

grupo **éxito**[®]

1Q16 Financial Results

May 31st, 2016

Colombia

grupo **éxito**[®]

Brazil

GPA

Argentina

Libertad

Uruguay

😊 Devoto

Disco

Listed
BVC

IR
COMMITTED

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



Agenda

- ❑ **1Q16 Operating Highlights**
- ❑ **International Integration**
- ❑ **1Q16 Consolidated Financial Results**
- ❑ **Perspectives & Remarks**
- ❑ **Q&A Session**

1Q16 Operating Highlights

- ❑ **Strong SSS** growth in Colombia, Uruguay and Argentina and resilient food sales in Brazil driven by Cash & Carry.
- ❑ Consolidated **Capex COP\$413,000 million** (54% expansion, 46% maintenance).
- ❑ **Expansion:**
 - ✓ Col: 1 Éxito hypermarket, 3 Éxito express.
 - ✓ Bra: 1 Assaí, 1 Minimercado Extra, 52 closings & 15 stores under construction.
 - ✓ Uru: 1 Devoto express.
 - ✓ **Total Store Base: 2,554** (Col: 570, Bra: 1,891, Uru: 66, Arg: 27; 3.9M sqm).
- ❑ **Update on Corporate Governance:**
 - Adoption of **OECD Corporate Governance Guidelines**.
 - **Independent Board Members** appointed as chair persons for all committees.
 - **Audit** Committee exclusively composed of **Independent Board Members**.
- ❑ 2nd Grupo Éxito **Open Day event** included the presence of 30 local and international investors & analysts.
- ❑ Colombian **Real Estate** vehicle structuring process underway.

International Integration with Tangible Synergies

- Implementation of **Argentina's commercial model "Compra del Mes"**:
 - ✓ Colombia: **"Quincenazo"**.
 - ✓ Brazil: **"1, 2, 3 Passos Da Economia"**.
- **Simultaneous** implementation in the 3 countries.



- Ongoing rounds of **joint negotiation with suppliers**.
- First LatAm **Business Round**
 - ✓ Colombia March 15 – 16
58 suppliers & 19 international buyers
 - ✓ Brazil May 3 – 4
67 suppliers & 14 international buyers

International Integration with Tangible Synergies

Before



Éxito Textile model

After



- **Piloting** a new “look & feel” **textile category strategy** at Extra Hyper stores **in Brazil**, inspired by Éxito textile model.



- Opening of the first **Fresh Market store**, in Uruguay.



Latam synergies driven by 15 initiatives

Results in line with synergy's target in a four years run rate (2020) worth 150 - 160 MUSD (~50BPs)

15
Initiatives

2
New
Formats

Cash & Carry successfully launched in Colombia
"Aliados" format is being replicated in Brazil

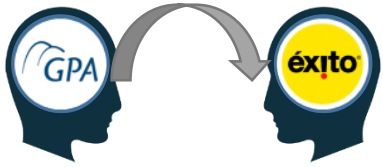
Joint Commodity purchasing: *Olive oil, Apples, Mozzarella, Salmon*
Ongoing "on top conditions" negotiation with 22 Global consumer good Suppliers
Non food negotiation lead by Via Varejo

Joint
Regional negotiation
underway

+5
Closed
deals

Data suppliers
Sea freight negotiation
On going LED Lightening
Extended Warranty
IT Services with top suppliers

Brazilian Cash & Carry format introduced to Colombia



Launched the **first cash & carry store in Bogotá** under the banner Surtimayorista, inspired by Assaí's business model.



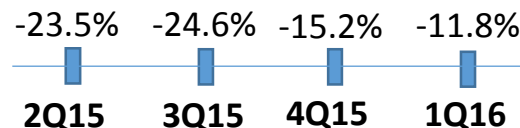
Grupo Éxito's Consolidated Sales

Grupo Éxito consolidates itself as the food south American specialist, which offers a balanced and resilient structure

Sales and mix by country

	1Q16	Sales Mix	
	Millions of COP	Food	Non Food
Colombia	2,658,009	74%	26%
Brazil	13,356,741	56%	44%
Uruguay	630,450	85%	15%
Argentina	328,482	71%	29%
Total *	16,973,682	60%	40%

- Sales mix 60% food related (vs 56% 1Q15).
- Food:
 - Strong 11.1% growth, driven by the fresh category.
- Non-food:
 - Positive performance driven by electronics, in Col, Uru & Arg.
 - Consistent market share gains & sequential improvement in Via Varejo LFL.



* Intra-group transactions have not been eliminated
 Note: Brazil's food figures: Multivarejo. Non-food: Via Varejo + Cnova

Sales Performance: Colombia

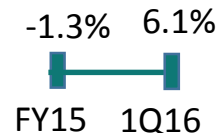
Strong sales growth driven by food, the best Q in LFL in the last two years

1Q16	Total sales (Bn COP)	% Var. Total sales	Calendar effect	% Var. SSS
Total Colombia	2,657	7.4%	1.5%	5.1%
Éxito	1,813	6.4%	1.5%	6.1%
Carulla	377	11.2%**	1.2%	6.4%**
Discount	411	11.3%	1.5%	5.6%
B2B*	56	7.9%	N/A	N/A

Éxito:

✓ Mid-single digit growth in **non-food and commercial events**

✓ **Improvement in LFL sales** levels.



Carulla:

✓ **Double-digit sales growth** driven by **food sales**.

✓ Clear improvement on the **non-food sales performance**.

✓ **Best SSS brand** performer in Colombia.

Discount Formats:

✓ **Double-digit sales growth** driven by the Super Inter's expertise in the fresh category and the optimization of product assortment at stores.

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

** Excluding sales from the pharmacies. Total sales grew 8.6% and SSS by 4.7% when including pharmacies.

Éxito Brand Commercial Pillars

Successful levers drove the 1Q16 Growth



“Quincenazo”, the commercial strategy from Argentina



“Insuperables”, unbeatable prices in a selected portfolio of basic products



EDLP strategy in the **textile category**



“Fresh Specialist Model” transferred from Super Inter

1Q16 Operational Results: Colombia

Solid performance of the business, ratifies Éxito strong position in the market

Colombia	1Q16 Millions of COP	1Q15 Millions of COP	1Q16/15
Net Revenues	2,756,455	2,558,179	7.8%
Gross Profit <i>Gross Margin</i>	668,888 24.3%	596,718 23.3%	12.1%
SG&A Expenses <i>SG&A /Net Revenues</i>	569,739 20.7%	516,041 20.2%	10.4%
Recurring Operating Income <i>Recurring Operating margin</i>	99,149 3.6%	80,677 3.2%	22.9%
Recurring EBITDA <i>Recurring EBITDA margin</i>	158,335 5.7%	131,912 5.2%	20.0%

- **Gross Margin** grew **100 bps** mainly driven by the contribution of complementary businesses and improved commercial conditions.
- **SG&A: productivity improvements** partially offset higher expenses from integration process, occupancy costs and energy tariffs.
- **ROI:** gained 40 bps, strong contribution from complementary businesses (1/3 of the margin).
- **Recurring EBITDA:** double-digit growth and **50 bps** gains, ratifies Éxito's solid position in the market.

Sales Performance: Brazil

Regardless the economic scenario, positive food sales evolution (+10.9%)

1Q16	Total sales (Bn COP)	% Var. Total sales	% Var. SSS
Total Brazil	13,357	3.0%	0.8%
Food	8,183	10.9%	6.0%
Non Food	3,399	-12.7%	-11.8%
E-commerce	1,774	7.7%	7.7%

Sales and SSS reflected a **challenging economic environment**.

Food:

- ✓ **56% of the mix** (vs. 52% 1Q15).
- ✓ **Food sales** growth of 10.9% (vs. 7.1% in 2015), driven by Cash & Carry.
- ✓ **Assaí (C&C)** boosted food sales and posted **the highest quarterly growth** since 1Q14 (+36.2%).
- ✓ The **best SSS** performance in the last 12 months.

Non-Food:

- ✓ A gradual and consistent **recovery** of Via Varejo sales.
- ✓ Consistent **market share gains**.

E-commerce:

- ✓ Marketplace **share gains** (+ 852 bps, reached 15.6%).
- ✓ Customer **traffic growth**
- ✓ **Mobile devices** drove 44% of total traffic.

Note: Variation on total sales and Same Store Sales (SSS) are calculated in local currency

1Q16 Operational Results: Brazil

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

Brazil

	1Q16
	Millions of COP
Net Revenues	14,793,656
Gross Profit	3,227,207
<i>Gross Margin</i>	<i>21.8%</i>
SG&A Expenses	3,071,743
<i>SG&A /Net Revenues</i>	<i>20.8%</i>
Recurring Operating Income	155,464
<i>Recurring Operating margin</i>	<i>1.1%</i>
Recurring EBITDA	363,677
<i>Recurring EBITDA margin</i>	<i>2.5%</i>

Explained by levels of:
~4% EBITDA of food business
~1% EBITDA of non-food

- **Gross Margin** reflected lower contribution of non-food categories, intensification of commercial strategies.
- **SG&A grew below inflation** (8.5% in local currency vs 9.4%): discipline in controlling expenses
- **ROI and Ebitda margins** reflected lower contribution from non-food categories and competitive price strategies (investing for the future).

Sales Performance: Uruguay

Remarkable sales growth above inflation

1Q16	Total sales (Bn COP)	% Var. Total sales	Calendar effect	% Var. SSS
Uruguay	630	15.8%	0.6%	13.1%

- **Sales benefited** from the performance of the Devoto brand and **accurate commercial strategies**.
- Focus on **strengthening proximity** with the **Devoto brand**.
- Like-for-like sales **growth above inflation** by 250 bps (13.1% vs CPI 10.6%).

Note: Variation on total sales and Same Store Sales (SSS) are calculated in local currency

1Q16 Operational Results: Uruguay

High profitability levels

Uruguay	1Q16 Millions of COP	1Q15 Millions of COP	1Q16/15
Net Revenues	637,298	533,221	19.5%
Gross Profit <i>Gross Margin</i>	215,658 33.8%	185,083 34.7%	16.5%
SG&A Expenses <i>SG&A /Net Revenues</i>	143,468 22.5%	145,545 27.3%	-1.4%
Recurring Operating Income <i>Recurring Operating margin</i>	72,191 11.3%	39,538 7.4%	82.6%
Recurring EBITDA <i>Recurring EBITDA margin</i>	63,216 9.9%	47,921 9.0%	31.9%

- **SG&A** decreased benefited from **expense control program**.
- **ROI** grew 82.6% and margin went to 11.3% from 7.4%.
- **Recurrent EBITDA margin +90 bp** showed: accurate commercial strategies, balanced mix of formats and the strong leadership in the country.

Sales Performance: Argentina

Same-store-sales growth out-performing the market

1Q16	Total sales (Bn COP)	% Var. Total sales	Calendar effect	% Var. SSS
Argentina	328	30.7%	1.3%	30.8%

- **Proximity format** sales grew by 71.9%.
- **Non-food sales growth of 36.7%**, increased mix by 120 bps vs 1Q15.
- **Same-store sales growth** driven by entertainment category 40% SSS growth.

Note: Variation on Sales and Same Store Sales (SSS) are calculated in local currency

1Q16 Operational Results: Argentina

Profitability driven by cost optimization and real estate positioning

Argentina	1Q16 Millions of COP
Net Revenues	350,769
Gross Profit <i>Gross Margin</i>	125,358 35.7%
SG&A Expenses <i>SG&A /Net Revenues</i>	113,118 32.2%
Recurring Operating Income <i>Recurring Operating margin</i>	12,240 3.5%
Recurring EBITDA <i>Recurring EBITDA margin</i>	14,726 4.2%

- **Margins** benefited from **non-food** categories and **real estate** revenues.
- **Real Estate** contributed with +50% of the Recurring Operating Income.
- **Cost optimization** actions and **administrative efficiencies** offset labour costs increases. (+20%), energy adjustments (+90%), devaluation impacts and tax increases in most provinces.
- **Commercial dynamics** allowed near 100 bps **market share gains** vs 1Q16.

Consolidated Operating Performance

	1Q16 Millions of COP	1Q15 Millions of COP	1Q16/15
Net Revenues	18,534,935	3,091,400	499.6%
Gross Profit <i>Gross Margin</i>	4,236,720 22.9%	781,801 25.3%	441.9%
SG&A expenses <i>SG&A/Net Revenues</i>	3,897,675 21.0%	661,586 21.4%	489.1%
Recurring Operating Income <i>Recurring Operating margin</i>	339,045 1.8%	120,215 3.9%	182.0%
Operating Income (Ebit) <i>Operating margin</i>	214,216 1.2%	89,415 2.9%	139.6%
Net Income attributable to Grupo Éxito <i>Net margin</i>	947 0.0%	67,886 2.2%	-98.6%
Recurring EBITDA <i>Recurring EBITDA margin</i>	599,956 3.2%	179,833 5.8%	233.6%
EBITDA <i>EBITDA margin</i>	475,127 2.6%	149,033 4.8%	218.8%

**1Q16 figures are not comparable as excludes the outcomes from Brazil and Argentina which consolidate since September 1st, 2015

Group Share Net Income Result and Debt

Net Income affected by equity tax burden and financial expenses

	1Q16 MCOP
ROI	339,045
Equity tax	-52,462
Net financial result Colombia	-100,764
Net financial result Brazil	-263,482
Others	66,844
Income tax	11,766
Net income attributable to Grupo Éxito	947

In 1Q16 the **Group Share Net Income** result was impacted mainly by:

- One time-effect of wealth tax of 52 BnCOP
- Total financial expenses at holding level 101 BnCOP

Debt at Holding Level

- Financial debt of **3.088 BnCOP and 450 MUSD**
- Interest rates below **IBR*3M + 3.5%** in COP and **LIBOR3M + 1.75%** in USD
- Deleverage plan:
 - Working capital effort **focused on inventories**
 - Disposal of **non-strategic assets**
 - Indebtedness ration closing 2016 **below last year's level** (3.8X)

Note: 1Q15 base of non-recurrent income and expenses benefited by the income derived from the revaluation of the investment in Uruguay.

* IBR: Indicador Bancario de Referencia – Market reference rate : 6.94%

Conclusions

- **Solid positive trend** in Colombia, Argentina and Uruguay with **high profit evolution**.
- **Brazil** reflected sales **behaviour** driven by food, despite current market conditions with clear **commercial value-proposals** and **sequential improvement** on non-food activities.
- **Productivity and cost optimization**, an ongoing process across all business units.
- **Net Income impacted by the one-time effect of the wealth tax, Brazil negative net profit and the debt service.**
- **Debt ratios** in line with guidance, a progressive lower ratio in 2016 at holding level from the 3.8x posted at the end of 2015.

Perspectives & Remarks

- **Expansion focus** on successful and profitable trendy formats: **cash & carry and proximity.**
- **Real Estate :**
 - ✓ **New vehicle** controlled by Éxito in fundraising process.
 - ✓ 13 projects currently operating & 6 under structuring for a total 360,000 sqm of GLA.
- Current 800,000 sqm of GLA in **Real Estate + Complementary Business** grant **value creation potential.**
- **Brazil: key strategies to lead the market and profit from future recovery:**
 - ✓ Expansion through winning formats Assaí & Minuto Pao de Acucar.
 - ✓ Key conversions from Extra to Assaí stores.
 - ✓ Powerful commercial strategy in Extra to promote growth.
 - ✓ Productivity and cost optimization activities in Via Varejo, while gaining market share.
 - ✓ Integration Via Varejo & Cnova, synergies and consolidating a strong non-food division.
- **Dynamic synergies** implementation with tangible execution: **first Cash & Carry** in Colombia, **textile model** and ongoing regional **purchasing negotiations.**
- **Éxito**, setting a powerful **omni-channel** leading platform in Latin-America.

Note on Forward-Looking Statements

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

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

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

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