with the policy must also be analyzed, and actions deemed necessary to ensure compliance and effectiveness must be taken.

The Company Bylaws define the responsibilities of the Board of Directors with respect to conflicts of interest as follows:

- Investigate and manage conflicts of interest that arise between the Company and shareholders, Board Members and Senior Management.
- Approve policies to manage conflicts of interest and the insider trading by any employee.
- Regulate the creation and operation of the Conflict of Interest Committee.

This list is not an exhaustive description of the responsibilities of the Board of Directors regarding the conflicts of interest. When the Board of Directors acts as the Committee on Corporate Governance, Conflict of Interest and Insider Trading or, in other words, when the Board is responsible for analyzing the circumstances that led to a situation of conflict for a Board Member, the other, non-conflicted directors will fulfill additional functions, such as:

- Enforce, define and resolve all matters related to the Policy on Transactions between Related Parties, Conflict of Interest and Insider Trading; propose solutions and sanctions whenever there is an infraction of the duties and/or prohibitions of the policy.

- Determine whether the conflict of interest affects the operation of the Company as a whole and is of such an extent that it makes the involved party unable to perform his or her role or, on the contrary, is a situation that can be addressed by following the rules set forth in the Conflict of Interest Policy.

The Board of Directors' Audit and Risk Committee is responsible for fulfilling the following roles related to conflict of interest:

- Evaluate and inform the Board of Directors of conflicts of interest in which a major shareholder, Board Member or Senior Management members could be involved directly or indirectly or through a related party by making the necessary proposals to manage the situation.
- Evaluate and inform the Board of Directors of possible conflicts of interest that can arise between the Board and affiliate or/ or subsidiary companies, or conflicts between these entities, or between Managers and related parties, and make the necessary suggestions to address the situation.
- Following prior authorization from the Board of Directors, examine and inform about direct or indirect operations of the Company with Board Members, Controlling or Major Shareholders (as defined in the ownership structure of the Company) or members of Senior Management at levels 1 through 3, and of operations between companies in the Group or entities related thereto (operations with related parties) that, because of their value, nature or terms, create risk for the Company or Group. Verify that operations are carried out according to fair market conditions and do not compromise equal treatment between shareholders.

Breakdown of the most relevant transactions with related parties in the opinion of the Company, including operations between companies of the Conglomerate

The most relevant transactions between parties in 2016 were the following:

- For the controlling entity, income was received in the amount of COP 7,238 million for a service agreement for strategic planning in Latin America with Casino Guichard-Perrachon S.A. Expenses were incurred in the amount of COP 26,101 million for consulting and technical assistance services provided by Casino Guichard-Perrachon S.A. and Géant International B.V.
- As for other companies controlled by the parent company, transactions were valued at COP 26,916 million, generating costs and expenses for services related to energy efficiency and merchandise import.
- The main transactions with subsidiaries in 2016 corresponded to: income related to the sale of merchandise to Cdiscount Colombia S.A.S., administrative services provided to Almacenes Éxito Inversiones S.A.S., Gemex O.&W S.A.S., Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos, property rental for Patrimonios Autónomos, Éxito Viajes and Turismo S.A.S. and the transfer of a put option involving the owners of a non-controlling share of the subsidiary Grupo Disco del Uruguay to Spice Investments Mercosur S.A. These transactions totaled COP 22,180 million.
- Costs and expenses generated from subsidiaries amounted to COP 375,681 million and consisted of the purchase of merchandise from Distribuidora de Textiles y Confecciones S.A., transportation services from Logística y Transporte y Servicios Asociados S.A.S., the rental and management of property with Patrimonios Autónomos, corporate plans

with Almacenes Éxito Inversiones S.A.S., the purchase of commercial goods from Cdiscount Colombia S.A.S., and services rendered, the purchase of goods and reimbursements from other subsidiaries.

- In terms of joint business operations, Compañía de Financiamiento Tuya S.A. received income for royalties and property rentals in the amount of COP 17,697 million; expenses were generated for commissions on payment methods in the amount of COP 341 million.
- Finally, with other related parties that are companies of which the shareholders control 10% or more of all outstanding shares, Board Members, Registered Agents and/or Managers that directly or indirectly hold 10% or more of the outstanding shares, expenses were recorded for lease, the purchase of good and services in the amount of COP 15,899 million.

The breakdown of transactions with related parties can be consulted in note 34.2 of the Financial Statements.

Conflicts of Interests presented and Board Members' actions

The Company has mechanisms to report, analyze and manage conflicts of interest raised by the organization's Board of Directors, Senior Management and employees to comply with the Policy on Transactions with Related Parties, Conflicts of Interest and Insider Trading.

Below are the main activities related to this area from 2016:

Reporting mechanisms for the Board of Directors and employees:

- To report and identify conflicts of interest, the Board of Directors and Senior Management are requested on a quarterly basis to update information about companies of which they control 10% or more of the share capital, over which they hold significant influence, or any other situation that could result in a conflict of interest.

- An annual declaration of conflicts of interest was also requested, with a focus on employees at levels 1 through 4 in the organizational structure and in positions related to critical processes. These declarations were made by employees in the human resources information system available for this purpose.

Analysis mechanisms

for reported situations:

The Corporate Governance, Conflict of Interest and Insider Trading Committee exists to analyze reported situations. It was formed according to criteria established in the policy and based on the organizational position of those involved in a conflict.

Management and resolution mechanisms

for conflicts of interest:

- For conflicts of interest involving Board Members and members of Senior Management (levels 1 and 2 in the organizational structure), the Audit and Risk Committee evaluated reports from 19 Managers and made recommendations to the Board of Directors or the Appointment, Remuneration and Corporate Governance Committee, as appropriate, about actions and measures related to their solution and management. The members of the Board of Directors involved in situations of conflict of interest abstained from participating in the assessment, discussion and voting thereof to make the corresponding decision. In 2016, 520 declarations about possible conflicts of interest were received to be addressed by the Corporate Governance, Conflict of Interest and Insider Trading Committee.
- For other employees in the organization at levels 3 and above of the organizational structure, the Corporate Governance, Conflict of Interest and Insider Trading Committee, comprising representatives from Human Resources, Corporate Affairs Management and Internal Audit, met three

times over the year and defined solutions and/or sanctions as required.

None of these situations required that the person reporting the situation resign as they did not have an overall impact on operations nor did they make it impossible for the parties involved to perform their responsibilities.

Mechanisms to resolve conflicts of interests among Grupo Éxito companies and their application during the fiscal year

Situations of conflicts of interest arising between Grupo Éxito companies were handled by applying the Policy on Transactions with Related Parties, Conflicts of Interest and Insider Trading.

In this sense, in 2016, the Management presented to the Audit and Risk Committee 20 transactions to be carried out between companies with information about the type, materiality, recurrence, analysis and compliance with market conditions, and the main justifications. All of this information was verified by an independent third party. Of these transactions, one was elevated to the Board of Directors for its approval, six required approval from the Committee and 13 were presented for informational purposes.

RISK MANAGEMENT SYSTEM.

Internal Control System and its modifications during the fiscal year.

As defined in Chapter 4 of the Corporate Governance Summary on Control Architecture, the Company has a risk management and internal control system, along with specific roles and responsibilities to support it.

Below are the main mechanisms available to achieve control objectives and maintain adequate risk management:

Control Environment:

- The control environment is outlined in definitions set forth by the General Meeting of Shareholders in the Company Bylaws and by the Board of Directors in the Corporate Governance Summary.
- As an enterprise operating across the Latin American region, the Company's operational and organizational structure includes various capabilities to support the business model. This operating model defines roles at a corporate level by business or country and for shared services.
- Value chains are defined for the main industries and businesses in which the Company operates. These are available to employees in the Process Management System, where documents and procedures are documented and updated to support the operating model.
- Senior Management, through its steering committees, annually defines a strategy and business plans, and directs, oversees and monitors the fulfillment of the strategies, operations, results and, in general, the proper function of organizational processes.
- The Company's Transparency Program is led by the Ethics Committee, which was expanded in 2016 when the President of Retail Operations and the Vice President of Services joined representatives from the Human Resources, Corporate Affairs and Internal Audit departments.
- The Ethics Committee met three times during the year to monitor compliance with the Policy on Transparency, the Code of Ethics and Conduct, conflicts of interest and other internal regulations that support and promote ethical behavior. In 2016, the Ethics Committee and the Fraud and Corruption Committee investigated 278 reports.

Risk Management:

- The Enterprise Risk Management Policy, which defines and shapes the general framework for managing inherent business risks, supports the organizational strategy and objectives. Senior Management and the leaders of each process are responsible for applying and complying with it.
- Risk maps at a strategic and business level to identify areas for action to mitigate and respond to risk.
- Internal Risk Committee.
- The Enterprise Risk Management area, which coordinates the process across all areas of the organization.
- The business continuity plan, which is in operation.

Control Activities:

- Control activities are specified in each policy and procedure defined for the organization's processes, which outline activities and responsibilities.
- Enabling and monitoring areas for certain key risks for the organization that operate as the second line of defense, including enterprise risk management, insurance and compliance, information security, resource protection (physical and human), compliance with money laundering and financing of terrorism regulation, compliance with the business ethics program and compliance with habeas data, food quality and others.
- In 2016, the Company established a Compliance Process aimed basically to centralize its programs related to prevention of money laundering and financing of terrorism, protection of personal data and transparency. A Compliance Officer was appointed to manage these three programs. Through this new process, a work plan was developed to align the Company with Law 1778 of 2016 on Transnational Bribery and its implications through implementation of the Business Ethics Program. The program will also be aligned and reinforced through the Transparency Program and compliance with Law 1581 of 2015.
- The Company is committed to preventing risks related to money laundering and financing of terrorism. It has information on its counterparties. It refrains from engaging in business with persons related to this risk, and it reports suspicious operations. In

We implemented a risk management methodology to discover the most impacting trends regarding the compliance of strategic pillars, and how they relate to the risks.

2016, training on the Anti-Money Laundering and Anti-Terrorist Financing System was delivered to 7,719 employees.

- Subsidiary monitoring system, including participation in Boards of Directors, validation of business models, monitoring of indicators and synergies, and participation in the approval of major investments.
- In 2016, 156 new employees underwent training in the Self-Control Program.

Information and Communication:

- The information and telecommunication systems and technological platforms managed under the Company's Information Technology department.
- Internal and external communication plans for different stakeholders, including the website and corporate intranet.
- Periodic dissemination of new policies, procedures and updates.
- Monitoring management and indicators in the different internal Committees which are created according to the level and competencies of each position.
- Accounting Consolidation and Report and Financial Management departments at the Latin American and Colombia levels to manage and validate financial and operating information.
- Investor relations and Shareholder's Services Office department and process.
- The Market Communications Committee which operates under the compliance of financial and non-financial disclosure procedures.
- In keeping with the willingness to act in the prevention, detection, investigation and response to possible acts that may impact the risk of Fraud and Corruption, there are permanent confidential reporting channels made available by the Company: a transparency hotline 018000 52 25 26, email etica@grupo-exito.com and intranet to report related events. In addition, the Operating

Anti-Fraud and Anti-Corruption Committee has monitored statistics, addressed queries and made available mechanisms for an effective response, management and solution of the reports received, promoting administrative measures and action plans with the departments and processes necessary to improve the Internal Control System and avoid the materialization of new risks. In 2016, those responsible for processes or internal audit made 911 reviews to monitor risks related to fraud and corruption.

- During the year, we carried out communication campaigns that emphasized employee understanding of how to handle their conflicts of interest and the Company's Gift Policy. Furthermore, virtual training that disseminated the key elements of the Transparency Program was provided to 12,540 new employees.

Supervision and Monitoring:

- Through the Audit and Risk Committee, the Board of Directors supervises the processes of financial reporting and information, enterprise risk management, the internal control architecture and system, including the monitoring of Internal Audit and Statutory Audit management, compliance with the regulations applicable to the Company and the transparency program. The Committee also monitored transactions between related parties and the management of the conflicts of interest of the Senior Management and the Board of Directors members.
- The Internal Audit carries out an independent and objective assessment, based on risks, of the risk management, control and governance processes, with a focus on complying with business objectives and on the organization's main projects. The year's assessments included assurance,

consulting and support processes in the Transparency and Investigation Program, for which recommendations were made and action plans defined along with Management and the process leaders, to improve the design and fill the gaps of the Internal Control System.

- The Statutory Audit, performed by the auditing firm Ernst & Young Audit S.A.S., performed an external audit, which covered the accounting and financial processes and systems, the preparation and disclosure of financial information, the risks and internal control that have an impact on financial information and compliance with the legal regulations, bylaws, and the decisions made by the Board of Directors.
- The Self-Control Program, which recognizes the “capacity of people to consider control as an inherent part of their responsibilities, fields of action, and decision-making,” consists of a self-evaluation conducted every six months by process leaders of their most critical risks and key controls, and a definition of corrective action plans, also conducted every six months, when deviations are detected.

Enterprise Risk Management Policy

This is how, at this time, the Enterprise Risk Management at Grupo Éxito has been developed, primarily in two levels, one at the strategic level, and the other at the tactical, which complement each other and are managed simultaneously.

The strategic level focuses on risks that affect compliance of the Company’s strategic pillars, with a corporate vision and a Group scope (including the international subsidiaries).

In 2016, a new methodology was implemented which is complementary to the methodology proposed by the ISO 31000 standard, the goal of which is to identify the trends that have the strongest influence on the fulfillment of our strategic pillars and the relationship that these trends have with strategic risks. This methodology allows us to have a positive vision of risk.

Furthermore, as a new component of this methodology, the qualitative assessment includes an exercise of interrelation between the identified risks, classifying them by their level of influence or interdependency.

Depending on that, risks are prioritized according to which ones generate a bigger influence than the rest, thereby achieving a more efficient management.

The Senior Management participated directly in workshops to identify, define and evaluate risks and trends at this level. This generated a direct commitment to manage each one of these risks, and facilitated a context of appropriation of risk management within the organization's culture.

This Group vision is complemented with risk monitoring and awareness at the international subsidiaries GPA and Libertad, which have

their own risk management systems which conduct identification and assessment according to their scales of probability and impact.

At the same time, there is the tactical level which focuses on risk that affects the Company's ability to achieve the objectives of its various business operations in Colombia.

As a result of applying this policy, 15 risk maps at the business levels were updated during the fiscal year, and in addition, the risk map at the strategic level was formalized. This map has 10 categories of risks which were evaluated in their financial or reputational impacts, as the case may be:



Materialization of risks during the fiscal year

In the context of the main risks arising in 2016, which are inherent to the operations and ordinary course of business, the following are noted:

- As a result of the truck strike in Colombia, the Company incurred in a logistic overrun of COP 1,360,000,000. Additionally, specific increases were seen in the level of out-of-stock items. The cities most affected by shortages were Pasto, Pereira, Popayán, Buenaventura and Buga.
- The risk of depletion at the end of 2016 had an effect on the P&L in the amount of COP 54,812 million, meaning 0.41% less than in 2015.
- There were no events associated to the risk of employee disloyalty. In addition,

acts that were identified and related to the risk of fraud and corruption did not materialize.

In turn, the results of our operation at the consolidated level were impacted by the materialization of risks of a macroeconomic and political nature in the four countries where we have a presence, as illustrated in the CEO and Board of Directors' Management Report.

None of these events, individually or as a group, had a significant impact on the financial position, on the reputation or on the adequate processing and disclosure of the Company's financial information.

Response and follow-up plans for main risks

In 2016, action plans were executed for risks identified during 2015. Monitoring was conducted as a result of this execution at the end of the fiscal year.

Some of these action plans have effects both at the tactical and strategic level, as shown below:

Strategic risk	Business risk	Action plan	At the Close of 2016
Retail operation	Reduction	“Campaña de Juaco” (Juaco Campaign) to build awareness and prevention of the risk of operation reduction	Conducted permanently
		Weekly monitoring of the numbers of the known reduction (damages) by the Margin and Inventory Committee	Conducted permanently
		Creation of the Reduction Executive Committee	Executed
Information technologies	Critical information systems downtime	BIA update to identify new systems, criticality level and need to implement DRP	BIA update with the participation of each process owner in the development of the Business Continuity Plan (BCP)
Information security	Theft / loss / handling sensitive / confidential information: espionage, data destruction, piracy, virus attacks, identify theft.	Communication campaign on how to handle sensitive data (subject to budget)	General and focus workshops to implement the personal data protection system
Information security	Theft / loss / handling sensitive / confidential information: espionage, data destruction, piracy, virus attacks, identify theft.	Implementation of the database security project for the protection of customer data.	The DAM IBM Guardium (Data Activity Monitor) solution for databases that contain personal information was implemented. This solution prevents unauthorized access to data, monitors and alerts changes and protects data from internal and external threats. Monitoring and control in real time
Nature	Natural disaster: earthquake, flood, hurricane, fire	Update the fire protection manual per changes to current regulations	Roundtables are being conducted with the Fire Marshal provider and the several Company departments for technical revisions and to arrive at common meeting points among the departments involved in the manual

GENERAL MEETING OF SHAREHOLDERS

Differences in the General Meeting of Shareholders' performance between the minimum quorum regime of the current laws and that defined by the Company Bylaws and Rules of Procedure of the General Meeting of Shareholders of the Company

The General Meeting of Shareholders performance in 2016 was different from the minimum quorum regime stipulated in current regulations in the following aspects:

- The term for announcing the Ordinary General Meeting of Shareholders conducted on March 30 was 33 calendar days, published on February 25. This in compliance of the provisions of the Company Bylaws and Rules of Procedure of the General Meeting of Shareholders, which provide for a term of thirty (30) calendar days to call ordinary meetings, and fifteen (15) calendar days for extraordinary meetings.
- At the Ordinary General Meeting of Shareholders, in accordance with the provisions of the Company Bylaws and the Rules of Procedure of the General Meeting of Shareholders, a term of 5 days calendar days was given, which began on February 25 and ended on March 2, for shareholders to: i) propose the introduction of one or more points on the meeting's agenda, (ii) present new proposals for decisions on the matters included in the agenda, or (iii) request additional information or raise questions about said matters.
- The Company published a power of attorney template on its corporate website that included the intent to vote on each of the items on the agenda to be discussed and/or approved at the Ordinary General Meeting of Shareholders conducted in 2016, so that the shareholder could indicate to his/her representative how he/she would vote.
- At the Ordinary General Meeting of Shareholders, the Company not only

published the announcement in widely distributed local and national newspaper, and as relevant information, but it also published it in the offices of Fiduciaria Bancolombia, which manages the Company's shareholder department, on the corporate website, and in bulletins sent by the Investor Relations Department.

- Together with the announcement of the Ordinary General Meeting of Shareholders for 2016, the Company published all the proposals that the Board of Directors or the Management would submit for the approval of the General Meeting of Shareholders.

Actions taken during the year to foster shareholder participation

In 2016, the provisions contained in the Company Bylaws and in the Corporate Governance Policies aimed at ensuring a supply of complete and timely information to shareholders were fulfilled with enough notice for General Meetings of Shareholders, with the aim of fostering their participation. These actions had been adopted in compliance of the New Code of Best Corporate Practices.

Also in 2016, the following activities aimed at fostering shareholder participation were conducted:

- Four teleconferences on quarterly results.
- Two meetings with local stockbrokers and analysts.
- One Open Day with investors and international market analysts.
- One Meeting of Equity Shareholders, Cadenalco 75 years.
- One Asofondos Forum.
- Attend the annual conference organized by the National Investor Relation Institute (NIRI)
- Attention to 58 visits by investment funds and analysts.
- Attention to 70 calls by investment

funds and analysts, both local and international.

- The corporate website was restructured to strengthen and improve it to the benefit of shareholders and investors. The navigation experience was improved in order to ensure the delivery of first-hand, clear and timely information, and facilitate shareholder participation and communication.

Information and communication with shareholders

The Company website, and particularly the site for investors and relevant information, continues to be the primary means of communication with shareholders. Information relating to the decisions of the Board of Directors, proposals for the General Meeting of Shareholders and supporting information, as well as other relevant information are published there.

At the Ordinary General Meeting of Shareholders conducted on March 30, 2016, the following documents were published:

- Announcement;
- Management report;
- Financial Statements as at December 31, 2015, together with their attachments and other legally required documents;
- Corporate Governance Report;
- Management proposal for the Board of Directors remuneration for the 2016 - 2018 period.
- Proposal by the Casino shareholder for the election of Board members for the 2016 - 2018 period.
- Management proposal for the election of the Statutory Auditor for the 2016 - 2018 period
- Management proposal for donations.
- Profit distribution proposal.
- Power of attorney templates for legal entity and individuals.

Regarding relevant information, 44 press releases were published, informing the

market about the relevant decisions made by the Board of Directors and the General Meeting of Shareholders, the execution or amendment of relevant agreements, and the quarterly and annual results of the Company, among other issues.

Furthermore, the Non-Deal Road Show (NDR) was implemented in Toronto, which was one of the main communications strategy implemented by the Shareholder and Investor Service Office. Also a total of ten international Investment Bank conferences were held in Cancun, London, New York, Paris and Lima, as well as two NDR meetings with Pension funds Managing Companies in Colombia.

Number of requests and matters on which shareholders have requested information from the Company

In 2016, the Company addressed the requests of around 196 shareholders in a timely manner. Of these, 53 were personal visits and 143 phone calls through Fiduciaria Bancolombia, which manages the Company's Shareholder Department.

In addition, around 650 shareholder requests were handled, including rights of petition, related to the following matters:

- Issuance of tax certificates, embassies, and others.
- Information on the value of dividends for shareholders and the process for its payment.
- Authorization to replace securities.
- Information updates.
- The provision of extracts from financial minutes and statements.
- Proposals to implement corporate governance measures.

Attendance to General Meeting of Shareholders

The Ordinary General Meeting of Shareholders held on March 30, 2016 at the Company's administrative offices had the participation of 825 shareholders and a quorum of 82.4%

General Meeting of Shareholders main decisions.

At said meeting, the General Meeting of Shareholders adopted the following decisions:

- Approval of the CEO and Board of Directors' Management Report, the individual and consolidated Financial Statements as at 31 December, 2016, along with its attachments and other legally required documents.
- Approved the following profit distribution proposal:
 - Allocate the net profits for the period from 1 January to 31 December 2015, which amounts to the sum of COP 573,495,362,995 as follows:
 - i. To increase the "Future Expansions and Improvements" Reserve, the sum of COP 286,747,681,498.
 - ii. To distribute dividends in the amount of COP 286,747,681,498. 681.498.
 - To appropriate the sum of COP 15,709,486,060 from the "Temporary Reserve to Maintain Dividend Stability".
 - To pay annual cash dividends for COP 675.70 per share for the 447,604,316 shares outstanding, which totaled COP 302,457,167,558.
- Election of the following Board Members for the 2016 - 2018 period:

Independent Members:

- Luis Fernando Alarcón Mantilla
- Daniel Cortés McAllister
- Felipe Ayerbe Muñoz
- Ana María Ibáñez Londoño

Equity Members:

- Yves Desjacques
 - Philippe Alarcon
 - Bernard Petit
 - Hervé Daudin
 - Matthieu Santon
- Approved compensation for the Board of Directors for the 2016 - 2018 period as follows:
 - • For the Chairman of the Board, a fee

of COP 10,500,000 was approved for preparing for and attending each Board Meeting.

- For Board Members other than the Chairman, a fee of COP 7,000,000 was approved for preparing for and attending each Board Meeting.
- For Committee Chairs, a fee of COP 7,000,000 was approved for preparing for and attending each meeting of the respective Committee.
- For Committee Members other than the Committee Chair, a fee of COP 3,500,000 was approved for preparing for and attending each meeting of the respective Committee.
- Authorized the Company Management so that during fiscal year 2016 they would distribute appropriation of net income of the year allocated to the reserve for expansion, and based on the decision of the Board, proceed to donate to organizations of common benefit, foundations, corporations, individuals or legal entities, the sum of COP 6,810,000,000.
- Approved the hiring of Ernst & Young Audit S.A.S. to conduct the statutory audit of the Company during the statutory period of 2016-2018.



Financial Statements

Consolidated financial statements

Free Translation



Statutory Auditor's Report

To the Shareholders of:
Almacenes Exito S.A. and Subsidiary companies

Report on the Financial Statements

I have audited the accompanying consolidated financial statements of Almacenes Exito S.A. and its subsidiary companies, which comprise the consolidated statement of financial position at December 31, 2016 and the corresponding consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management Responsibilities in Regard to the Financial Statements

The Company's management is responsible for the preparation and fair presentation of the financial statements, in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia; of designing, implementing, and maintaining the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; of selecting and applying appropriate accounting policies; and of establishing accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have performed my audit in accordance with international auditing standards accepted in Colombia. These standards require that an audit comply ethical requirements, planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes developing procedures to obtain audit evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment including the assessment of the risk of material misstatements in the financial statements. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not in order to express an opinion on the effectiveness of the company's internal control. An audit also includes an evaluation of the accounting policies adopted and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained provides a reasonable basis to issue my audit opinion.

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A member firm of Ernst & Young Global Limited.



Opinion

In my opinion, the accompanying consolidated financial statements, present fairly, in all material respects, the Company's financial position at December 31, 2016, the results of its operations and the cash flows for the year then ended, in conformity with the Accounting and Financial Information Standards accepted in Colombia.

Other Matters

The consolidated financial statements in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia of Almacenes Exito S.A. and its subsidiary companies for the year ended December 31, 2015, which are a part of the comparative information, were audited by me, in accordance with international auditing standards accepted in Colombia, I issued unqualified opinion on February 29, 2016.

A handwritten signature in black ink, appearing to read 'Sandra Milena Buitrago E.', is written over the printed name and title.

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Designated by Ernst & Young Audit S.A.S. TR-530

Medellín, Colombia
February 27, 2017

Almacenes Éxito S.A.

Certification by the Parent's Legal Representative and Head Accountant

Envigado, February 27, 2017

To the Shareholders of Almacenes Éxito S.A.

We, the undersigned legal representative and head accountant of Almacenes Éxito S.A., Parent company, each of us duly empowered, do hereby certify that the consolidated financial statements of the Parent and its subsidiaries, at December 31, 2016 and at December 31, 2015, have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the consolidated financial statements do exist, and all transactions included in such consolidated financial statements have been achieved during the years ended in those dates.
2. All economic events achieved by the Parent and its subsidiaries during the years ended December 31, 2016 and December 31, 2015, have been recognized in the financial statements.
3. Assets represent likely future economic benefits (rights) and liabilities represent likely future economic sacrifice (obligations) obtained by or in charge of the Parent and its subsidiaries at December 31, 2016 and December 31, 2015.
4. All items have been recognized at proper values.
5. All economic events having an impact on the Parent and its subsidiaries have been properly classified, described and disclosed in the consolidated financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned legal representative of Almacenes Éxito S.A., Parent company, does hereby certify that the consolidated financial statements and the operations of the Parent and its subsidiaries at December 31, 2016 and December 31, 2015, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

I do certify the above assertion pursuant to section 46 of Law 964 of 2005.

Original signed

Carlos Mario Giraldo Moreno
Legal Representative

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.

Statements of consolidated financial position

At December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted) (1)
Current assets				
Cash and cash equivalents	8	6,117,844	10,068,717	10,068,717
Trade receivables and other accounts receivable	9	1,168,174	3,326,474	3,251,007
Prepaid expenses	10	119,733	166,892	174,091
Accounts receivable from related parties	11	33,142	63,251	248,058
Inventories	12	5,778,173	8,704,328	8,685,221
Tax assets	24	896,967	1,100,323	1,081,383
Other financial assets	13	100,879	445,365	446,957
Non-current assets held for trading	47	18,429,787	21,698	22,078
Total current assets		32,644,699	23,897,048	23,977,512
Non-current assets				
Property, plant and equipment, net	14	12,465,698	12,055,301	12,469,894
Investment property, net	15	1,634,551	979,336	1,126,410
Goodwill, net	16	5,616,136	6,522,208	5,775,593
Intangible assets other than goodwill, net	17	5,663,422	3,706,065	9,657,536
Investments accounted for using the equity method	18	1,068,087	304,102	304,102
Trade receivables and other accounts receivable	9	586,485	823,618	915,166
Prepaid expenses	10	60,488	57,576	50,377
Accounts receivable from related parties	11	15,684	14,329	14,308
Deferred tax assets	24	1,456,866	524,828	399,048
Tax assets	24	581,947	1,941,626	1,963,916
Other financial assets	13	703,105	1,134,331	1,151,844
Other non-financial assets		398	398	398
Total non-current assets		29,852,867	28,063,718	33,828,592
Total assets		62,497,566	51,960,766	57,806,104

	Notes	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted) (1)
Current liabilities				
Financial liabilities	20	2,963,111	3,922,558	3,922,558
Employee benefit provisions	21	3,276	4,141	4,141
Other provisions	22	36,545	65,230	81,796
Trade payables and other accounts payable	23	11,536,968	18,368,694	18,599,948
Accounts payable to related parties	11	229,981	688,637	713,610
Tax liabilities	24	320,404	805,992	805,992
Other financial liabilities	25	805,555	396,052	396,052
Other non-financial liabilities	26	368,839	547,402	547,402
Non-current assets held for trading	47	14,592,207	-	-
Total current liabilities		30,856,886	24,798,706	25,071,499
Non-current liabilities				
Financial liabilities	20	4,354,879	6,707,561	6,707,561
Employee benefit provisions	21	26,872	41,231	41,231
Other provisions	22	2,706,629	1,124,682	2,638,274
Trade payables and other accounts payable	23	42,357	34,189	30,229
Accounts payable to related parties	11	12,733	12,704	12,704
Deferred tax liabilities	24	2,965,586	1,206,422	2,903,260
Tax liabilities	24	502,452	455,355	455,355
Other financial liabilities	25	1,835,159	714,079	733,185
Other non-financial liabilities	26	82,804	1,036,782	1,036,782
Total non-current liabilities		12,529,471	11,333,005	14,558,581
Total liabilities		43,386,357	36,131,711	39,630,080
Shareholders' equity, see attached statement		19,111,209	15,829,055	18,176,024
Total liabilities and shareholders' equity		62,497,566	51,960,766	57,806,104

(1) Figures presented by Management as additional information to reflect the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. The standard provides a term of one year to make the retrospective adjustments in the current period, as the Parent did in 2016. See Note 6.2.

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

Almacenes Éxito S.A.

Original signed

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

Sandra Milena Buitrago E.
Parent's Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit
S.A.S. TR-530
(See report attached, dated February
27, 2017)

Consolidated statements of income

Por los años terminados el 31 de diciembre de 2016 y el 31 de diciembre de 2015 (cifras expresadas en millones de pesos colombianos)

	Notes	December 31, 2016 (1)	December 31, 2015 (1) (2)
Continuing operations			
Revenue from ordinary activities	30	51,639,433	24,045,971
Cost of sales	12	(39,099,555)	(17,787,553)
Gross profit		12,539,878	6,258,418
Distribution expenses	31	(5,149,537)	(2,403,075)
Administration and sales expenses	31	(615,103)	(309,871)
Employee benefit expenses	32	(4,771,428)	(2,149,298)
Other operating revenue	33	24,957	64,564
Other operating expenses	33	(396,438)	(169,817)
Other (loss) profit, net	33	(54,058)	59,441
Profit from operating activities		1,578,271	1,350,362
Financial revenue	34	482,357	1,103,481
Financial expenses	34	(1,744,110)	(1,195,507)
Share of profits in associates and joint ventures accounted for	35	63,752	9,746
Profit before income tax from continuing operations		380,270	1,268,082
Tax expense	24	(167,814)	(387,683)
Net period profit from continuing operations		212,456	880,399
Net period (loss) from discontinued operations	47	(834,851)	(275,059)
Net period (loss) profit		(622,395)	605,340
Profit attributable to:			
Profit attributable to shareholders of the controlling entity		43,528	573,495
(Loss) profit attributable to non-controlling interests		(665,923)	31,845
Earnings per share (*)			
Earnings per basic share (*):			
Earnings per basic share attributable to the controlling entity	36	97.25	1,281.26
Earnings per basic share from continuing operations	36	474.65	1,966.71
Loss per basic share from discontinued operations	36	(1,865.15)	(614.51)
Earnings per diluted share (*):			
Earnings per diluted share attributable to the controlling entity	36	97.25	1,281.26
Earnings per diluted share from continuing operations	36	474.65	1,966.71
(Loss) per diluted share from discontinued operations	36	(1,865.15)	(614.51)

(*) Amounts expressed in Colombian pesos.

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

(2) Amounts include the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. See Note 6.2. They also include the effects of the restatement of the discontinued operation relevant to Via Varejo S.A. for purposes of comparison to 2016. See Note 6.5.

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

Original signed

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

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S.A.S. TR-530
(See report attached, dated February
27, 2017)

Almacenes Éxito S.A.

Consolidated statements of comprehensive income

For the years ended December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	December 31, 2016 (1)	December 31, 2015 (1) (2)
Net period (loss) profit	(622,395)	605,340
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results,		
Profit (loss) from new measurements of defined benefit plans	(3,111)	1,839
Total other comprehensive income that will not be reclassified to period results, net of taxes	(3,111)	1,839
Components of other comprehensive income that will be reclassified to period results, net of taxes		
Gain (loss) from translation exchange differences	(902)	902
Gain (loss) from investment hedging in foreign businesses	86,512	(25,810)
Total other comprehensive income that will be reclassified to period results, net of taxes	2,377,769	(1,092,383)
equity method that will be reclassified to period results.	2,374,658	(1,090,544)
Total other comprehensive income	1,752,283	(485,204)
Total comprehensive income		
Profit attributable to:	567,134	128,085
Profit attributable to shareholders of the controlling entity	1,185,129	(613,289)
Earnings per share (*)		
Earnings per basic share (*):		
Earnings per basic share in total comprehensive income	1,267.04	286.15
Earnings per diluted share (*):		
Earnings per diluted share in total comprehensive income	1,267.04	286.15

(*) Amounts expressed in Colombian pesos.

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

(2) Amounts include the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

Original signed

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(See report attached, dated February
27, 2017)

Almacenes Éxito S.A.

Consolidated statements of cash flows

For the years ended December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted (1))
Cash flows from operating activities			
Net period (loss) profit	(622,395)	572,501	605,340
Period profit reconciliation adjustments			
Income tax	213,460	398,428	410,922
Financial costs	1,482,056	487,147	419,745
Financial revenue	(15,252)	(46,933)	(46,750)
Decrease (increase) in inventories	129,368	(457,897)	(563,772)
(Increase) decrease in trade receivables	(1,120,166)	1,560,171	1,435,475
(Increase) decrease in other accounts receivable from operating activities	(1,111,646)	(103,083)	317,621
Decrease in prepaid expenses	44,415	103,017	103,017
(Decrease) increase in trade payables	(1,645,360)	5,892,300	5,936,323
Increase in other accounts payable from operating activities	696,259	783,980	1,047,253
Depreciation and amortization of fixed assets and intangible assets	1,244,492	562,215	560,847
Provisions	1,344,160	490,445	261,549
Net unrealized gain from foreign currency	(7,603)	(216,131)	(146,995)
Share-based payments	25,458	6,469	6,469
(Gain) from reappraisal at fair value	(82,089)	(27,988)	(29,681)
Undistributed (gains) from the application of the equity method	(81,309)	(18,360)	(18,360)
Other adjustment from items other than cash	115,325	30,859	30,859
Loss (gain) from the disposal of non-current assets	78,282	(78,181)	(79,038)
Loss from classification to investments measured using the equity method.	5,279	-	-
Variation in deposits receivable through legal proceedings	(191,377)	1,292	1,292
Other profit reconciliation adjustments	2,701	22,292	27,060
Total period profit reconciliation adjustments	1,126,453	9,390,042	9,673,836
Net cash flows (used in) provided by operating activities	504,058	9,962,543	10,279,176
Dividends received	-	99,284	99,284
Income tax paid	(390,913)	(209,565)	(525,805)
Net cash flows provided by operating activities	113,145	9,852,262	9,852,655

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted) (1)
Cash flows from investment activities			
Cash flows from the loss of control over subsidiaries or other businesses	120,721	34,952	34,952
Cash flows (used) to gain control over subsidiaries or other businesses	(41,709)	(3,876,606)	(3,876,606)
Proceeds from the sale of property, plant and equipment	134,924	72,320	72,320
Acquisition of property, plant and equipment	(1,754,217)	(1,054,194)	(1,054,194)
Proceeds from the sale of intangible assets	-	89,358	89,358
Acquisition of intangible assets	(293,772)	(559,150)	(559,150)
Proceeds from the sale of other long-term assets	-	9,446	9,446
Acquisition of other long-term assets	(16,003)	-	-
Interest received	28,640	52,998	52,998
Payments from a share-based transaction between Cnova N.V. and Cnova Comércio Eletrônico S.A.	(44,383)	-	-
Cash and cash equivalents in company reorganization	(578,667)	-	-
Other cash inflows	-	10,616	10,616
Net cash flows from (used in) investment activities	(2,444,466)	(5,220,260)	(5,220,260)
Cash flows from financing activities			
Resources from changes in the share of interest in subsidiaries that do not result in loss of control	388,595	-	-
Payments from changes in the share of interest in subsidiaries that do not result in loss of control	(69,471)	-	-
Borrowings	8,692,143	6,313,526	6,313,526
(Repayment) of financial liabilities	(6,876,887)	(3,417,158)	(3,417,158)
(Repayment) of finance lease liabilities	(3,877)	(956)	(956)
Dividends (paid)	(384,965)	(297,505)	(297,505)
Interest (paid)	(935,927)	(105,107)	(105,289)
Transactions with non-controlling entities	(4,165)		
Other cash (outflows)	3,770	793	587
Net cash flows (used in) provided by financing activities	809,216	2,493,593	2,493,205
Net (decrease) increase in cash and cash equivalents, before the effects of changes in exchange rates	(1,522,105)	7,125,595	7,125,600
Effects of the variation in the exchange rates on cash and cash equivalents	1,282,065	(10,816)	(10,821)
Net (decrease) increase in cash and cash equivalents	(240,040)	7,114,779	7,114,779
Cash and cash equivalents at the beginning of period	10,068,717	2,953,938	2,953,938
Less cash at the end of period from non-current assets held for trading	3,710,833	-	-
Cash and cash equivalents at the end of period	6,117,844	10,068,717	10,068,717

(1) Figures presented by Management as additional information to reflect the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. The standard provides a term of one year to make the retrospective adjustments in the current period, as the Parent did in 2016. See Note 6.2.

Original signed

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

Sandra Milena Buitrago E.
Parent's Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit
S.A.S. TR-530
(See report attached, dated February 27, 2017)

Almacenes Éxito S.A.

Consolidated statements of changes in shareholders' equity

Year ended December 31, 2015 (Amounts expressed in millions of Colombian pesos)

Includes the retrospective adjustment of the balance at December 31, 2015 to reflect the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of Grupo Disco Uruguay S.A. and the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

	(Note 27)	(Note 27)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)
	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity			
Balance at December 31, 2014	4,482	4,843,466	(2,734)	7,857	1,189,296	22,000	1,419	-	1,220,572	63,486	1,576,747	(1,012)	7,705,007	274,759	7,979,766			
Cash dividend declared	-	-	-	-	-	-	-	-	-	-	(260,022)	-	(260,022)	(60,430)	(320,452)			
Net yearly period profit	-	-	-	-	-	-	-	-	-	-	573,495	-	573,495	31,845	605,340			
Other comprehensive income	-	-	-	-	-	-	-	-	-	(445,410)	-	-	(445,410)	(645,134)	(1,090,544)			
Appropriation for reserves	-	-	-	-	168,844	-	30,000	-	198,844	-	(198,844)	-	-	-	-			
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	19	(40,004)	(39,985)	(36,124)	(76,110)			
Increase from other contributions of non- non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	28,135	28,135			
(Decrease) from other distributions to non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,232)	(4,232)			
Adjustment from business combinations	-	-	-	-	-	-	-	-	-	2,677	(18,680)	(10)	(16,013)	11,413,828	11,397,816			
Measurement of the Put option at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	(810,322)	(310,322)			
Other developments in shareholders' equity	-	-	-	-	-	-	-	895	895	-	-	-	895	(34,268)	(33,373)			
Balance at December 31, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	895	1,420,311	(379,247)	1,672,715	(41,026)	7,517,967	10,658,057	18,176,024			

Original signed

Carlos Mario Giraldo Moreno
Representante Legal de la Matriz
(Ver certificación adjunta)

Original signed

Jorge Nelson Ortiz Chica
Contador de la Matriz
Tarjeta Profesional 67018-T
(Ver certificación adjunta)

Original signed

Sandra Milena Buitrago E.
Revisor Fiscal de la Matriz
Tarjeta Profesional 67229-T
Designada por Ernst and Young Audit S.A.S. TR-530
(Ver informe adjunto del 27 de febrero de 2017)



**Separate
financial
statements**

Free Translation



Statutory Auditor's Report

To the Shareholders of:
Almacenes Exito S.A.

Report on the Financial Statements

I have audited the accompanying financial statements of Almacenes Exito S.A., which comprise the statement of financial position at December 31, 2016 and the corresponding statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management Responsibilities in Regard to the Financial Statements

The Company's management is responsible for the preparation and fair presentation of the financial statements, in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia; of designing, implementing, and maintaining the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; of selecting and applying appropriate accounting policies; and of establishing accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have performed my audit in accordance with international auditing standards accepted in Colombia. These standards require that an audit comply ethical requirements, planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes developing procedures to obtain audit evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment including the assessment of the risk of material misstatements in the financial statements. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not in order to express an opinion on the effectiveness of the company's internal control. An audit also includes an evaluation of the accounting policies adopted and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained provides a reasonable basis to issue my audit opinion.

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A member firm of Ernst & Young Global Limited.



Opinion

In my opinion, the accompanying financial statements, taken from the accounting records, present fairly, in all material respects, the Company's financial position at December 31, 2016, the results of its operations and the cash flows for the year then ended, in conformity with the Accounting and Financial Information Standards accepted in Colombia.

Other Matters

The financial statements in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia of Almacenes Exito S.A. for the year ended December 31, 2015, which are a part of the comparative information, were audited by me, in accordance with international auditing standards accepted in Colombia, I issued unqualified opinion on February 29, 2016.

Other Legal and Regulatory Requirements

Based on the scope of my audit, I am not aware of situations indicating that the Company has not complied with the following obligations: 1) kept minute books, partners' register and the accounting records in accordance with legal requirements and accounting technique; 2) carried out its operations in accordance with the by-laws and the decisions of the Partners' Board, and the rules related with the integral social security system; 3) retained correspondence and the accounting vouchers; and, 4) adopted internal control measures for the maintenance and custody of the Company's assets and those of third parties held by it. Additionally, there is agreement between the accompanying financial statements and the accounting information included in the management report prepared by the Company's administration, which includes Management representation on the free circulation of invoices with endorsement issued by vendors or suppliers.

My recommendations on internal control and other matters have been communicated to management in a separate report.

A handwritten signature in black ink, appearing to read 'Sandra Milena Buitrago E.', is positioned above the printed name.

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Designated by Ernst & Young Audit S.A.S. TR-530

Medellín, Colombia
February 27, 2017

Almacenes Éxito S.A.

Certification by the Company's Legal Representative and Head Accountant

Envigado, 27 de febrero de 2017

Envigado, February 27, 2017

To the Shareholders of Almacenes Éxito S.A.

We, the undersigned legal representative and head accountant of Almacenes Éxito S.A., each of us duly empowered, do hereby certify that the separate financial statements of the Company, at December 31, 2016 and at December 31, 2015, have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the Company's separate financial statements do exist and all transactions included in such separate financial statements have been carried out during the years ended on such dates.
2. All economic events achieved by the Company during the years ended December 31, 2016 and December 31, 2015, have been recognized in the financial statements.
3. Assets represent likely future economic benefits (rights) and liabilities represent likely future economic sacrifice (obligations) obtained by or in charge of the Company at December 31, 2016 and December 31, 2015.
4. All items have been recognized at proper values.
5. All economic events having an impact on the Company have been properly classified, described and disclosed in the separate financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned legal representative of Almacenes Éxito S.A., does hereby certify that the separate financial statements and the operations of the Company at December 31, 2016 and December 31, 2015, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

I do certify the above assertion pursuant to section 46 of Law 964 of 2005.

Almacenes Éxito S.A.

Original signed

Carlos Mario Giraldo Moreno
Legal Representative

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.

Separate statements of financial position

At December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2016	December 31, 2015 (1)
Current assets			
Cash and cash equivalents	6	1,098,825	810,647
Trade receivables and other accounts receivable	7	223,766	217,742
Prepaid expenses	8	16,728	18,008
Accounts receivable from related parties	9	74,589	71,887
Inventories	10	1,077,659	1,144,117
Tax assets	22	191,457	133,373
Other financial assets	11	12,252	67,027
Total current assets		2,695,276	2,462,801
Non-current assets			
Property, plant and equipment, net	12	2,706,058	2,961,052
Investment property, net	13	103,005	96,442
Goodwill	14	1,453,077	1,453,077
Intangible assets other than goodwill, net	15	174,413	140,115
Investments accounted for using the equity method, net	16	8,207,810	7,900,651
Trade receivables and other accounts receivable	7	21,546	19,709
Prepaid expenses	8	12,638	12,996
Accounts receivable from related parties	9	2,045	-
Other financial assets	11	73,842	138,177
Other non-financial assets		398	398
Total non-current assets		12,754,832	12,722,617
Total assets		15,450,108	15,185,418

	Notes	December 31, 2016	December 31, 2015 (1)
Current liabilities			
Financial liabilities	18	469,362	529,710
Employee benefit provisions	19	3,267	4,103
Other provisions	20	23,801	71,503
Trade payables and other accounts payable	21	2,968,222	2,504,879
Accounts payable to related parties	9	182,987	157,619
Tax liabilities	22	44,302	48,988
Other financial liabilities	23	87,457	48,091
Other non-financial liabilities	24	151,277	99,255
Total current liabilities		3,930,675	3,464,148
Non-current liabilities			
Financial liabilities	18	3,499,454	3,911,747
Employee benefit provisions	19	26,762	32,257
Other provisions	20	23,093	8,520
Deferred tax liabilities	22	201,049	190,776
Other non-financial liabilities	24	47,388	49,488
Total non-current liabilities		3,797,746	4,192,788
Total liabilities		7,728,421	7,656,936
Shareholders' equity, see attached statement		7,721,687	7,528,482
Total liabilities and shareholders' equity		15,450,108	15,185,418

(1) Some minor amounts in accounts payable, other provisions, other financial liabilities, other non-financial liabilities and inventories have been reclassified in these financial statements for comparison with 2016.

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

Original signed

Carlos Mario Giraldo Moreno

Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

Sandra Milena Buitrago E.

Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit
S.A.S. TR-530
(See report attached, dated February
27, 2017)

Almacenes Éxito S.A.

Separate statements of income

For the years ended December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2016	December 31, 2015 (1)
Continuing operations			
Revenue from ordinary activities	27	11,266,801	10,535,419
Cost of sales	10	(8,557,793)	(7,996,657)
Gross profit		2,709,008	2,538,762
Distribution expenses	28	(1,162,314)	(1,070,597)
Administration and sales expenses	28	(155,050)	(147,378)
Employee benefit expenses	29	(891,550)	(785,763)
Other operating revenue	30	29,130	64,344
Other operating expenses	30	(67,549)	(121,973)
Other profits, net	30	7,791	58,544
Profit from operating activities		469,466	535,939
Financial revenue	31	243,993	916,625
Financial expenses	31	(703,703)	(793,402)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	32	106,441	144,415
Profit before income tax from continuing operations		116,197	803,577
Tax expense	22	(72,669)	(230,082)
Net period earnings from continuing operations		43,528	573,495
Earnings per share (*)			
Earnings per basic share (*):			
Earnings per basic share from continuing operations	33	97.25	1,281.26
Earnings per diluted share (*):			
Diluted earnings per share from continuing operations	33	97.25	1,281.26

(1) Certain minor reclassifications were included in these financial statements for comparison to 2016.

(*) Amounts expressed in Colombian pesos.

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

Original signed

Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

Sandra Milena Buitrago E.
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(See report attached, dated February
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Almacenes Éxito S.A.

Separate statements of comprehensive income

For the years ended December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	December 31, 2016	December 31, 2015
Net period profit	43,528	573,495
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 new measurements of defined benefit plans	(2,107)	835
Components of other comprehensive income that will not be reclassified to period results, net of taxes	(2,107)	835
Components of other comprehensive income that will be reclassified to period results, net of taxes		
Gain (loss) from translation exchange differences	510,769	(448,498)
(Loss) gain from investment hedging in foreign businesses	(169)	169
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results.	15,113	(3,972)
Total other comprehensive income that will be reclassified to period results, net of taxes	525,713	(452,301)
Total other comprehensive income	523,606	(451,466)
Total comprehensive income	567,134	122,029
Earnings per share (*)		
Earnings per basic share (*):		
Earnings per basic share from continuing operations	1,267.04	272.63
Earnings per diluted share (*):		
Diluted earnings per share from continuing operations	1,267.04	272.63

(*) Amounts expressed in Colombian pesos.

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

Original signed

Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
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Original signed

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(See report attached, dated February
27, 2017)

Almacenes Éxito S.A.

Separate statements of cash flows

For the years ended December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	December 31, 2016	December 31, 2015
Cash flows from operating activities		
Net period profit	43,528	573,495
Period profit reconciliation adjustments		
Income tax	72,669	230,082
Financial costs	361,784	117,789
Financial revenue	(13,221)	(39,642)
Decrease in inventories	64,147	11,291
(Increase) in trade receivables	(9,490)	(561)
(Increase) in other accounts receivable from operating activities	(8,578)	(58,709)
Decrease in prepaid expenses	1,354	3,562
(Decrease) increase in trade payables	(362,802)	3,305
Increase in other accounts payable from operating activities	995,417	170,180
Depreciation and amortization of fixed assets and intangible assets	230,677	209,442
Provisions	(32,522)	(13,520)
(Gain) from net unrealized exchange difference	(7,709)	(146,533)
(Gain) from reappraisal at fair value	-	(29,681)
Undistributed (profit) from the application of the equity method	(106,441)	(144,416)
Other adjustment from items other than cash	2,132	5,727
(Gain) from the disposal of non-current assets	(30,088)	(78,153)
Total period profit reconciliation adjustments	1,157,329	240,163
Net cash flows from operating activities	1,200,857	813,658
Income tax paid	(196,066)	(204,619)
Net cash flows from operating activities	1,004,791	609,039

	December 31, 2016	December 31, 2015
Cash flows from investment activities		
Cash flows used to gain control of subsidiaries or other joint ventures	(47,282)	(5,553,759)
Revenue from the reimbursement of contributions in investments with equity method	145,000	-
Proceeds from the sale of property, plant and equipment	93,267	45,878
Acquisition of property, plant and equipment	(508,501)	(480,122)
Proceeds from the sale of intangible assets	-	97,499
Acquisition of intangible assets	(46,883)	(440,585)
Acquisition of other long-term assets	(9,500)	-
Proceeds from the sale of other long-term assets	184,589	-
Dividends received	213,400	123,036
Interest received	13,428	39,181
Net cash flows provided by (used in) investment activities	37,518	(6,168,872)
Cash flows from financing activities		
Borrowings	555,000	4,944,363
Loan repayments	(652,495)	(924,652)
Payment of finance lease liabilities	(3,877)	(956)
Dividends paid	(291,680)	(254,297)
Interest paid	(361,641)	(98,383)
Net cash flows (used in) provided by financing activities	(754,693)	3,666,075
Net (decrease) increase in cash and cash equivalents, before the effect of changes in exchange rates	287,616	(1,893,758)
Effects of the variation in the exchange rates on cash and cash equivalents	562	(1,705)
Net increase (decrease) in cash and cash equivalents	288,178	(1,895,463)
Cash and cash equivalents at the beginning of period	810,647	2,706,110
Cash and cash equivalents at the end of period	1,098,825	810,647

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

Original signed

Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit
S.A.S. TR-530
(See report attached, dated February
27, 2017)

Almacenes Éxito S.A.

Separate statements of changes in shareholders' equity

For the years ended December 31, 2016 and December 31, 2015 (Amounts expressed in millions of Colombian pesos)

	(Note 25)	(Note 25)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)
	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 year	-	-	-	-	-	-	-	-	-	-	-	573,495	-	573,495
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(451,466)	-	-	(451,466)
Appropriation for reserves	-	-	-	-	168,844	-	30,000	-	-	198,844	-	(198,844)	-	-
Adjustment from business combinations	-	-	-	-	-	-	-	-	-	-	2,677	(2,119)	-	558
Decrease from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	19	(40,004)	(39,985)
Increase from share-based payments	-	-	-	-	-	-	-	-	-	-	-	895	-	895
Balance at December 31, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	-	-	1,419,416	(885,303)	1,690,171	(41,016)	7,528,482
Balance at December 31, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	-	-	1,419,416	(885,303)	1,690,171	(41,016)	7,528,482
Cash dividend declared (Note 39)	-	-	-	-	-	-	(15,709)	-	-	(15,709)	-	(286,746)	-	(302,457)
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	43,528	-	43,528
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	523,606	-	-	523,606
Appropriation for reserves	-	-	-	-	279,937	-	-	6,810	-	286,747	-	(286,747)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	-	-	-	-	5,672	5,672	-	(15,468)	(61,676)	(71,472)
Balance at December 31, 2016	4,482	4,843,466	(2,734)	7,857	1,638,077	22,000	15,710	6,810	5,672	1,696,126	138,303	1,144,736	(102,692)	7,721,687

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

Original signed

Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 27, 2017)



Sustainability Report

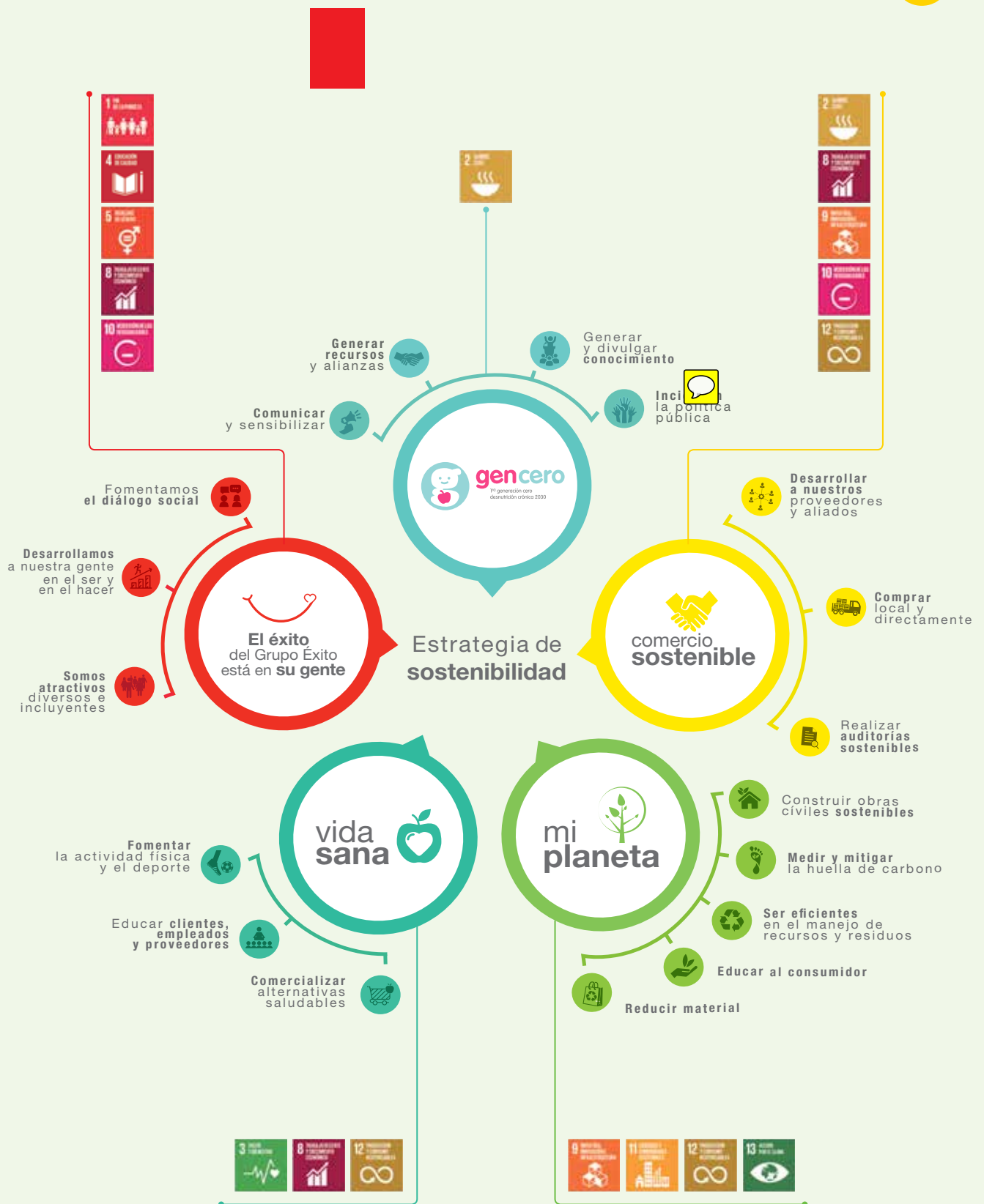


Sustainability Strategy to contribute to a better country

In 2016, we assessed the actions we had been undertaking for years to contribute to Colombia's progress; from there, we defined a new Sustainability Strategy through which we revitalized our good practices, formulated five strategic challenges and 18 work focuses that aim to contribute to Colombia's economic growth, social development, and environmental protection.

The Sustainability Strategy is part of one of the Company's four Strategic Pillars, and it aims to generate Shared Value as an opportunity for development for both Grupo Éxito and the society. With the challenges we set out, we prioritized childhood nutrition, sustainable business, environmental protection, the creation of appropriate work spaces, and promotion of a healthy lifestyle as highly impacting lines of work. For Grupo Éxito, sustainability depends on all of us, who work together with responsibility to multiply these good results.

Moreover, we recognize the role the private sector plays in contributing to fulfill the Sustainable Development Goals (SDG) which define routes to attaining societies that are economically prosperous, fair and respectful to the environment. The following chapters provide a detailed explanation of the actions we have undertaken to fulfill our strategy and to contribute to its execution.



We are aligned to Sustainable Development Goals

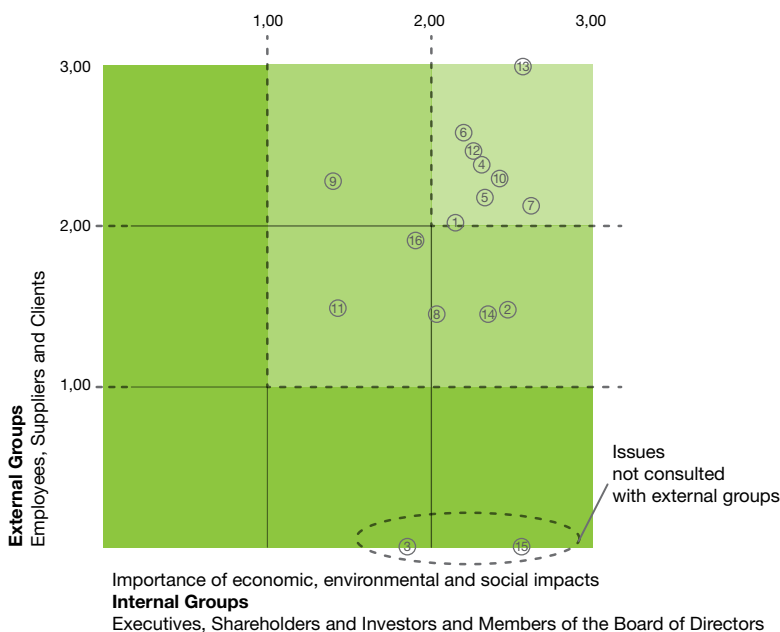


Materiality analysis

At Grupo Éxito, we conducted a materiality analysis that enabled us to identify relevant issues pertaining to environmental, social and Corporate Governance topics for our stakeholders, thereby acquiring more elements to manage the Company's Sustainability Strategy.

The Materiality Study included individual interviews and workshops with the Company's various stakeholders, which assessed material and non-material issues, and prioritized them according to their relevance.

Issues	Stakeholders						
	Executives	Clients	Suppliers	Shareholders and Members of the Board of Directors	Employees	Status	Society and the media
People	x			x	x		x
Environmental and socially sustainable supply chain	x	x	x	x			x
Develop the local economy	x	x	x	x		x	x
Climate Change and Energy	x	x	x	x	x		x
Healthy Lifestyle	x	x	x	x	x		x
Water	x	x	x	x	x		x
Waste and packaging	x	x	x	x	x		x
Reduce food waste	x	x	x	x	x		x
Product quality and safety	x	x	x	x	x	x	x
Sustainable construction	x			x			x
Childhood nutrition	x	x	x	x	x	x	x
Environmental friendly products	x	x	x	x			x
Information security	x	x		x		x	x
Relations and communication	x	x	x	x	x	x	x
Corporate Governance	x			x		x	x
Ethics and transparency	x		x	x	x	x	x



Material Issues

- 13. People
- 6. Product quality and safety
- 12. Waste and packaging
- 4. Reduce food waste
- 10. Climate Change and Energy
- 5. Gen Cero (Zero Chronic Malnutrition on Children)
- 7. Ethics and transparency

Limits

- 1. Healthy Lifestyle

No materiales

- 8. Information security
- 9. Water
- 11. Environmental friendly products
- 2. Environmental and socially sustainable supply chain
- 3. Sustainable construction
- 14. Develop the local economy
- 15. Corporate Governance
- 16. Relations and communication





gen cero
1ª generación cero
desnutrición crónica 2030



Through Fundación Éxito we manage Gen Cero so that by 2030 no child in Colombia under five years suffers from chronic malnutrition in Colombia. This is an open-door cause in which all sectors are invited to join in achieving this goal, and to which Grupo Éxito is committed. We support the efforts undertaken by Fundación Éxito and we are working together to carry them out.

We assist Fundación Éxito's efforts in four fronts:



1. Generation of alliances and resources



2. Communication and awareness



3. Generation and dissemination of knowledge



4. Impact on public policy



The help provided by Fundación Éxito in the Magdalena banana growing region made it possible to nourish the lives and dreams of many expecting families. The municipality of Pueblo Viejo has no water or electricity supply, and there are no healthcare centers, but ever since the services arrived during the first 1,000 days of life of Fundación Éxito, the mothers' nutritional status and health improved in a matter of three months. They gained weight and had babies free of malnutrition.

Josefina Álvarez.
Educator, FundePalma
Pueblo Viejo, Magdalena.

Reducing childhood malnutrition rate by 1% will contribute to reducing poverty by 4%

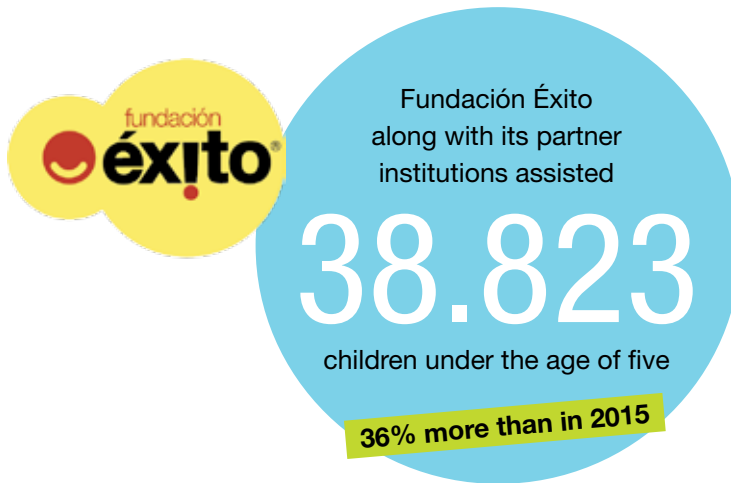
Comprehensive care in early childhood produces more equity and contributes to human development.

Over ~~COP~~

19,700

million were invested para-to support Gen Cero

5% more than in 2015



13,571

children ages 2 to 5



13,435

children during their first 1,000 days of life



11,817

children in other programs (music, reading, educator's training, among others)



New territories served

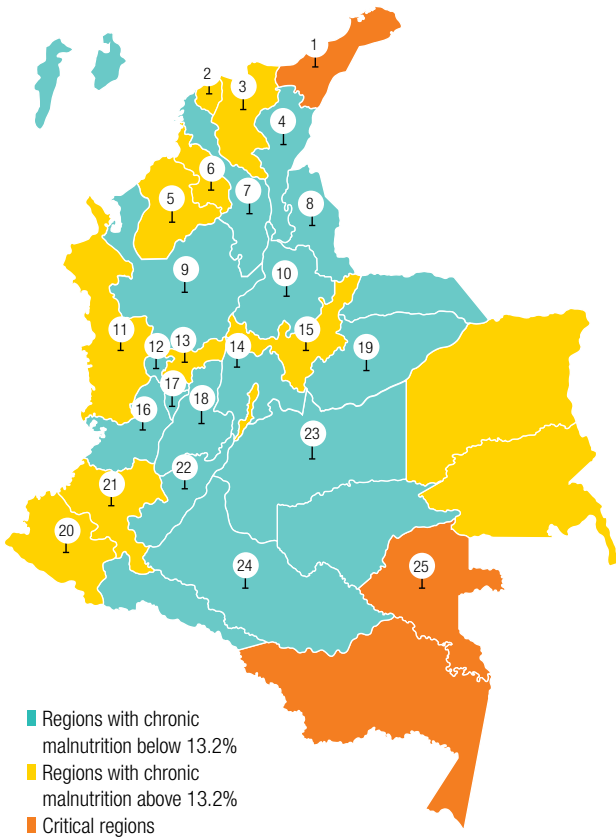
Territory	Percentage of chronic malnutrition*
2,857 children assisted in Ayapel and La Apartada in the department of Córdoba	16.4% in Córdoba
3,294 children assisted in Santa Marta, Pueblo Viejo and Zona Bananera in the department of Magdalena	18% in Magdalena
715 children assisted in Ipiales, Tumaco and Pasto in the department of Nariño	16.9% in Nariño
800 children assisted in Lloró and Quibdó in the department of Chocó	15.7% in Chocó

Statistics that surpass the national average of **13.2%**

*National Survey of the Nutritional Situation in Colombia, 2010



Fundación Éxito has agreements with institutions that allow it to have presence in 25 of the 32 Colombian departments



1 Departments receiving services

1. La Guajira
2. Atlántico
3. Magdalena
4. Cesar
5. Córdoba
6. Sucre
7. Bolívar
8. Norte de Santander
9. Antioquia
10. Santander
11. Chocó
12. Risaralda
13. Caldas
14. Cundinamarca
15. Boyacá
16. Valle del Cauca
17. Quindío
18. Tolima
19. Casanare
20. Nariño
21. Cauca
22. Huila
23. Meta
24. Caquetá
25. Vaupés

166 institutions in **85 municipalities** provide nutritional services for children



In 2016 we visited the department of Chocó with Fundación Éxito to **support nutrition for over 1,000 children**, even though we have no business presence **there**.



1. Generation of alliances and resources

Together with Fundación Éxito, we manage the generation of funds invested in childhood nutrition, and we encourage different sectors to join us and contribute to reaching Gen Cero.



Grupo Éxito provided **over COP**

17,700

million to contribute to Gen Cero.

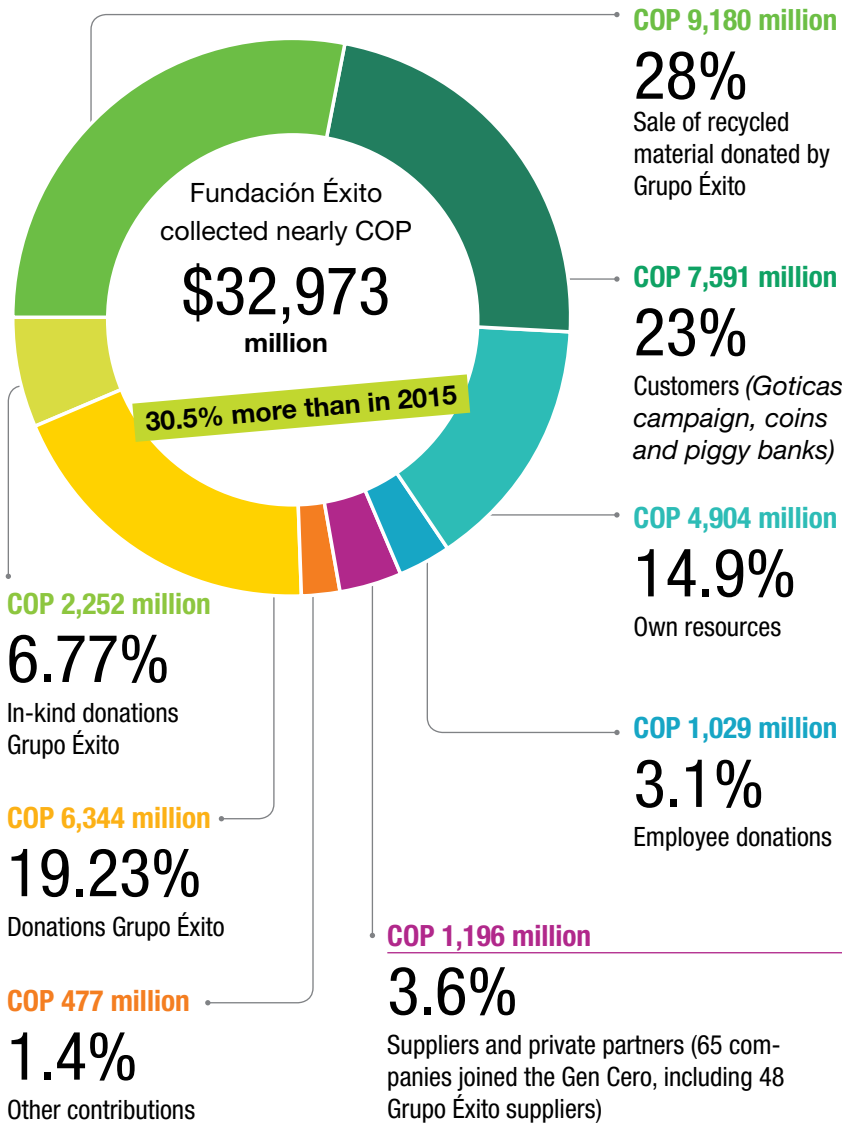
40% more than in 2015

Approximately COP

4,000

million collected from the film “Colombia Magia Salvaje” were invested in childhood nutrition.

Origin of Fundación Éxito's resources



A total of **14 companies and 18 partners** in the gastronomy sector signed the "Childhood Nutrition Compact", committing to undertake actions to promote health and nutrition during pregnancy and childhood. The collection and distribution of resources is audited by the firm Ernst and Young.

PriceSmart, Genomma Lab, Belleza Express, Brinsa, Innova Quality, Tuya, Mitsubishi, Industrias Cory, Alpina, Alquería, Colanta, Alsea, Nutreo and Alcaçüete, to name a few, **joined Gen Cero to help eradicate chronic malnutrition in Colombia.**

El recaudo y destinación de los recursos es auditado por la firma Ernst & Young.

At our stores, we are also committed to the Zero Chronic Malnutrition on Children goal



Our stores delivered **over 1,900 tons** of food suitable for human consumption to **19 Food Banks**. ~~Twenty-nine~~ institutions benefited from this donation.

In order to generate resources and disseminate the cause, we joined the following through:

- | Business lines | Complementary businesses | Direct business | Textile industry |
|---|--|---|---|
| <ul style="list-style-type: none"> • Mass-consumption products • Textiles and home • Entertainment | <ul style="list-style-type: none"> • Everything for the Home • Viajes Éxito | <ul style="list-style-type: none"> • exito.com • carulla.com • Éxito Deliveries | <ul style="list-style-type: none"> • Didetexco |



2. Communication and awareness

Together with Fundación Éxito, we encourage all sectors in Colombia to understand the childhood nutrition conditions as the first step for intervening.

Fundación Éxito promotes breastfeeding as the best way to love and feed babies

A total of

5,000 women



participated in the second

Lactathon in 38 cities, 19 Éxito stores and Carulla supermarkets and 2 Viva shopping centers;

4,100 more women than in 2015



Support

7 Human Milk Banks

with a COP **179 million investment.**



Inauguration of a breastfeeding room at the Éxito store in Neiva so ~~that~~ customers and employees can have a place that fosters this practice.

Celebration of the Childhood Nutrition Month



→ Winners of the 13th Childhood Nutrition Award during the ceremony held in Bogotá.



Six initiatives by private and public organizations, institutions and media were recognized at the 13th Childhood Nutrition Award ceremony.

Inauguration of
21 reading rooms
 throughout Colombia in partnership with the National Government and public and private foundations.




Publication of over **550 press releases** to raise public awareness on Gen Cero.

Presentation of the Manifiesto for Childhood Nutrition to communicate that which we believe in, what we aim for, and how people can contribute to Gen Cero

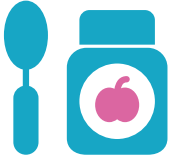


3. Generation and dissemination of knowledge

Fundación Éxito builds knowledge that serves to establish strategies to eradicate chronic malnutrition.

Fundación Éxito assessed the effect of the nutritional contribution it makes to Children’s Homes of the Colombian Institute for Family Welfare (ICBF, for the Spanish original). Participants included the Center for Economic Development Studies of the Universidad de los Andes, the London Institute of Fiscal Studies and the Central Bank of Colombia.

The results made it possible to:



establish common nutritional guidelines for children in children’s homes;



and show improvement in children’s emerging literacy skills thanks to the program offered by Fundación Éxito.



4. Impact on public policy

Fundación Éxito builds partnerships with the National Government and local institutions responsible for formulating and implementing public policies for early childhood and nutrition.



Fundación Éxito supported promulgation of the Law for Early Childhood which guarantees comprehensive care for children ages 0 to 5 in Colombia.



39 municipalities and 4 departments

signed the **Gen Cero Compact** as a political commitment to create ways to eradicate chronic malnutrition in Colombia.

With the support of Fundación Éxito:

- **18 municipalities** included topics related to Gen Cero in their **development plans**
- **17 municipalities** developed **early childhood projects**; and
- **21 municipalities** promoted **breastfeeding**.



Support for the second **Construyendo Sueños Award** 2016-2019 granted by Colombia Líder. The 15 finalists agreed to undertake actions that promote public policies on comprehensive early childhood care.



A total of

25 municipalities

are part of Government Officials Committed to Early Childhood, a program of institutional strengthening and technical assistance in which Fundación Éxito participated.

- **4 municipalities in La Guajira:** Urumita, La Jagua del Pilar, San Juan del Cesar and Villanueva.
- **4 municipalities in Atlántico:** Palmar de Varela, Piojó, Santo Tomás and San Juan de Acosta
- **7 municipalities in Nariño:** Ipiales, El Tambo, Nariño, Contadero, San Pablo, Pupiales and San Pedro de Cartago. The Governor of Nariño also signed the Compact.
- **9 municipalities in Boyacá:** Firavitoba, Iza, Moniquirá, Nobsa, Tibasosa, Monguí, Ventaquemada, Paipa y Toca. El Pacto también fue firmado por el Gobernador de Boyacá.
- **1 municipality in Vaupés:** Mitú.



Sustainable 
Trade



Sustainable Trade

We promote sustainable business to establish relations of value with our suppliers and partners by buying local products directly, promoting sustainable practices, and providing support programs.

We work in these three fronts:



1. Local trade



2. Develop our partners and suppliers



3. Sustainable audits



The best thing that's happened to us is to work alongside with Grupo Éxito. We are 16 small producers and 80 peasant families from Santander who **have** benefited from the support provided by the Company, as we went from distributing 3,000 kg (approx. 6,614 lb) of baby banana in Bogotá, to distributing more than 10,000 kg (approx. 22,046 lb) per week to stores in Bogotá and Medellín, and they pay us **at** a good price. Thank you for focusing on the Colombian peasants.

Rosalba Camacho Velandia. ASPRESIN's registered agent, Winners of the category Sustainable Supplier at the 8th version of the Éxito Suppliers Competition.

Picture on pre-title page: We buy local products directly in 23 of 32 Colombia departments to showcase our national quality.

Our Suppliers



3,603

commercial suppliers, of which **737** produce our Private Label



1,377

for administrative goods and services



1,239

Real Estate



611

for the Food Industry



164

in the Textile Industry



1. Direct local trade

86% of the fruits and vegetables sold in our stores are bought directly from small producers, to support their growth;

2% more than in 2015.

Colombian regions in which we buy local products:

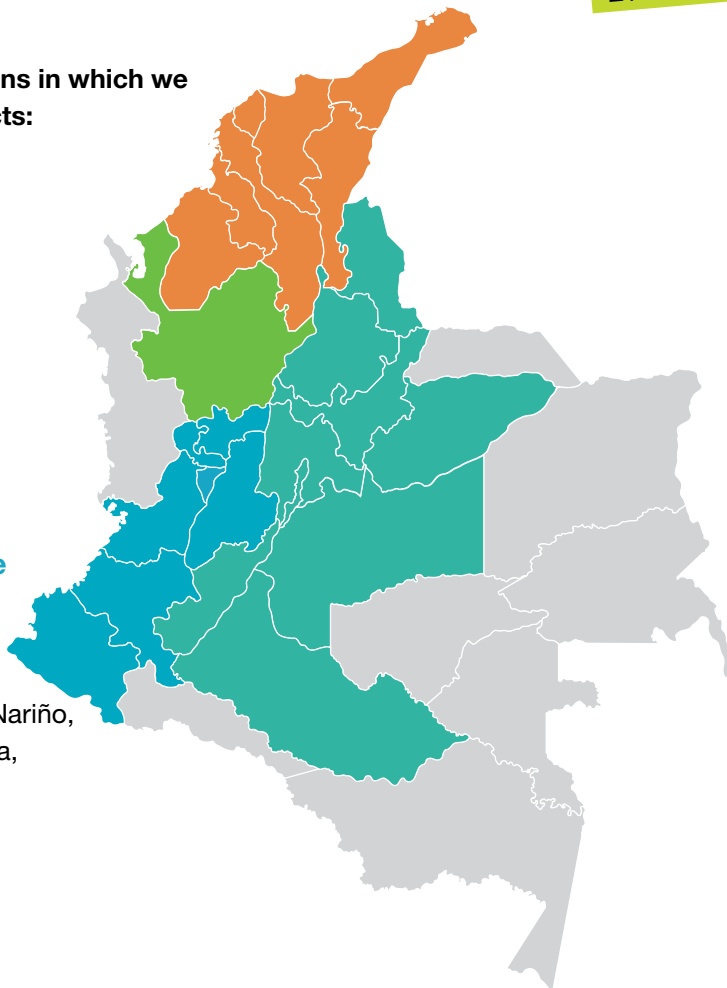
Antioquia

19.1%

Cali and Coffee Triangle

25.1%

(Caldas, Cauca, Nariño, Quindío, Risaralda, Valle del Cauca)



Coastal Region

16.1%

(Atlántico, Bolívar, Cesar, Córdoba, La Guajira, Magdalena, Sucre)

Central Region

39.7%

(Boyacá, Caquetá, Casanare, Cundinamarca, Huila, Meta, Norte de Santander, Tolima, Santander)



We offer our customers best and freshest products of Colombia



A **94%** of the fruits and vegetables we sell at our stores are acquired in Colombia. Over **228,000 tons** were bought from nearly **700 Colombian farmers**;

23.4% more than in 2015.

Realizamos

80

Ferias Campesinas en 40 almacenes Éxito y Carulla, para acercar los productores locales a nuestros clientes.

EXPO AGROFUTURO

We took part in the Expo Agrofuturo Fair, where we met with local farmers to explore potential partnerships.



We joined the Ministry of Agriculture's **"El pescado me cae bien, dile sí al pescado"** (Fish is good for you, say yes to fish) campaign to promote sustainable fishing practices and encourage fish consumption.

A total of **6,500 tons of fish and seafood** were bought from **1,200 artisanal fishing families**, from rivers, sea and farms.

We work with our suppliers to:

- **Avoid net fishing and promote fishing with fishhook**, which can be used to select species by size;
- **Respect Exclusive Artisanal Fishing Areas (ZEPA, for the Spanish original)** and avoid selling endangered species; and
- **Respect the species' reproductive cycles.**



We generated development opportunities for peasant and fishing communities through partnerships with

21

associations and corporations, including:



Nearly **360** micro-enterprises received advice from the Promotora de Comercio **Socialto** drive their sales;

8.5% more than in 2015.



2. Develop our partners and suppliers

We build valuable relationships to help our suppliers and small entrepreneurs grow and contribute to Colombia's development.

A total of

1,307

212 more than in 2015.

mini-market and self-service owners are part of Aliados Surtimax and Super Inter program, a sustainable business proposal;



1.138 Aliados Surtimax
in 10 departments,
in 205 municipalities



169 Aliados Super Inter
in 4 departments,
in 31 municipalities



We generate win-win situations with the Partners program

Benefits for the Aliado:

- Projected sales increase of 70%
- Participation in training programs
- The backing of Surtimax and Super Inter brands, which helps them drive their business
- Stronger processes
- Expanded product portfolios, including our Private Label
- Credit system to buy merchandise

Benefits for Grupo Éxito

- Expansion and market coverage
- Growing Surtimax and Super Inter presence

Benefits for the communities

- Formalization of the economy
- Generation of formal employment



Seventy partners received training in four certification programs on topics related to marketing and sales.

A total of **186 Aliados Surtimax and Super Inter, as well as 100 leaders of the Network of Surtimax Friends** participated in the third "Por los caminos del Café (On the Coffee Road)" convention, where they were recognized for their excellent results.



Twelve suppliers were awarded at the 8th “Éxito Suppliers 2016” Competition

Winners:

- Éxito supplier: **Comercial Nutresa**
- Éxito small and medium-sized business: **Lácteos El Zarzal**
- Sustainable Development Supplier: **Aspresin**
- Mass-consumption product supplier: **Procter & Gamble**
- Fresh business supplier: **Granja Santa Laura**
- Entertainment business supplier: **Mattel**
- Textile business supplier: **Diverco**
- Home business supplier: **Colnotex**
- Own Brand supplier: **Marchen**
- E-commerce supplier: **Samsung Electronics Colombia**
- Real estate partner supplier: **Mr. Bono**
- Supplier of goods and services: **Comercial y Servicios Larco**



26 employees from 17 small and medium-sized suppliers were certified in the first level of the “**Business Management Certification**” program at the Universidad EAFIT. **Since 2013, over 500 employees from 219 small and medium-sized companies have taken part in it.**



We conducted the Multi-sector Business Roundtable together with ProColombia to create negotiating opportunities for 60 national suppliers and buyers from Grupo Pão de Açúcar from Brazil, Grupo Disco from Uruguay and Libertad from Argentina.

6 Colombian companies are already exporting products to Brazil: Colcafé, Corona, Creytex, Formas Íntimas, Juan Valdez and The Elite Flower.



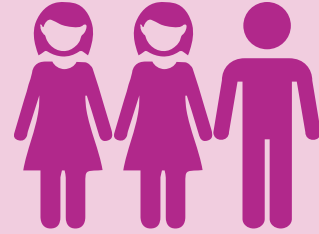
A total of 9,000 individuals, including **8,100** single mothers, manufacture over **24.5 million** garments for Didetexco.



63 Colombian suppliers manufacture cleaning and home products.

Over **8,200** individuals are catalog-sales consultants for the Todo Hogar and Color Mix brands in **205** cities.

22 suppliers manufacture the garments offered in the catalogs.



Almost **8,500** are part of the **Network of Surtimax and Super Inter Friends**, and they invite other customers to acquire the products at lower prices, while improving their income and saving money in their purchases.

Surtimax sales increased by **18%** thanks to the commitment of national network leaders.



3. Sustainable audits

We evaluate our suppliers processes to ensure that respect for life and dignified work is prioritized within our supply chain.

We conducted **18 social audits** to 17 Didetexco and Private Label suppliers.



With the Ethical Charters, we encourage our suppliers to create dignified work spaces, to manufacture respecting the environment, and to maintain transparent business relations guided by good governance practices.





We held eleven fairs and events to strengthen the development of product categories and open sales spaces for our suppliers.



A total of **36,000** participants in Bogotá



Approximately **36,700** visitors in Bogotá and Medellín



760 participants in Bogotá, Cali and Medellín



Almost **24,100** visitors at the events in Bogotá and Medellín



Over **7,100** people participated in the first event held in Bogotá



Almost **50.000** visitors in Bogotá and Medellín





mi planeta



We work to create and lead initiatives that will mitigate and compensate the impact of our operations on the environment. We encourage our customers, employees and suppliers to join this effort and, together, to forge environmental awareness.

We work in five fronts:



1. Reduction of material



2. Solid waste management and recycling



3. Consumer education



4. Sustainable construction



5. Measurement and mitigation of the carbon footprint



It is very positive for a market leader like Grupo Éxito to understand its role in protecting nature, and to be a role model in environmental responsibility through good practices. Initiatives like “Colombia Magia Salvaje”, “Limpiemos Colombia” and “Una bolsa menos” have allowed for different sectors to develop environmental awareness, and for Colombians to acquire more sustainable lifestyles.

Alexandra Gómez Arias.
Communication and Marketing Manager at the World Wildlife Fund (WWF), Colombia.

Picture on pre-title page: We promote reusable packaging as a way to contribute to caring for the environment.



1. Reduction of material

We work to use the material used in our operations in a more efficient way.

We launched the “**Una bolsa menos**” campaign, which encourages our customers to reduce the use of plastic bags and opt for reusable packaging.



We offer our customers **66 reusable packaging options** available at our Éxito, Carulla, Surtimax, Super Inter and Surtimayorista brands.



Over **987,000** reusable packages were purchased by our customers, and they received **11.4 million extra Points** for it;

134% more than in 2015

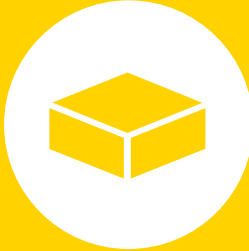
in **2014** we introduced the **(Packaging Material Management Model)**, which we use to project the number of plastic bags needed at our stores, thereby avoiding waste **0.0**.



Over **102,500** ecological products sold in the Todo Hogar cleaning products catalog.

Over **516.000** boxes used by Didetexco have the FSC (Forest Stewardship Council) seal, which promotes sustainable forest management practices.

We implemented a pilot program to attain **eco-efficiency in the use of packaging**. At our cafeterias and meat sections, we use Styrofoam products that are manufactured with less material.




2. Solid waste management and recycling.

We aim to mitigate our operational impact by making efficient use of resources and properly disposing of the waste generated.

A total of **95** **Éxito stores and Carulla supermarkets**, **2** **Distribution Centers** and **2** **Viva shopping centers** have implemented energy efficiency programs in association with Green Yellow*;

We've saved over **2.4 million kWh** which represents the **annual** energy consumption of more than **1,300 Colombian homes**.

14 more locations than in 2015



*Expert energy efficiency management organization



A total of **8 million kWh** saved during the ~~Let's Save the Planet~~ campaign, equal to the annual energy consumption of more than **4,000 Colombian homes**.

We generate **982 MWh** of clean renewable energy with **5,631 m²** of solar cells installed:

- **The Viva Wajiira shopping center in Riohacha, La Guajira**, reduced its electricity consumption by **21%** which represents the monthly electricity consumption of **3,507 families**.
- **Éxito Panorama in Barranquilla, Atlántico**, produced **24%** of the energy needed for its operations which represents the monthly energy consumption of **3,189 families**.

We cut down more than **23,600 tons** of CO₂ emissions in one year; equal to the amount captured by **over 6,700 trees**.



→ 1,596 solar panels installed at Viva Wajiira on the 5,000 km² of rooftop terrace to capture sunlight.

We reduced waste and loss of food and products used in our operation



Over **1,900 tons** de productos of products were donated to Food Banks through Fundación Éxito. That helped reducing **over 41,500 tons of CO₂**



A total of **3.1 tons** of food planted by **over 42,100 people** were recovered in the Agricultural Surplus Recovery Program (REAGRO, for the Spanish original).



A total of **136 tons** of meat, chicken and fish not suitable for human consumption were donated to animal breeding farms.



We have a comprehensive solid waste management program to properly dispose of waste and recover materials that can be recycled



We've recovered over

22,700 tons of packaging material.

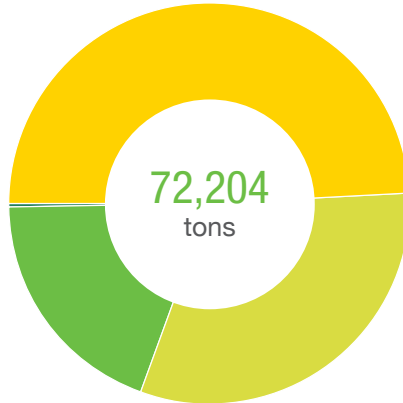
We kept

36,000 tons* of waste from being sent to landfills;

6,000 tons more than in 2015.

*Includes organic, special and recyclable waste

Non-hazardous Waste



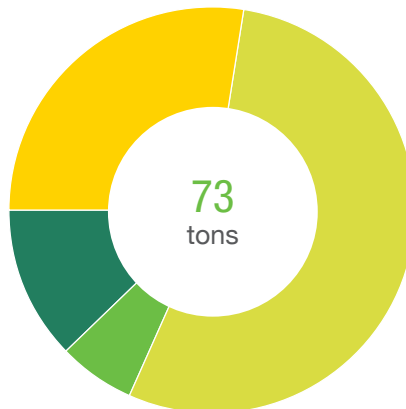
35,622 tons of regular waste | Landfill

22,738 tons of recyclable waste | Reinstatement into the productive cycle and reuse

13,841 tons of organic waste | Compost, donation and sale

3 toneladas Otros | Incineración o trituración

Hazardous Waste



23 tons of hazardous waste, not incinerated | Stabilization or other treatment (safety cell, sterilization, or other)

45 tons of hazardous waste with reuse potential | Recovery, sale, post-consumption

5 tons of hazardous waste to be incinerated

Total waste 72,277 tons



We saved

90,000 kilometers

of road travel with our double-decker trucks, which make merchandise transport more efficient and reduce emissions by more than **10,000 tons of CO₂**; equal to the amount captured by **2,800 trees**.



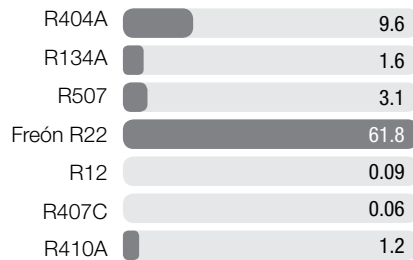
We strive to change our refrigeration systems to more environmentally friendly alternatives

We created a committee to press on in refrigerant research. With this, we aim to:

- Identify systems and market innovations;
- Create synergies between the Government and suppliers; and
- Reduce consumption and properly dispose of refrigerants.

Refrigerant use by type

Figures in tons:



A total of **77.4** tons of refrigerants



3. Consumer education

We encourage our customers to create environmental awareness and adopt respectful habits towards nature.



We launched a campaign to raise environmental awareness in conjunction with the Ministry of the Environment and Sustainable Development, the Ministry of Commerce, the World Wildlife Fund (WWF), and Bimbo Colombia.

LIMPIEMOS COLOMBIA

A total of **23,000** volunteers took part in the campaign



A total of **113 tons** of waste properly classified and disposed of

17 municipalities involved

7 cleaning companies
9 recycling associations

97 kilometers traveled on 78 routes

- | | |
|-----------------|------------|
| Armenia | Girardot |
| Barrancabermeja | Girardota |
| Barranquilla | Itagüí |
| Bogotá | Manizales |
| Bucaramanga | Medellín |
| Cali | Montenegro |
| Cartagena | Pereira |
| Cúcuta | Quibdó |
| Chiquinquirá | |



A total of **24.7 tons of post-consumption material** were disposed of at **217 collection sites** at our locations.

11.5
tons
of **used batteries**

2.3
tons
of **lamps**

10.6
tons
of **expired medication**

0.28
tons
of **household pesticides**



4. Sustainable construction

Our real estate projects are planned and built to contribute to the regions and preserve the environment.

The **Viva Wajiira shopping center at La Guajira** received the **Core and Shell LEED Gold seal**, becoming **Grupo Éxito's first real estate project, and the first in the Caribbean region**, to receive this recognition.



Over **2,700** people participated in activities to showcase our real estate projects. We use this methodology at the initial stages of the construction works.

Éxito Mosquera in Cundinamarca received the **LEED Silver seal in the retail sector for the commercial interior category** due to its structural characteristics, water and energy savings, and the environmental quality of its interiors, among others.



5. Measurement and mitigation of the carbon footprint

We calculate our carbon footprint and develop action plans to reduce and compensate our impact.

We produced approximately **265,700** tons of CO₂ in our operation.

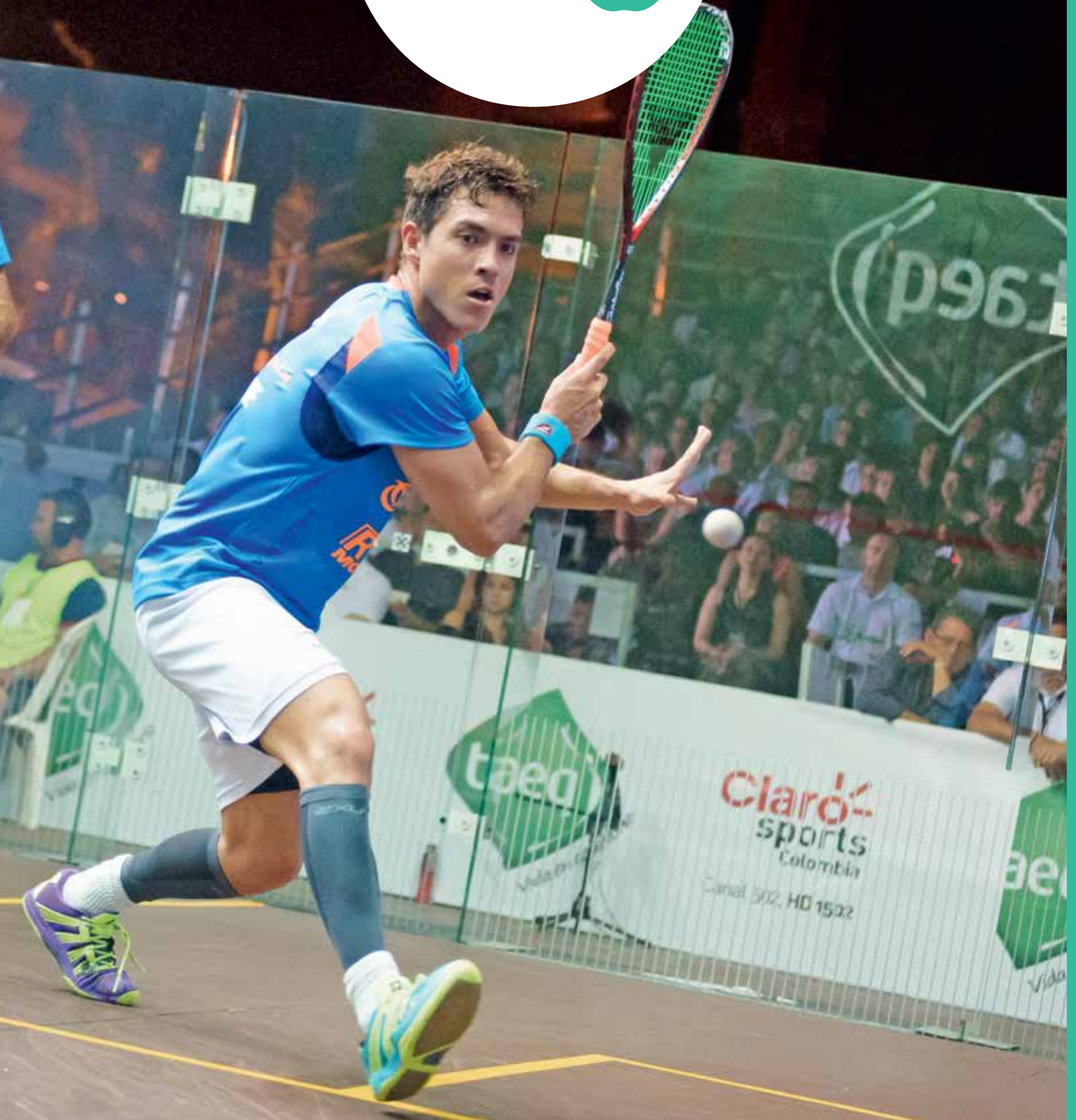
Scope 1: approximately **82,200 tons***

Scope 2: approximately **183,500 tons****

*Refers to direct greenhouse gas emissions produced by the Company

**Emissions coming from the acquired electricity generation used at operations or by our own controlled equipment

 **healthy**
Lifestyle 





Healthy Lifestyle

We work to offer our customers and employees a portfolio of products and services that help them create healthy lifestyle habits.

We work in three fronts:



1. Awareness customers, suppliers and employees.



2. Marketing of healthy alternatives



3. Sport and physical activity



In Grupo Éxito we found a company that cares not only about their customers consumer habits, but also about the requirements for healthy products. For example, Perman as supplier of some of its private label, has participated in sodium-reduction workshops. Grupo Éxito is the only one that has offered this training, and we were able to replace 25% of the salt in some of our breads, thereby offering healthier products.

Diana Ceballos.
Quality Manager,
Industrias Alimenticias
Perman S.A.

Some of the reasons to offer our customers and employees healthy products and encourage them to have healthier lives



1 out of 2 Colombians are overweight, which increases their risk of suffering chronic diseases like high blood pressure, diabetes or heart attacks*.



1 out of 4 Colombians engage in 150 minutes of physical activity per week, the recommended time for a healthy life*.



53% of consumers believe that retail companies can play a significant role in caring for their health**.



We are part of The Consumer Goods Forum, which brings together department stores and food producers from all around the world to promote the sale of healthy food and encourage customers to have healthy lifestyle habits. **Our Nutritional Policy is considered an exemplary practice** by this organization.

We created the Healthy Lifestyle internal committee with an interdisciplinary team whose function is to ensure compliance of the goals set in this challenge.

*National Survey of the Nutritional Situation in Colombia, 2010
** Nielsen, 2015



1. Awareness customers, suppliers and employees-

We aim to inform our stakeholders of the importance of practicing habits that are favorable to their health.



Over **8,200** nutritional, optometry and medical consultations to promote health and prevent diseases were offered to our employees during the Health Week.



A total of **1,100** employees were able to assess their nutritional state and receive assistance from a food and nutrition professional.

Over **65,600** fruit servings were consumed by our employees in the framework of the healthy food program;

67% increased their fruit consumption.



23

A total of **23** suppliers of Private Label received training to reduce sodium in the food they produce, thereby preventing the risk of cardiovascular diseases due to excessive consumption of this nutrient. As a result, **74** products were reformulated to reduce sodium content.



Más de **173.000** niños participantes en el programa **Exploradores Éxito** recibieron formación en alimentación saludable.

We made **300** visits to nutritionists, dietitians and healthcare personnel to promote the benefits of the Taeg brand, our healthy brand.



A total of **230** customers received food and nutrition training at **10** Carulla supermarkets through the healthy breakfast program.

117 employees were trained to read food nutrition labels so that they can offer our customers the appropriate information.



2. Marketing of healthy alternatives

We offer products geared towards our customers' needs.

We assessed the nutritional contribution of more than **3,300** products offered at our stores to let our customers know about their benefits:

- Over **1,800** of the assessed products have a healthy nutritional profile.
- Over **140** of our fresh products are organic.
- A total of **600** products are free of sugar, gluten or lactose.



We offer our customers over **230** Taeq-brand healthy products;

75% more products than in 2015



Cada porción aporta:

Calorías 0 0%	Grasa Sat. 0 g 0%	Sodio 0 mg 0%	Azúcares 0 g 0%
---------------------	-------------------------	---------------------	-----------------------

% de valor diario recomendado
**%VD basado en la recomendación de la OMS 50g/día.

Nearly **640** products of our Private Label portfolio have a voluntary Guided Daily Amount (GDA) nutritional label which lists the recommended daily amounts, to provide our customers detailed nutritional information.



Over **1,700** audits conducted at **575** stores and Distribution Centers around the country to assess the quality and safety of our food.



3. Promote sport and physical activity

We promote an active and healthy lifestyle by sponsoring sports.



- Miguel Ángel Rodríguez, the best squash player in Colombia and ranked number five in the world, was sponsored by the Taeq brand.
- The 16 best squash players in the world participated in the “Taeq Squash Colombia Open” competition that we sponsored along with Claro Sport and the Professional Squash Association.



The **América de Cali** football club is sponsored by the Super Inter brand.



The **Deportivo Independiente Medellín** football club is sponsored by the Surtimax brand.



Eight world skating champions, **six** Pan-American champions and **2,900** skaters from the **Envigado, Antioquia Skating Club** are sponsored by the brand.



- The 15 best BMX riders in pre-elite categories in Colombia, part of the **W-Elite BMX** Team, are supported by the Éxito brand.
- Carlos Mario Álvarez, one of the sponsored BMX riders, was the winner of the BMX World championship in Colombia.

Sponsored races and marathons.

- Half marathon in Cali
- Carrera atlética verde (Athletic Green Race) of 10 km in Cali
- Half marathon in Barranquilla
- Corre-corre Carnaval (Run-Run Carnival) in Barranquilla
- Carrera por amor (Love Race) in Medellín
- Skin Running, Córrele al sol (Race against Skin Cancer) of 5 km in Medellín
- Carrera de las rosas (Race against Breastcancer) in Medellín



Deportes

Over **16,800** activities and sports tournaments to benefit our employees.



**The success
of Grupo Éxito
is with its people**





The success of Grupo Éxito is with its people

We offer an attractive, inclusive work environment for our employees in which they can grow personally and professionally, and work with pride and commitment to attain the organizational objectives.

We work in three fronts:



1. ~~Developing our staff in “being” and “doing”~~ We develop our people in being and doing.



2. We are attractive, diverse and inclusive



3. We encourage social dialog



The *Mi Casa Plan* offered by the Company is a blessing. Thanks to the housing loan I obtained with the Presente and Futuro Funds, I was able to pay off my house in a short amount of time, and today, I enjoy it with peace. I will be forever grateful to Grupo Éxito for trusting me and helping me fulfill my dream of owning a home.

Elizabeth Rivero Díaz.
Unit Control Assistant.
Éxito Piedecuesta,
Santander.

Picture on pre-title page: Our 42,400 employees reflect the service, passion and joy that characterize our great country.

We are the largest private employer in Colombia

Over

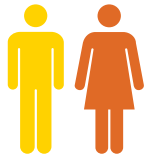
42,400

employees working with passion to serve our customers;

2.4% more than in 2015



Type of Contract



A total of **35,725** employees with indefinite-term contract;

6% more than 2015

A total of **6,737** employees with fixed-term contract.

A total of **4,705** employees promoted, **2,582 men** | **2,123 women**;

13% more than 2015



→ Over 100 employees working at Surtimayorista, the Company's first wholesale store.

Employee distribution around the country

Center

16,774 employees (Boyacá, Caquetá, Casanare, Cundinamarca, Huila, Meta and Tolima)

Antioquia

10,211 employees

Southeast

7,457 employees (Caldas, Cauca, Nariño, Quindío, Risaralda y Valle del Cauca)

Coast

6,320 employees (Atlántico, Bolívar, Cesar, Córdoba, La Guajira, Magdalena, Sucre)

Santander and Norte de Santander

1,700 employees



Occupational Health and Safety

- We cut down workplace accidents by **11%**.
- Over **7,500** comprehensive occupational health and safety services offered to more than **3,000** employees.
- Over **4,500** employees trained as brigadiers, paramedics, and firefighters.
- Over **20,300** employees took part in evacuation drills conducted in the different Company locations.



→ Part of the Emergency Brigade team at the Envigado administrative site.



1. We develop our people in being and doing.

We contribute to the comprehensive development and wellbeing of our staff and their families.

We make it possible to develop skills and abilities through training



Over

2 million hours

of training for the employees, with an investment of over COP 4,000 million.

Over **28,000** employees were trained in programs required by Colombian law.

Over **24,000** employees took part in the orientation and training process.

Over **11,500** employees received training in **nine** Service programs.

Over **7,500** employees received technical training at **eight** schools to accredit knowledge and skills.

Más de **3,000** employees received leadership training.

A total of **761** employees enrolled in programs to develop administrative and managerial skills.

A total of **207** employees in **four** cities were trained in the Co-creators Network to acquire knowledge on innovation.

We offer a portfolio of over 100 benefits so that our employees and their families have a Reason to Smile

Over COP
85,000
million invested
in employee benefits;

7% more than in 2015



Over COP **34,000**
million invested in benefits,
including the Christmas bonus
and celebration to recognize our
employees.



Recreación

Over COP **15,500**
million destined to recreational
activities and vacation bonuses.



Nearly COP **8,800**
million donated for the
education of our employees and
their children.



Plan de vivienda Grupo Éxito y PRESENTE

More than COP **5,800**
million donated to **298**
employees and their families to
purchase or remodel their homes.



Over COP **2,000**
million invested in
healthcare programs.



Over **1,600**
instances of Childbearing
Assistance, with an investment
of COP **890 million**.



Deportes

Over COP **580**
millones asignados a
programas deportivos para
los empleados y sus hijos.



Over **12,500** days off
enjoyed by our employees to
promote balance between work,
personal and family life.



We manage our employees' wellbeing through the Presente Employee Fund and the Futuro Mutual Investment Fund



Over **38,000** employees affiliated make **Presente** the largest employee fund in Colombia;



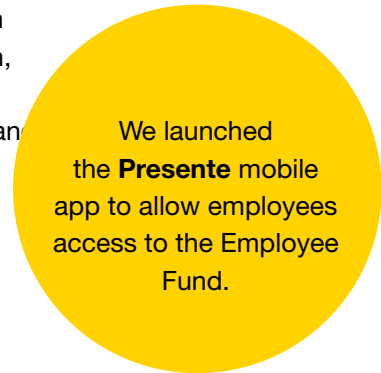
COP 130,000 million saved by employees.



Almost COP **4,000** million invested in education, solidarity, recreation, talents and housing programs, refurbishing vacation centers, and institutional projects.



Over COP **25,500** million lent to **547** employees for housing loans.



We launched the **Presente** mobile app to allow employees access to the Employee Fund.



Over **26,700** people, including employees and their families, covered by healthcare and insurance programs.



Over COP **25,500** people, including employees and their families, visited our vacation centers, with a **91% occupancy**.



More than **30,000** employees affiliated to the **Futuro Mutual Investment Fund**;

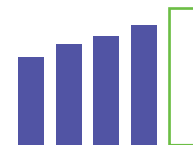
1,200 more than in 2015



Over COP **11,700** million saved by our affiliates.



Over COP **4,700** million paid as profits to affiliates..



A **22.8%** annual profitability reached with affiliates' savings.



2. We are attractive, diverse, and inclusive

We provide work participation opportunities for our employees to attain their professional development.

We are **among the top eight best companies** to work for in Colombia in the “Company with over 500 Employees” category, according to the Great Place to Work Institute, with an outstanding Workplace Environment Index.

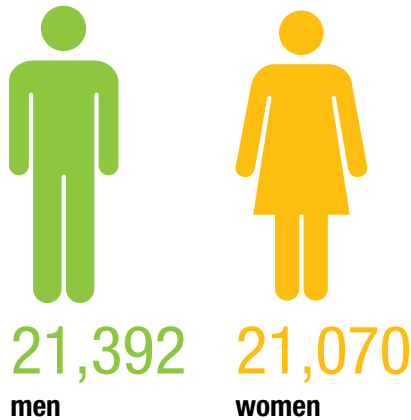


A **93%** of employees surveyed consider Grupo Éxito as a good place to work.

Over **5,000** employees were recognized for their Years of Service to the Company.

We seek diversity in work teams and foster labor fairness through our Professional Equity Policy

Our staff



Women's participation by position*



Executives
5
(17.24%)



Managers
215
(29.17%)



Supervisors
1.976
(45.86%)



Operators
18.874
(50.49%)

* Porcentajes individuales de participación sobre la base total de empleados por posición.



Employee distribution by age

18,217
between 30 and 50 years

14,598
under 30 years

2,894
over 50 years

* Indefinite-term employees.



We are committed to having inclusive and diverse work teams

We foster opportunities for dialog to showcase women’s leadership roles in the different work environments.



We disseminated the **Professional Equity Policy** among the executive teams of the different brands, and to more than 150 women in Barranquilla, Bogotá and Cali.

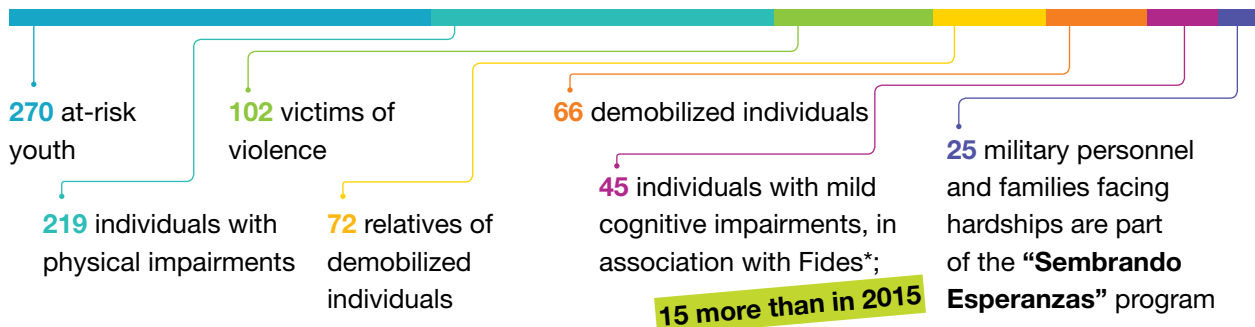
We conducted the **“Inspiring Women”** conference, in which we highlighted entrepreneurial and personal stories of some women.



Marcela Baena, journalist and anchorwoman; **Luz María Correa**, President of Construcciones El Cóndor; **Carolina Angarita**, General Manager of Google Colombia, participated in the conference.

We completed a decade of supporting employment for vulnerable populations

More than **799** people are part of our Employment Inclusion program:



* Fundación para la Investigación y el Desarrollo de la Educación Especial (Foundation for Special Education Research and Development).



3. We encourage social dialog

We listen to our employees’ concerns and suggestions, and we work together to create solutions.

We signed three Compacts and one Collective Labor Agreement to promote our staff’s common wellbeing.

- We act under the guidelines of national and international regulations.
- Over 2,000 employees received Labor Relations training.



Our communication channels include **“Buzón 360° Contigo Exprésate”** and **“Buzón de Sentimientos”**. Our employees have been able to leave over 42,000 comments, ranging from positive to suggestions for improvement.

Sustainability in the Region



Sustainability actions undertaken by Grupo Éxito companies in South America

The following is a list of actions concerning sustainability, undertaken by companies that operate the business in Brazil, Uruguay and Argentina. These actions are framed in five challenges: Local corporate citizen; Trusted partner; Reducing our environmental impact; Responsible retailer; Committed employer.



Local corporate citizen

- Invitation to customers to participate in the fourth edition of Solidarity Day at different stores.
- Provision of musical training to 350 people and members of the GPA Orchestra.
- Participation of 30 people in the Prosperar Program.
- Training of 300 people to become professional bakers.

Trusted Partner

- Purchase of products from small regional producers as part of the **Caras Do Brasil** program.
- Suppliers submitted to 31 social audits.
- Launching of the meat purchasing policy.

Reducing our environmental impact

- Installation of over 235 recycling stations at the stores.
- Proper waste separation and increased number of stores with composting process.
- Reduced consumption through energy efficiency projects in partnership with Green Yellow*.
- Reduction of food waste where 300 institutions benefited from food donations.

Responsible retailer

- Promotion of Taeq-brand healthy food, considered one of the 50 most popular brands by Brazilian consumers.

Committed employer

- Launching of commitment letter and diversity guide.
- Procurement of 110 youth with intellectual disabilities.
- Participation of 40% of women in the mentoring program where women develop their skills.

* Expert energy efficiency management organization.



Local corporate citizen

- Participation in the ninth annual breast cancer prevention campaign.
- Collaboration with the third annual skin cancer prevention campaign.
- Support of public-school students participating in the Book Fair to promote reading.

Trusted Partner

- Quality certification for our fresh products.
- Partnership with small local producers to have fresh fruits and vegetables year-round.

Reducing our environmental impact

- Packaging optimization to make it more environmentally friendly.
- Separation and proper disposal of 100% of the cardboard produced at stores.

- Reduction of energy consumption with the installation of LED lighting at the stores.
- Promotion of the use of reusable bags.

Responsible retailer

- Consolidation of the ~~Vida Saludable~~ (Healthy Lifestyle) program.

Committed employer

- Incorporation of anti-discrimination policies in work regulations.
- Adjustment of the employee meal plans as ~~per the Vida Saludable~~ (Healthy Lifestyle) program.



Local corporate citizen

- Donation of more than 28,000 kg of food to food banks.
- Over 27,700 people benefited from the Nutri Huevo Program at the Santiago del Estero Food Bank.

Reducing our environmental impact

- Reduction of an 85% in the use of plastic bags, and started charging for plastics bags.
- Increase of a 52% in the sale

of reusable bags.

- Installation of eco-spots to recover plastic bottles, cardboard and bottle caps.
- Promotion of water conservation together with suppliers.

Responsible retailer

- Installation of green kiosks on sporting days and family day to promote healthy menus to our employees and their families.



Declaración de aseguramiento de calidad

Informe de Desarrollo Sostenible 2016

La Auditoría Interna del Grupo Éxito realizó aseguramiento limitado a las Memorias de Desarrollo Sostenible del Grupo Exito, correspondiente al ejercicio anual finalizado el 31 de diciembre de 2016.

En la preparación del informe de sostenibilidad 2016 se contó con el apoyo de la Dirección del Grupo Éxito, la cual es responsable de definir, adoptar y mantener los sistemas de gestión y control interno de los que se obtiene la información. Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.

Los procedimientos de aseguramiento aplicados comprendieron: (a) el entendimiento de la metodología de cálculos y procedimientos de consolidación de los indicadores por medio de entrevistas con los gestores responsables de la elaboración de la información, y (b) confrontación, sobre bases muestrales, de los datos cuantitativos de los indicadores divulgados en el reporte de sostenibilidad.

Conclusiones

Como resultado de nuestra revisión del Informe de Sostenibilidad 2016 del Grupo Exito y con el alcance anteriormente descrito, no hemos observado situaciones que nos hagan creer que el control interno no es efectivo respecto de los aspectos revisados incorporados en el presente informe de sostenibilidad. Concluimos que la información incluida en el informe referente a los indicadores es materialmente completa; se presenta de manera entendible y clara y en nuestra opinión se considera confiable y está libre de sesgo y errores significativos.



Gladys Elena Estrada Y.
Directora de Auditoría Interna Grupo Éxito

Envigado, Antioquia, 15 de febrero de 2017