Annual Report 2010

grupo éxito

Annual Report

2010

grupo éxito®

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Consolidated financial statements

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grupo éxito®

Spanish designer Agatha Ruiz de la Prada presented in 2010 a collection for girls and young women sold exclusively at Éxito stores.

Grupo Éxito

More than a century of experience serving Colombians

Retail is the main business of Grupo Éxito and nowadays it also develops other initiatives that becoming it in a multi-business and multi-brand Company. With 299 stores under Éxito, Carulla-Pomona and Surtimax brands, is present in 54 towns and cities in the country.

In 2010 the exclusive products of the Casino brand went on sale in Exito, Carulla and Pomona stores.

We are a leading company, serving **Colombia**

Grupo Éxito comprises the parent company **Almacenes Éxito S.A.** and its subsidiaries Didetexco S.A., Almacenes Éxito Inversiones S.A.S. and Carulla Vivero Holding Inc.

Wide coverage on national territory: **54 towns and cities.**

62.796 employees are part of the business family.

Responsibility with its employees, suppliers, customers, country and environment.

$7.510.079 million in Net Revenues in 2010: **the foremost commercial showcase of Colombia.**

More than a century of history and experience: **service since 1905.**

Since its beginning Carulla offered a variety of imported food.

Carulla 1925.

The Éxito Cadenalco merger propped the growth of this Group in 2001.

1905 José Carulla Vidal founded the first Carulla store in Bogotá, called "El Escudo Catalán".

1922 Luis Eduardo Yepes opens the first Ley store in Barranquilla.

1949 Gustavo Toro Quintero opens the first Éxito store in Medellín.

1969 Alberto Azout founded Vivero company in Barranquilla.

1982 The Éxito Foundation is born.

1994 Éxito's share is listed on the Colombian Stock Exchange.

1995 Éxito acquires a 10.5% stake in Cativén, Venezuela.

1998 The www.exito.com virtual store is born.

Today, children's nutrition is the focus of the Éxito Foundation.

Ley stores were references of the cities where they were present.

In a 4 sqm store in downtown Medellin, the first Éxito store was born.

The merger with Carulla took advantage of synergies to benefit of customers. 2007.

1999

- Casino acquires a 25% stake in Almacenes Éxito.
- Éxito obtains the mayority stake in Cadenalco.

2001

Consolidation of the merger between Almacenes Exito and Cadenalco.

2005

- The Real estate business begins with the San Pedro Plaza shopping center in Neiva.
- The Éxito credit card is launched.

2007

- Almacenes Éxito acquires Carulla Vivero.
- The Groupe Casino acquires the majority stake in Almacenes Éxito.
- Almacenes Éxito places an issue of GDS.
- Éxito travel business is born.

2008

- The Éxito Insurance complementary business begins to operate.
- The Bodega Surtimax format is born.
- Éxito starts the direct operation of its gas stations.

2009

The commercial alliance between Éxito and Cafam is signed.

2010

- The Colombian Financial Superintendency approved the merger between Almacenes Exito SA and Carulla Vivero.
- The Industry and Commerce Superintendency (SIC) gives non objection to the Éxito Cafam alliance.
- The Éxito Express format is launched.
- The Bolivarian Republic of Venezuela acquires shares of Cativen from Groupe Casino and Grupo Éxito Success. Thus, the Exito brand leaves that country.

Éxito Credit Card introduced the lower income segment to banking sector.

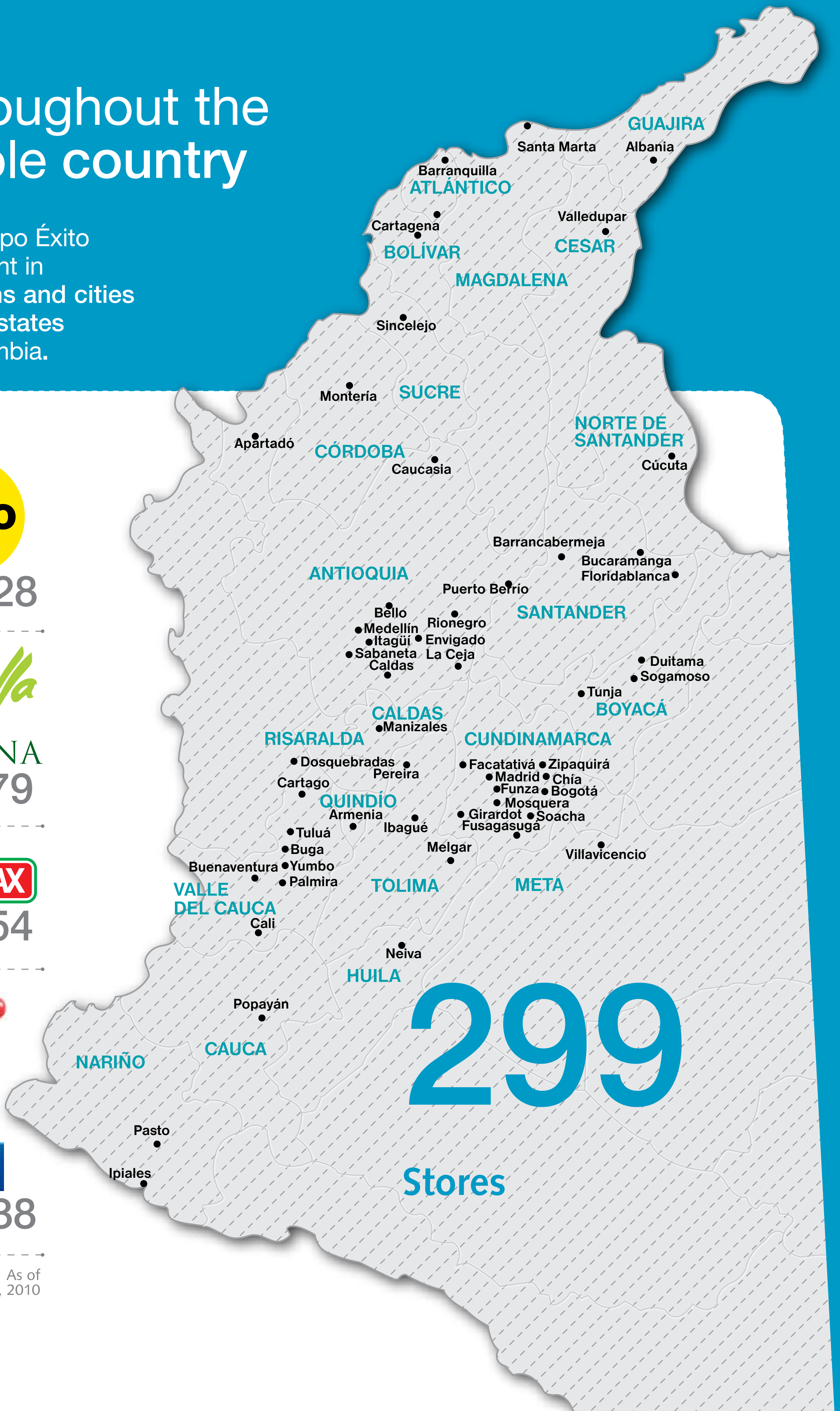
With gas stations more services are offered to customers. 2008.

The Surtimax bodega offers ongoing promotional activity in areas closer to our customers since 2008.

Éxito Express is the convenience proposal of this brand, it was launched in 2010.

Throughout the whole country

The Grupo Éxito
is present in
54 towns and cities
and 21 states
in Colombia.



éxito
128

Carulla
POMONA
79

SURTIMAX
54

Ley
home art
CAFAM
38

As of
December 31, 2010

Brands

1

- Leading brand in its category in Colombia.
- Puntos Éxito, its loyalty program, allows us to know the customer and deliver what they need.
- Home delivery and online sales through www.exito.com.

Today, there is a format under Exito brand for every need and type of client.

<<EVERYTHING UNDER ONE ROOF>>

Éxito Ciudad Victoria in Pereira.

Hypermarket

- Large surfaces.
- Full portfolio in all business units: consumer products, fresh, textiles, household items, appliances, digital and electronic, among others.

<<PRACTICAL AND CLOSE>>

Éxito Vecino store in Palmira.

Éxito Vecino

- Mix of food and non food products.
- Selection of the assortment according to their customers.

<<IDEAL TO BUY GROCERIES DAY BY DAY>>

Éxito Súper Modelia store in Bogotá.

Éxito Supermarket

- Portfolio of consumer and fresh products.

<<NEW FORMAT OF CONVENIENCE>>

Éxito Express store, Bogotá.

Éxito Express

- "Minimarket " with a basic offer of consumer and fresh products for adjustment, some entertainment and textiles items.
- Important presence in Bogotá, in high traffic locations as a solution to mobility problems in large cities.

2

- > Most recognized brand in **supermarkets** in Colombia with more than 100 years of experience.
- > It offers a quality assortment with emphasis on fresh, attractive atmosphere and personalized attention.
- > Super Client is its loyalty program.
- > Home sales service and online through www.carulla.com
- > It works with two formats, supermarket and proximity.

Carulla Calle 140, Bogotá.

<<A PLEASURE FOR EVERYDAY>>

Carulla and Pomona Supermarkets

- > It provides clients with **pleasures, solutions** with an emphasis on gourmet products healthy and **easy** to shop.
- > Under the "Carulla 3,000" concept the path of evolution of the brand, after a renewal process in 2010, today 15 stores differ for their innovation in architecture, design and selection to provide customers a remarkable shopping experience.

<<EASY, CLOSE AND COMPLETE>>

Carulla Express 147, Bogotá.

Carulla Express

- > Proximity proposal. Offer "minimarkets" that go beyond the adjustment, aimed at upper income strata.
- > Bakery service and high quality baked goods.
- > It offers "to go" solutions such as fresh produce, sandwiches and chopped fruit, among others.

3

SURTIMAX

- Targeting to low-income brackets of the population.
- Basic assormet and complete market.
- Strong presence of the Surtimax private label.
- "Where buying costs less": competitive prices.
- It has two main formats: bodega and bodeguita.

<<WHERE BUYING COSTS LESS>>

Surtimax Santa Cecilia store, Bogotá.

Bodega Surtimax

- Sale of food and non-food items such as textiles, household goods and entertainment, among others.
- Promotional activity appropriate to their clients.
- A convenience format.

Surtimax Cristo Rey store, Medellín.

Bodeguita Surtimax

- Its portfolio consists of food products.
- Close, competitive prices for their consumers.
- Selling area smaller than the Bodega format.

E-Commerce

Through www.exito.com and www.carulla.com our leading brands offer a wide portfolio of products for on line purchases.

- www.exito.com serves more than 900 towns in Colombia with groceries, entertainment and textiles products.
- www.carulla.com sells supermarket products in major cities.

Complementary services

Initiatives that strengthen our business proposition

1 Éxito Credit Card

Credit alternative that resulted from the alliance with Tuya S.A., a subsidiary of Bancolombia.

> Third card issuer in the country: 1,300,878 placed.

> Accepted in over 120 associated stores, in addition to our stores and complementary services of the Group.

2 Éxito Insurance Business

Affordable offer of insurance policies in partnership with Suramericana.

> 53 service points in 14 cities.

> Life, study, grocery, and automotive insurance, among others.

3 Éxito Travel Business

Travel agency in partnership with Avianca.

> Second network of travel agencies in sales and coverage.

> 60 in-store service points in 19 cities.

4 Éxito Gas stations

Sale of vehicle fuel.

> 11 gas stations in 5 cities around the country.

> Excellent service and fair prices.

5 Food Industry

Produce food to sale it in stores of the group. It stands out for its skilled and experienced quality.

6 Textile Industry Didetexco

Designs and manufactures private label textile sold in the Grupo Éxito stores.

7 Real Estate Business

In order to maximize the value of Grupo Éxito's assets, it focuses on the conceptualization of real estate businesses, land acquisition, development and construction projects, marketing of commercial areas and its administration.

> **8 malls** in Antioquia, Cundinamarca, Huila, Meta and Sucre states.

> About 800 partners operating 2,700 premises under franchises or leasing (572 in shopping malls).

In five cities around the country the female Éxito clients saw the collections launched by renowned designer Esteban Cortazar.

Awards **and distinctions** of Grupo Éxito 2010

Almacenes **Éxito S.A.**

> Second Company of Colombia. Portafolio, newspaper

> Third place **among the top 100 companies in Colombia.** Semana Magazine.

> **One of the 60 largest employers** in Latin America. *Latin Business Chronicle.*

> Among 20 brands analyzed in 2010 in Colombia, Éxito had the **highest rating** in the index measuring consumer perceptions of its performance in **sustainability**. *Havas Media through its metric "Brand Sustainable Futures Quotient (BSF Quotient ™)".*

> **First among enterprises engaged in retail** and seventh company with the best corporate reputation in the general ranking. *Merco Study (Corporate Reputation Monitor) reported by* Portafolio.

Éxito and Carulla

> They're part of the 50 **most valuable brands** in Colombia. *Compassbranding Firm.*

> **Éxito is a leader** in the supermarket category *Top of Mind* survey. *Dinero magazine and Gallup Colombia.*

Éxito Travel Business

> Received the Pedro Nel Ospina Vásquez Order in rank of Great Cross Extraordinaire to **entrepreneurship, productivity and competitiveness.** *Colombian Society of Press and Mass Media in association with the Fundación Pedro Nel Ospina Vásquez and the Congress of the Republic.*

Éxito Ciudad Victoria in Pereira.

Sustainable **development**

> Éxito Bello was certified for one more year in **ISO 14001** in environment care. *Icontec.*

> Food Industry of Grupo Éxito is part of the 58 entities from Bogotá **that were recognized in the Elite category for their favorable results with the environment.** *Secretaría Distrital de Ambiente de Bogotá (under the District Environmental Excellence Program).*

Quality

> The Food Industry of Grupo Éxito received the **Seal of Quality in Beef Meat of the SGS process,** *supported by the Colombian Federation of Cattle.*

> The Carulla Laboratory received **ISO 9001:2008** for quality management systems. *Icontec.*

Advertising

> The campaign "Medellín, the Éxito is in its people" developed by the Sancho BBDO agency was **awarded two Silver Sol** in the “Means Innovation” and "Public Way" categories. *Iberoamerican Advertising Festival.*

> Rapp, Carulla and Pomona’s advertising agency, won the **Amauta prize** for the development of a campaign that seek to surprise customers. *Almadi (Latinamerican Asociation of direct marketing).*

Corporate Governance

Board of Directors as of December 2010

INDEPENDENT MEMBERS

FELIPE AYERBE MUÑOZ
He holds a PhD graduate in Law with a Masters in Arbitration and International Legal Practice. He is currently senior counsel of the Ayerbe Abogados firm.

GUILLERMO VALENCIA JARAMILLO
He is an economist and philosopher. He served as president of Industrias e Inversiones El Cid in Colombia and is currently the chairman of VALDOS S.A.S.

JAIME HUMBERTO LÓPEZ
He is a mechanical engineer specialized in finance. Member of the boards of Citibank Colombia, AFP Habitat (Chile), Afore Banamex (Mexico), Compañía de Seguros Banamex, Asofondos and Fundación Dividendo por Colombia.

NON INDEPENDENT MEMBERS

ARNAUD STRASSER
He is the Director of Corporate Development and Holdings of the Casino Group. He has degrees from the Institute of Political Studies at the Ecole des Hautes Etudes Commerciales (HEC) and the Business National College (E.N.A.) in France.

NICANOR RESTREPO SANTAMARÍA
He is a PhD in Political Sociology from the EHESS in Paris. He was president of Suramericana de Inversiones and a member of the boards of Smurfit Kappa Group, Sofasa, Carvajal and Conconcreto.

LUIS CARLOS URIBE JARAMILLO
He is a chemical engineer with an MBA. Business leader with extensive experience managing companies.

JEAN LOUIS BOURGIER
He is the International Coordination Director of the Casino Group. He has a degree from the Business School ESSEC in France.

YVES DESJACQUES
Director of Human Resources for the Casino Group. He holds a master's in public law, has a diploma for advanced studies in law and labor and social relations as well as a higher education diploma specializing in human resources.

JEAN DUBOC
Business administrator with an extensive career in the World of retail. Currently he is a consultant.

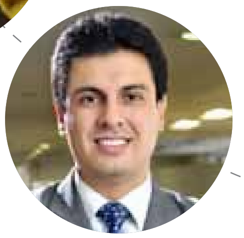
Senior **Management**

As of December 2010








GONZALO RESTREPO LÓPEZ
Chief executive officer
He holds this position since 1990.

CARLOS MARIO GIRALDO MORENO
Chief operating officer
Working in the group since 2008.

DARÍO JARAMILLO VELÁSQUEZ
Commercial and Supply chain Vice President
He is part of the team since 1992.

CARLOS MARIO DÍEZ GÓMEZ
Vice President of Sales and Operations
He joined the company in 1992.

JUAN HINESTROSA GALLEGO
Vice President of Real Estate and Development
Working on the team since 2008.

CHRISTOPHE HIDALGO
Vice President of Finance and Administration
Joined the company in 2010.

JUAN FELIPE MONTOYA CALLE
Vice President of Human Resources
Working with the organization since 1996.

JAIME ALEJANDRO MOYA SUÁREZ
General Secretary and Head of the Legal Department
Working in the company for two years.

JUAN DAVID VILLA ARROYAVE
Chief Auditing Manager
Since 1992 is part of the Grupo Éxito.

The order of the photos matches the order of names.

Management Report from the CEO and Board of Directors

Almacenes Éxito S.A. 2010

Dear shareholders,

I am pleased to present you the report of one of the best years in the history of Grupo Éxito. The top line growth, the commercial innovation, the new businesses' progress, and the quick rhythm of the conversions, are samples of this, and sum to significant facts like the alliance with Cafam, the launching of the Éxito Express format, the renewal of the brand Éxito and the remodeling of the Carulla and Surtimax formats.

In a complex and competitive environment, our company is firmly pushing forward with its commercial approach. We have attained a significant critical mass, understanding the power of our customer base and that is how our group has converted, in alliance with the bests, in one of the biggest operators of credit card, in one of the main vendors of tourist packages, and in a big provider of insurances for the Colombians, who see in our brands a place to find solutions that facilitate their daily life.

One year ago we said we were ready to take advantage of any opportunities the market should offer, and today we can say that we did it judiciously and with satisfactory outcomes that I want to detail as follows:

Results

2010 showed a faster economic recovery for Colombia than originally planned, marked by the mining and energy sector as well as the upturn in exports, especially of raw materials (oil, coal and coffee). The annual inflation rate of the country reached 3.17% falling within the target range of the Banco de la República. The strong winter at the end of the year negatively influenced this indicator by affecting the farming and the infrastructure. However, the control of the inflation allowed the Central Bank to keep an interest rate in a historical minimum of 3%.

Meanwhile, the retail sales sector grew month after month during the 2010 year compared with 2009. The positive evolution of the consumer confidence index contributed to the good performance of the sales in non-food sectors like automotive, IT and home.

In this country's context, the Almacenes Éxito S.A.'s net revenues for 2010 came to COP 7,507,132 million, for a nominal year-on-year growth of 7.7%.

The gross profit came to COP 1,848,165 million, representing 24.6% of the net revenues, meaning a year-on-year increase of 7.9%.

"By those millions of people who visit us every year, it is for them that our daily commitment is to build a more prosperous country today and to the future."

Selling and administrative expenses, including non-recurring expenses incurred with the merger with Carulla Vivero S.A., came to COP 1,533,276 million, for a decrease of 2.3% compared to the previous year.

The EBITDA, which measures the Company's capacity to generate cash flow, was COP 602,169 million, representing 8% of total net revenues, in line with the retail sector standards. This EBITDA's value gives us a coverage of 14.5 times our net financial expense.

Net financial expenses totaled COP 41,518 million. Other net non-operating income and expenses represented an income of COP 10,276 million.

The Net Income totaled COP 254,834 million, equivalent to a net margin of 3.4% over net revenues representing an increase of 73%.

During 2010, the investments made totaled COP 300,017 million.

Short- and long- term financial obligations came to COP 612,294 million, a decrease of 1.3% when compared to 2009.

Assets as of December 2010 totaled COP 6,640,338 million, increasing 3.9%, and Liabilities came to COP 2,223,116 million, decreasing 0.2%. Shareholders Equity came to COP 4,417,222 million, increasing 6.1%.

It is worth noting the great efforts made by the Company's different teams led by the Commercial and Financial Vice-presidency in freeing up a significant working capital, with effective strategies aiming the reduction of inventory surpluses, optimizing the assortments, controlling the sold-outs, and in general terms managing inventory more efficiently, thus obtaining a 14% reduction compared to the previous year.

This important release of working capital along with an improved indebtedness situation, give the company a comfortable level of debt, and the ability to be ready to capitalize on any new market opportunity as it arises. Thus, while last year the debt indicator was 34.86%, today is in 33.48%, a reduction of 1.38%.

Almacenes Éxito's shares had a valuation of 17.98% in the Colombia Stock Exchange during 2010.

Likewise, in September, the Fitch Ratings Colombia's Technical Committee of Qualification, kept the “AAA (col)” rating with a stable perspective to the bonds issued by Almacenes Éxito S.A. The liabilities rated Triple A category have the highest credit quality. Almacenes Éxito's bonds came to COP 105,000 million, with maturities of 5 and 7 years being the first tranche due in 2011.

Due to the merger between Almacenes Éxito S.A. and Carulla Vivero S.A., Carulla Vivero S.A.'s common bonds issued in 2005, worth COP 150,000 million, which are still in circulation, became part of the Almacenes Éxito S.A.'s liabilities.

In April 23, 2010, Fitch Ratings Colombia's Technical Committee of Qualification, kept the “AAA (col)” rating with stable perspective on this issue.

We are stronger as a business corporation

that seeks to reach out to Colombia with the best products and services where and when needed.

Expansion

Our commercial presence is strengthening throughout Colombia:

Fourteen openings: the Éxito del Este store in Medellín is the point of sale of the future because of its technology, environmental care and service. In **Pereira** we opened two new Éxito stores: **Parque Arboleda**, with a complete and close gourmet proposal, and **Cuba**, a hypermarket full of permanent offers for a populous and developing surroundings. In **Castillogrande**, **Cartagena**, we inaugurated the iconic supermarket of the brand **Carulla**. In Bogota, with the **Santa Cecilia** store, we opened our first entirely new selling point of the Bodega **Surtimax** to continue positioning the brand in popular sectors. Furthermore, we launched the format **Éxito Express**, a proposal of convenience to reach the heart of the clients. This new format opened 9 stores.

38 conversions: additionally, and continuing with the optimization process for our brand portfolio, we made changes in stores as follows: 30 stores from Ley, Vivero, Carulla and Cafam, to Éxito stores. And eight Ley, Carulla and Cafam stores are now Bodega Surtimax stores. These changes took place in 19 municipalities of the country. The outcomes are expressed in sales growths above 15% with a reasonable level of investment, which proves the acceptance of the change among our clients.

Alliance with Cafam: after the no objection to the alliance, by the Superintendency of Industry and Commerce, we ended the year integrating to our systems, logistics and suppliers the 31 stores that were before operated by Cafam and 6 of them are already converted to the Grupo Éxito's brands. This alliance allowed us to gain market share in Bogotá, which is the most strategic market of the country. In addition, Cafam, a specialist in health services, has now arrived to municipalities where had not previously operated, and as of December 31, had 59 drugstores in operation in stores of the Grupo Éxito; the remaining will be delivered during the first quarter of 2011.

New businesses

In the consumer credit business, figures show about 1,300,000 Éxito cards issued, and an important share in the stores' sells. About travels, we became the leader in sales of tourist packages in the country and the second agency in coverage and sales in Colombia. About insurances, we issued 260,358 new policies in 2010. We have a total of 11 gas stations and the real estate business is becoming a major player especially in the area of shopping malls.

Innovation to be the first one

In 2010 our group strived to innovate in the commercial proposal. Thus, we presented in exclusive for Colombia international launchings like the first Samsung 3D LED TV, the Apple's iPad, Kinect of Microsoft and Shakira's latest production. Likewise we introduced two Esteban Cortázar's collections, a series of garments for youth public designed by Spaniard Ágatha Ruiz de la Prada, the book En Busca de Bolivar written by William Ospina, and the sales of the Converse One Star brand, among other novelties. We also introduced products of the Casino brand which have had a special reception among our clients.

This year we continued introducing our new corporate image, younger, nearer and merrier, in 28 stores and in our advertising and institutional communication channel.

Thinking about the client

Understand the consumers is our daily worry and we want to offer them just what they look for, by means of a thorough knowledge. Therefore, in 2010 we started an alliance with the English company Dunhummby, which will allow us a more effective approach. Besides that, we began sending summaries with offers and information of interest to our clients and now they are obtaining big discounts in selected products by redeeming their Puntos Éxito.

In the same way, we invested more than COP 3,000 million in the renovation of our virtual store www.exito.com and by the end of 2010 sales had grown 25%.

And in line with more facilities for our customers, from November, 3,235 cash registers of Éxito, Carulla, Pomona, Surtimax and Homemart were enabled as non-bank correspondents due to an alliance with Grupo Aval.

According to our activity as part of an international group, in October, we carried out in Medellín the Third International Seminar on Logistics and Supply Chain of Groupe Casino, and therefore we received guests from eight countries who experienced an academic event as well as enjoyed our city.

In Colombia one of each eight kids under five years old suffers chronic malnutrition and this is a condition that, if not attacked promptly, will go along with these kids the rest of their lives. Therefore it is important to work in net, and that is how we do it.

Support to the workforce

In 2010, 62,796 people made part of Grupo Éxito. They have access to welfare, training and continued improvement programs through savings services, credit and recreation. This year, Grupo Éxito directly hired 1,082 people in 14 stores throughout the country. They previously worked for us through outsourcing agencies and now they are direct employees of Grupo Éxito, which gives them and their families access to better benefits, and especially, more stability. We also continue with the program of labor market inclusion for vulnerable population.

Additionally, I am pleased to tell you that four of the Grupo Éxito employees were selected from among candidates of nine countries to develop their professional career in the Groupe Casino, in France.

Taking care of the environment

In 2010 we gave firm steps in the commitment of Grupo Éxito with the environment care because we know that we can be knowledge and best practices multipliers. We launched the program Mi Planeta Éxito, inviting our clients to carry out actions for the protection of the planet. With their contributions, they make part planting trees to compensate their carbon footprint, and carrying their shopping in reusable bags.

We as a group, calculated the carbon we emitted in the course of our work and planted 120,000 trees in watersheds in need of protection. We also reinforced our recycling and resources saving programs, obtaining satisfactory results which can be seen in detail in the Sustainable Development Report published along with this, by third consecutive year.

In 2010,

62.796

people made part of Grupo Éxito.

Our ISO 14001 certification for environmental management standards was also renewed for the Éxito Bello store, in Antioquia, which is the only store of the country with this recognition.

Committed with child nutrition

Taking care of early childhood nutrition is to sow equity from the beginning, so that our kids can take a wide advantage of all their potential. That is why in 2010 Grupo Éxito donated to their Foundation COP 9,676 million in cash and kind and this, in turn, invested COP 11,330 million benefiting more than 27,000 kids and 786 expectant mothers in the country. We also delivered 3,051 tons of fruits, vegetables and non perishable products recovered from the Éxito, Carulla, Pomona, Ley and Surtimax stores from around the country, for Food Banks of 25 municipalities in Colombia.

In 2010, to complement this intervention, we launched pilot projects in musical initiation, reading promotion and healthy life habits obtaining good results.

It is worth to outline that Éxito Foundation funnels moneys from different sources like clients, providers, employees and sums it with their own resources and those received from the company to have a better impact on the kids it is attending. We cannot forget that in Colombia one of each eight kids under five years old suffers chronic malnutrition and this is a condition that, if not attacked promptly, will go along with these kids the rest of their lives. Therefore it is important to work in net, and that is how we do it.

We are a bridge for solidarity

Our stores have turned into a unique net to promote social campaigns and our clients have replied with full confidence. That is why we can speak about the following figures:

> COP 4,464 million raised for the Éxito Foundation by donating returns and Goticas contributed by customers.
> COP 4,269 millions donated by our visitors at our cash registers to help those affected by the winter. Were given to Colombia Humanitaria.
> COP 567 million for the Injured Soldier campaign promoted by the radio station La W.
> COP 2,471 million donated to Teletón.

The collection of these moneys at our cash registers does not represent tax benefits for the company.

The parent company and transactions with subsidiaries

During 2010, the business group was integrated by Almacenes Éxito S.A. as Parent Company and its subsidiaries Carulla VIvero S.A. (now merged with Almacenes Éxito S.A.), Distribuidora de Textiles y Confecciones S.A. -Didetexco S.A., Almacenes Éxito Inversiones S.A.S. and Carulla Vivero Holding Inc.

Consolidated Net Revenues for the Éxito Grupo at December 31, 2010 raised to COP 7,510,079 million; while the Operating Income came to COP 318,464 million and the Net Income COP 254,834 million.

The business group, having unity in purpose and direction, has a wide projection as part of its strategic concept that goes beyond the retail business of the Parent Company to get into new businesses, with multiple formats and brands address to specific customer segments.

The following are the main transactions carried out with the subsidiaries Carulla Vivero S.A., Didetexco S.A. and Almacenes Éxito Inversiones S.A.S. which we are duly reporting pursuant to Law 222 of 1995, and this information is contained in our financial statements as of December 31, 2010, along with their respective notes.

Main transactions carried out with the subsidiary, Carulla Vivero S.A.

In 2010 all the actions to complete the merger process between Almacenes Éxito S.A., as acquiring company, and Carulla Vivero S.A., as acquired company, were carried out. Thus, the shareholders of the companies approved the merger; the common bonds owners of Éxito and Carulla authorized to proceed with the merger, and the Financial Superintendence of Colombia issued the Resolution No. 1586 of August 20 of 2010 by which authorized the merger. Finally, this was solemnized by public deed, inscribed in the trade register of both companies, on last September 2, 2010.

As a result of the merger, the assets and liabilities pertaining to the absorbed company were assumed by Almacenes Éxito S.A.

Main transactions carried out with the subsidiary, Didetexco S.A.

An alliance was subscribed with the designer Esteban Cortazar, who designed two collections that were produced by Didetexco and distributed in Éxito stores.

Main transactions carried out with the subsidiary, Almacenes Éxito Inversiones S.A.S.

With an initial contribution of 300,000 shares of the Exito's subsidiary, Didetexco S.A., the simplified business corporation called Almacenes Éxito Inversiones S.A.S. was established, an exclusive property of Éxito, with subsidiary status and which main purpose is the investments conduction in the companies of Grupo Empresarial Éxito.

Main transactions carried out with the subsidiary, Carulla Vivero Holding Inc.

There were no operations carried out with this subsidiary during 2010.

As legal representative of the company, I certify that there were no operations carried out with other entities, nor important decisions were taken or left to take, by influence and interest of the subsidiary companies that had relevance to be presented in this management report.

Corporate governance

The following are some practices to promote an atmosphere of credibility and stability amongst all market players:

> The Board of Directors of Almacenes Éxito S.A. has nine members, three of which have an independent status. This board of directors receive the support of three specialized committees with periodic meetings: the Auditing Committee, the Compensation Committee, Evaluation and Monitoring of the Code of Good Governance and the Expansion Committee.

> Through the Compensation Committee, Evaluation and Monitoring of the Code of Good Governance, conducted effective and responsible follow-ups of this publication which was adopted in 2003, this has been updated according to recent amendments to the Company's by-laws, international guidelines and current rules and regulations in Colombia.

> The Board of Directors operates according to specific rules that can be consulted on the Company's website.

> The latest news, achievements, appointments, store inaugurations, and general information relating to Almacenes Éxito S.A., of interest for its publics, is published both in Spanish and English and is promptly updated on: www.grupoexito.com.co.

> As a transparency exercise, our quarterly and annual results, once transmitted to the Financial Superintendence of Colombia, are shared with the shareholders and investors, with the media and are published as relevant information for the market.

> In April 2010 the survey for Best Corporate Practices "Código País" was filled, and this revealed the practices of good government implemented by the organization.

Report on Financial Information Control and Reporting Systems:

We inform that the Company has a suitable performance of the control and reporting systems, among which the Audit Committee and the Board of Directors stand out. Bimonthly, our CEO presents the Company's financial statements, performance indicators as well as any other report considered important from his management, to the members of the Board of Directors.

At the Audit Committee meeting, attended by the Vice President of Finance and the members of the Board of Directors who are part of this Committee, the Comptrollers and Statutory Auditors present the audit plan, reports on the obtained results and the recommendations based on the evaluations carried out. Additionally it is part of the Audit Committee functions to review the scope and approach of the activities of the Comptroller and ensure that these are not unreasonably limited. Said Committee should evaluate the performance of the Controller and consider his effectiveness and independence within the company.

Moreover, there is a program of Self-supervision that allows those who are in charge of process to evaluate the appropriate disclosure of the financial information they manage.

It should be stressed out that among the functions of the Audit Committee is the one of pondering the financial statements presented by senior management before submitting them to consideration of the Board of Directors and the General Assembly of Shareholders. Thus, at the meeting held on February 22, 2011, the Audit Committee evaluated the general-purpose financial statements, both individual and consolidated, along with their annexes and other documents required by law as of December 31, 2010. Afterwards, this information was presented to the Board of Directors, who gave their approval.

One year ago we said we were ready to take advantage of any opportunities the market should offer, and today we can say that we did it judiciously and with satisfactory outcomes.

Also, the Company's Statutory Auditors certified, according to their powers, that the financial statements of the company and the transactions carried out as of December 31, 2010 do not contain any flaws, inaccuracies or errors that could prevent to know the real balance sheet of the company.

Therefore, the financial information disclosure and control systems have been employed timely and efficiently, allowing the management entities of the company and their directors to base on the reports presented in order to take strategic decisions for the Company. In 2010 there were no internal control deficiencies that have kept Almacenes Éxito S.A. from properly registering, processing, summarizing and presenting the financial information. Neither there were frauds that have affected the quality of the Company's financial information, nor changes in the methodology of evaluation.

Therefore, as Legal Representative, I certify that the financial information disclosure and control systems established in the company were verified in time and these are adequate and appropriate, thereby fulfilling with all the current applicable regulations and ensuring that the information submitted to our shareholders is appropriate.

Legal perspective

Cadena de Tiendas Venezolanas S.A. Cativén S.A.: On November 26, 2010, Casino Guichard Perrachon ("Casino"), Parent Company of Almacenes Exito S.A., concluded an agreement with República Bolivariana de Venezuela for the sale of 80.1% of the shares of Cadena de Tiendas Venesolanas S.A. ("Cativen"). This percentage included all shares held by Almacenes Éxito S.A., equivalent to 28.62% of Cativen's stoke, which were transferred to Casino. Thereby, Éxito has the right to receive U$ 90,5 million, to be paid in accordance to the timetable set, by the end of this year. Therefore, Cativén hypermarkets in Venezuela will not use the brand "Éxito" in the future.

Almacén Éxito Unicentro Bogotá: On August 20, 2010, the subsidiary Didetexco S.A. signed transaction contracts with Chevor S.A. and Industrias Alimenticias Aretama S.A., and Federación Nacional de Cafeteros, agreeing to call off the differences they had in relation with the business premises of Unicentro, Bogota, that the company has been leasing during more than 35 years.

The transaction agreement established the cessation of all civil and commercial actions and the withdrawal of all civil action of the parts in the penal processes. Thus, beyond all doubt, the property and other rights on one of the most important business premises of Colombia were consolidated in head of Grupo Éxito.

In compliance with Law 603 of 2000, the Company's administration informs that the corporation owns the brands, names, ensigns, lemmas and distinctive signs it uses in its products and services, or that is authorized for their use in virtue of an agreement of license. The use of software products is in accordance with the current legislation.

Future

Strengthened in our financial essentials, 2011 will be the year to execute big plans to keep serving the Colombian people. Colombia is in the map of the international investor community, and for us there are lots of regions we know we can reach with our commercial proposal. Therefore we will bet on the profitable and intensive expansion, including the development of Éxito in the real state sector, a flawless and innovative commercial execution, continuing with our initiatives of operational excellence and decidedly working in the sustainable development in favor of our country.

Acknowledgments

Grupo Éxito has become a company admired and loved by everybody. Today I thank the millions of people who visit us every year, because it is for them that our daily commitment is to build a more modern and prosperous country today and unto the future.

Signed
Board of Directors

Arnaud Strasser
Nicanor Restrepo Santamaría
Luis Carlos Uribe Jaramillo
Jean Louis Bourgier
Yves Desjacques
Jean Duboc

Felipe Ayerbe Muñoz
(Independent member)
Guillermo Valencia Jaramillo
(Independent member)
Jaime Humberto López Mesa
(Independent member)

And by
Gonzalo Restrepo López
Chief Executive Oficer

Consolidated Financial Statements

Kinect exclusive launching was one of the novelties we surprised our customers.

ERNST & YOUNG

Ernst & Young Audit Ltda.
Calle 113 No. 7 - 80
Torre AR Piso 3
Bogotá D.C. - Colombia
Tel: +57 1 484 70 00
Fax: +57 1 484 7474
www.ey.com

Statutory Auditor's Report

To the Shareholders of
Almacenes Éxito S.A. and Affiliates

I have audited the accompanying consolidated financial statements which comprise the consolidated balance sheets of Almacenes Éxito S.A. and its affiliates, as at December 31, 2010 and 2009 and the related consolidated statements of income, changes in equity, changes in financial position and cash flows for the years then ended, and the summary of significant accounting policies and other explanatory notes.

The Company's administration is responsible for the preparation and fair presentation of the financial statements, in accordance with accounting principles generally accepted in Colombia. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; and selecting and applying appropriate accounting policies and making estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these consolidated financial statements based on my audits. I obtained the necessary information to comply with my functions and performed my examinations in accordance with auditing standards generally accepted in Colombia. These standards require that an audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audits provide a reasonable basis for my audit opinion.

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Almacenes Éxito S. A. and its affiliates as of December 31, 2010 and 2009, and the consolidated results of its operations, the consolidated changes in its financial position and the consolidated cash flows for the years then ended, in accordance with accounting principles generally accepted in Colombia, issued by the Colombian Government, consistently applied.

Luz Elena Rodríguez
Statutory Auditor
Professional Card 25820-T
Designated by Ernst & Young Audit Ltda. TR-530

Medellín, Colombia
February 24, 2011

Financial Statement Certification

To:
The General Assembly of Shareholders of Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE AND PUBLIC ACCOUNTANT OF ALMACENES ÉXITO S.A., EACH ONE ACTING WITHIN OUR OWN CAPACITY

HEREBY CERTIFY:

That in advance we have verified the statements made in the financial statements of both the Parent Company and its subsidiary companies at December 31, 2010 and 2009, according to applicable regulations, and that these were faithfully taken from books.

Therefore, and with regard to the aforementioned financial statements, we hereby declare that:

1. The assets and liabilities of the Parent Company and its subsidiary companies do exist and the transactions recorded were carried out in the year stated.

2. All transactions carried out have been duly recorded.

3. Assets represent acquired rights and liabilities represent obligations payable by the Parent Company and its subsidiary companies.

4. All items have been recorded at their appropriate values.

5. The transactions carried out have been correctly classified, described and disclosed.

6. They neither lack precision nor do they contain any flaws or errors that could keep from knowing the real financial condition.

This certification has been issued in compliance with that set out in Article 37 of Law 222 of 1995.

In witness whereof, this certification has been signed on February 24, 2011.

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Éxito S.A.

Claudia Patricia Alvarez

CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant - Almacenes Éxito S.A.
Lic # 69447-T

Financial Statements Certification Pursuant To Law 964 Of 2005

To:
The General Assembly of Shareholders of Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE OF THE PARENT COMPANY, ALMACENES ÉXITO S.A.

HEREBY CERTIFIES:

That the financial statements and the operations carried out by the Parent Company and its subsidiary companies at December 31, 2010 and 2009, neither lack precision nor do they contain any flaws or errors that could keep from knowing the real financial condition of the Parent Company and its subsidiary companies'.

This certification has been issued in compliance with that set out in Article 46 of Law 964 of 2005.

In witness whereof, this certification has been signed on February 24, 2011.

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Éxito S.A.

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Consolidated Balance Sheet

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	Note	2010	2009
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	516,325	396,110
Negotiable investments	5	280,733	246,464
Accounts receivable	6	341,541	230,824
Inventories	7	840,909	806,283
Deferred items, net	11	41,747	29,560
TOTAL CURRENT ASSETS		**2,021,255**	**1,709,241**
NON-CURRENT ASSETS			
Accounts receivable	6	51,745	59,441
Permanent investments	8	62,702	124,835
Property, plant and equipment, net	9	2,149,780	2,161,374
Intangibles, net	10	1,004,933	1,021,607
Deferred items, net	11	231,268	211,039
Other assets		285	285
Valuations	12	1,118,480	1,037,229
TOTAL NON-CURRENT ASSETS		**4,619,193**	**4,615,810**
TOTAL ASSETS		**6,640,448**	**6,325,051**
MEMORANDUM ACCOUNTS, DEBIT AND CREDIT	23	**4,638,809**	**6,067,093**

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Éxito S.A.
(See attached certification)

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	Note	2010	2009
LIABILITIES AND SHAREHOLDERS EQUITY			
CURRENT LIABILITIES			
Financial obligations	13	357,325	231,946
Suppliers	14	1,089,877	972,810
Accounts payable	15	273,897	179,137
Taxes and rates	17	61,850	88,118
Labor liabilities	18	50,841	37,094
Estimated liabilities and provisions	20	42,522	34,690
Bonds	16	30,350	-
Other liabilities	21	18,330	15,397
TOTAL CURRENT LIABILITIES		**1,924,992**	**1,559,192**
NON-CURRENT LIABILITIES			
Financial obligations	13	-	283,664
Labor liabilities	18	575	732
Estimated pension liability	19	16,844	14,085
Bonds	16	224,650	255,000
Deferred items, net	11	15,168	8,355
Other liabilities	21	42,795	41,731
TOTAL NON-CURRENT LIABILITIES		**300,032**	**603,567**
TOTAL LIABILITIES		**2,225,024**	**2,162,759**
MINORITY INTEREST		**2,576**	**3,465**
SHAREHOLDERS EQUITY, PLEASE REFER TO STATEMENT ATTACHED	12 y 22	**4,412,848**	**4,158,827**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		**6,640,448**	**6,325,051**
MEMORANDUM ACCOUNTS, DEBIT AND CREDIT	23	**4,638,809**	**6,067,093**

The accompanying notes are an integral part of the financial statements

Claudia Patricia Alvarez
CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant - Almacenes Éxito S.A. Profesional
Lic # 69447-T
(See attached certification)

LUZ ELENA RODRÍGUEZ
Statutory Auditor for Almacenes Éxito S.A.
Lic # 25820-T
Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

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Consolidated Income Statement

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	Note	2010	2009
NET REVENUES			
Sales		7,154,028	6,644,387
Other operating revenues		356,051	337,516
TOTAL NET REVENUES	24	**7,510,079**	**6,981,903**
COST OF SALES		**(5,646,083)**	**(5,243,066)**
GROSS PROFIT		**1,863,996**	**1,738,837**
SELLING, GENERAL & ADMINISTRATIVE EXPENSE			
Salaries and employment benefits		(548,367)	(467,067)
Other selling, general & administrative expense		(705,233)	(733,284)
Depreciation and amortization		(291,932)	(283,608)
TOTAL SELLING, GENERAL & ADMINISTRATIVE EXPENSE	25	**(1,545,532)**	**(1,483,959)**
OPERATING INCOME		**318,464**	**254,878**
NON-OPERATING INCOME AND EXPENSE			
Financial income		83,204	49,303
Dividend and participation income		473	-
Financial expense		(124,913)	(161,776)
Other non-operating income and expense, net	26	9,575	51,889
TOTAL NON-OPERATING INCOME AND EXPENSE, NET		**(31,661)**	**(60,584)**
INCOME BEFORE TAXES AND MINORITY INTEREST		**286,803**	**194,294**
PARTICIPATION IN MINORITY INTEREST		**(81)**	**(182)**
INCOME BEFORE TAX		**286,722**	**194,112**
INCOME AND COMPLEMENTARY TAX			
Current		(48,780)	(61,445)
Deferred		16,892	14,635
TOTAL INCOME TAX AND COMPLEMENTARY TAX	17	**(31,888)**	**(46,810)**
NET INCOME		**254,834**	**147,302**
NET INCOME PER SHARE	2	**764.50***	**442.12***

(*) In Colombian pesos

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

GONZALO RESTREPO LÓPEZ
Legal Representative-Almacenes Éxito S.A.
(See attached certification)

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(See my report dated February 24, 2011)

Consolidated Statement of Changes To Shareholders' Equity

FOR YEARS ENDING DECEMBER 31, 2010 AND 2009
(In millions of Colombian pesos)

			Reserves										
	Share Capital	Capital surplus	Statutory Reserve	occasional reserve for future expansion and improvements	Repurchased shares	Tax depreciation	Future dividends	Total reserves	Equity Revaluation	Unappropriated Earnings	Retained Earnings	Valuation Surplus	Total
Balance at December 31 2008	**2,843**	**1,589,604**	**7,857**	**240,025**	**19,266**	**8,741**	**1,419**	**277,308**	**565,647**	**153,322**	**21,509**	**779,087**	**3,389,320**
Appropriations made by the General Assembly of Share-holders: Cash dividend of $60 (*) per share and per quarter from April 2009 to March 2010 on Almacenes Exito S.A's 283,627,168 shares outstanding.										(68,071)			(68,071)
Dividend distribution Carulla S.A.											(6,887)		(6,887)
Unappropriated earnings transferred to reserve for future expansion and improvements				85,251				85,251		(85,251)			-
Share issue dividend payments	52	51,371											51,423
Share issue	443	650,036											650,479
Effect of derivative valuations		(36,992)											(36,992)
Net effect of consolidation ad-justments											1,173		1,173
Wealth tax									(26,101)				(26,101)
Increase in valuation surplus												57,181	57,181
Net income at December 31, 2009										147,302			147,302
Balance at December 31 2009	**3,338**	**2,254,019**	**7,857**	**325,276**	**19,266**	**8,741**	**1,419**	**362,559**	**539,546**	**147,302**	**15,795**	**836,268**	**4,158,827**
Appropriations made by the General Assembly of Share-holders: Cash dividend of $60 (*) per share and per quarter from April 2010 to March 2011 on Almacenes Exito S.A's 333,174,004 shares outstanding.										(79,961)			(79,961)
Unappropriated earnings transferred to reserve for future expansion and improvements				67,341				67,341		(67,341)			-
Share issue for merger	2	2,921											2,923
Associated expense share issue 2009		(1,546)											(1,546)
Effect of derivative valuations		22,451											22,451
Net effect of consolidation ad-justments											(1,928)		(1,928)
Wealth tax									(26,101)				(26,101)
Entries elimination for merger									(191,718)		(6,887)	181,950	(16,655)
Increase in valuation surplus												100,004	100,004
Net income at December 31, 2010										254,834			254,834
Balance at December 31 2010	**3,340**	**2,277,845**	**7,857**	**392,617**	**19,266**	**8,741**	**1,419**	**429,900**	**321,727**	**254,834**	**6,980**	**1,118,222**	**4,412,848**

(*) In Colombian pesos.

The accompanying notes are an integral part of the financial statements

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Éxito S.A.
(See attached certification)

CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant - Almacenes Éxito S.A.
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Lic # 25820-T
Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

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Consolidated Statement of Changes in Financial Position

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
FINANCIAL RESOURCES WERE PROVIDED BY:		
Net income for the year	254,834	147,302
Plus (minus) charges (credited) to operations that do not affect working capital:		
Depreciation on property, plant and equipment	206,844	204,025
Amortized deferred charges	50,678	50,649
Amortized intangibles	34,410	29,056
Profits from sale of property, plant and equipment, net	(10,663)	(71,673)
Profits from sale of intangibles	(7,808)	(2,141)
Reduction in long-term deferred tax	(10,206)	(45,926)
Increase (decrease) in provisions for property, plant and equipment, net	317	(1,704)
Decrease on amortized long-term actuarial calculations	2,759	268
Decrease on provision for protection of investments, net	(79,468)	(39,562)
Adjustments for exchange difference on foreign investments, net	11,425	14,594
Amortized rentals paid in advance	201	93
Profits from sale of investments	(34,381)	(5,897)
Losses on sale of investments	2	31,766
Adjustments on de-leveraging securities	(11)	(8)
Amortized deferred monetary correction	(502)	(1,329)
Returns obtained from fiduciary arrangements	(17)	(121)
Minority interest	81	182
Others	3,154	1,173
WORKING CAPITAL PROVIDED BY OPERATIONS	**421,649**	**310,747**
FINANCIAL RESOURCES GENERATED FROM OTHER SOURCES:		
Proceeds from sale of property, plant and equipment, net	29,140	158,139
Proceeds from sale of long-term deferred items	114	214
Income on sale of investments	171,000	53,345
Proceeds from sale of intangibles	31,097	7,717
Decrease (increase) in long-term labor liabilities	(158)	222
Share issue	1,377	495
Premium on share issue	-	701,407
Increase in other long-term liabilities	1,065	23,042
Redemption of liabilities reduction bonds	160	-
Property, plant and equipment transferred to negotiable investments	-	2,405
Increase in non-current receivables	-	394
Long-term deferred items transferred to short-term	-	720
Assets transferred to deferred items	1,145	-
Long terms bonds and commercial papers transferred to short term	(30,350)	-
Assignment of contracts	5,692	-
TOTAL FINANCIAL RESOURCES PROVIDED	**631,931**	**1,258,847**

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Éxito S.A.
(See attached certification)

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
FINANCIAL RESOURCES WERE APPLIED TO:		
Purchases of investments	6,000	140,076
Purchases of property, plant, equipment and other assets	238,496	77,019
Increase in intangibles	21,506	314,371
Decrease (increase) in non-current receivables	(7,743)	1,431
Increase in deferred non-current assets	60,183	14,652
Declared dividends	79,962	74,958
Decrease in financial obligations	283,664	263,843
Wealth tax	26,101	26,101
Long-term receivables transferred to intangibles	-	593
Effect of derivative valuations	(22,452)	36,992
Repurchased own shares	-	166
TOTAL FINANCIAL RESOURCES APPLIED	**685,717**	**950,202**
DECREASE (INCREASE) IN WORKING CAPITAL	**(53,786)**	**308,645**
ANALYSIS OF CHANGE IN WORKING CAPITAL		
INCREASE IN CURRENT ASSETS		
Cash and banks	120,215	211,079
Negotiable investments	34,269	25,431
Accounts receivable	110,717	(27,356)
Inventories	34,626	(142,635)
Deferred charges	12,187	(31,923)
TOTAL INCREASE IN CURRENT ASSETS	**312,014**	**34,596**
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Financial obligations	(125,379)	244,581
Suppliers	(117,067)	(68,521)
Accounts payable	(94,760)	101,094
Taxes and rates	26,268	(28,249)
Other liabilities	(2,933)	(1,472)
Labor liabilities	(13,747)	10,396
Estimated liabilities	(7,832)	16,220
Commercial papers and short-term bonds	(30,350)	-
TOTAL INCREASE (DECREASE) IN CURRENT LIABILITIES	**(365,800)**	**274,049**
INCREASE (DECREASE) IN WORKING CAPITAL	**(53,786)**	**308,645**

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

Claudia Patricia Alvarez
CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant - Almacenes Éxito S.A.
Lic # 69447-T
(See attached certification)

Luz Elena Rodríguez
LUZ ELENA RODRÍGUEZ
Statutory Auditor for Almacenes Éxito S.A.
Lic # 25820-T
Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

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Consolidated Statement of Cash Flows

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
CASH RECEIVED FROM THE SALE OF GOODS, SERVICES AND OTHER ITEMS:		
Goods, services and other items	8,423,829	7,853,384
Payments to suppliers	(6,240,543)	(5,619,423)
Paid wages, salaries and employment benefits	(532,310)	(478,932)
Paid administrative expense	(71,253)	(80,365)
Paid sales expense	(661,809)	(804,550)
Paid sales tax	(156,207)	(145,505)
Paid income tax	(117,957)	(94,542)
SUBTOTAL CASH PROVIDED BY OPERATING ACTIVITIES	**643,750**	**630,067**
Purchases of property, plant and equipment, net	(194,466)	(151,182)
Acquired deferred charges	(60,293)	(14,141)
Income from sale of property, plant and equipment, net	21,030	217,312
Purchases of investments	(5,200)	(140,076)
Purchases of intangibles	(12,114)	(314,158)
Income on sale of intangibles	14,845	7,717
SUBTOTAL NET CASH USED FOR PROPERTY, PLANT AND EQUIPMENT	**(236,198)**	**(394,528)**
Purchases of negotiable investments	(34,269)	(25,431)
Income on sale of investments	34,228	47,797
Interests received	81,271	46,360
Dividends and participations received	473	-
SUBTOTAL NET CASH PROVIDED BY OTHER INVESTMENTS	**81,703**	**68,726**
TOTAL NET CASH USED FOR INVESTING ACTIVITIES	**(154,495)**	**(325,802)**
Loans received	70,430	(7,357)
Payments of principal owing on loans	(206,104)	(552,773)
Dividend declared and paid	(65,862)	(36,565)
Share issue	1,377	650,475
Interest paid on loans and bonds	(128,109)	(164,635)
SUBTOTAL NET CASH PROVIDED BY FINANCING ACTIVITIES	**(328,268)**	**(96,141)**
Cash inflows on other items	64,277	84,600
Cash outflow on payment of wealth tax	(26,101)	(26,101)
Cash outflows on other items	(78,948)	(55,544)
SUBTOTAL NET CASH USED FOR OTHER ITEMS	**(40,772)**	**2,955**
TOTAL NET INCREASE IN CASH	**120,215**	**211,079**
OPENING CASH BALANCE	**396,110**	**185,031**
ENDING CASH BALANCE	**516,325**	**396,110**

GONZALO RESTREPO LÓPEZ
Legal Representative - Almacenes Éxito S.A.
(See attached certification)

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
CONCILIATION BETWEEN NET INCOME WITH CASH PROVIDED BY OPERATING ACTIVITIES		
NET INCOME FOR THE YEAR	**254,834**	**147,302**
Adjustments to reconcile net income with net cash provided by operating activities.		
Amortization - deferred monetary correction	(501)	(1,329)
Depreciation on property, plant and equipment, net	206,844	204,025
Amortized deferred charges	50,678	50,649
Amortized intangibles	34,410	29,056
Amortized rentals paid in advance	201	812
Increase in actuarial calculations to be amortized	2,759	267
Proceeds from sale of property, plant and equipment, net	(10,663)	(71,673)
Increase on provision for protection of investments, net	(79,467)	(39,562)
Increase in provisions for property, plant and equipment, net	317	(1,718)
Adjustments for exchange difference on foreign investments, net	11,425	14,594
Profits from sale of investments	(34,381)	(5,897)
Losses on sale of investments	2	31,766
Profits from sale of intangibles	(7,808)	(2,141)
Changes in non-operating accounts	79,077	(21,641)
Accrued expense	102,199	18,113
Donations	2,217	2,044
Financial transaction tax	892	1,141
Decrease (increase) in inventories	(41,502)	143,048
Increase in suppliers	60,759	59,917
Labor liabilities	13,299	(12,131)
Assets transferred to negotiable investments	-	2,405
Interests received	(81,270)	(49,207)
Interest paid	128,109	167,994
Interest payable	(57,575)	(39,143)
Minority interest	81	182
Assignment of contracts	5,692	-
Other minor	3,124	1,194
NET CASH PROVIDED BY OPERATING ACTIVITIES	**643,750**	**630,067**

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

Claudia Patricia Alvarez
CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant - Almacenes Éxito S.A.
Lic # 69447-T
(See attached certification)

Luz Elena Rodríguez
LUZ ELENA RODRÍGUEZ
Statutory Auditor for Almacenes Éxito S.A.
Lic # 25820-T
Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

grupo éxito

Notes to the Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Note 1
PARENT COMPANY AND SUBSIDIARIES

Almacenes Éxito S.A., the parent company, was incorporated according to Colombian law on March 24, 1950. The Company's business purpose is to acquire, store, process and, in general, distribute and sell under any type of commercial arrangement, including financing, any type of merchandise or product, produced nationally or abroad, either wholesale or retail.

The main domicile is located in the town of Envigado, Colombia, at the following address: Carrera 48 Nº 32B Sur 139, The term of its duration is due to expire on December 31, 2050.

In May 2007, the Casino Group, based in France, acquired a controlling stake in the Parent Company and its subsidiaries, and at the close of 2010 held a 53.89% stake in the Company's share capital.

Distribuidora de Textiles y Confecciones S.A., "DIDETEXCO S.A.", a subsidiary company, was incorporated on July 13, 1976 by means of public deed No. 1138 drawn up before Public Notary of Medellín. Its business purpose consists of acquiring, storing, transforming, manufacturing selling and generally speaking distributing in any manner all types of apparel manufactured at home or abroad. Its main domicile is located in the town of Envigado, Colombia, at the following address: Carrera 48 Nº 32 Sur – 29. The term of its duration is due to expire on July 13, 2026.

Almacenes Éxito Inversiones S.A.S. a subsidiary company, was incorporated by means of private deed on July 27, 2010. Its corporate purpose is mainly to: constitute, fund, promote, invest individually or concur with other natural person or legal entity to constitute partnerships, companies or businesses which object is the production or commercialization of goods, objects, commodities, articles or elements or the provision of services related with the operation of commercial establishments and link to said companies as associated, by means of contributions in money, in goods or in services. Its main domicile is located in the town of Envigado, Colombia, at the following address: Carrera 48 Nº 32 Sur – 139. The term of its duration is indefinite.

Carulla Vivero Holding Inc., was a subsidiary company of Carulla Vivero S.A. which under the merger became a subsidiary of the Parent Company Almacenes Éxito S.A.. It was incorporated on September 14, 2000 according to the British Virgin Islands' law. Its corporate purpose is mainly to: invest, buy, possess, acquire in any way, sell, assign, and administer any piece of furniture or real estate property that is not forbidden or ruled by the laws of the British Virgin Islands.

Merger with Carulla Vivero S.A.

By means of public deed number 5037 of September 2, 2010, the merger by absorption between the Parent Company Almacenes Éxito S.A. and Carulla Vivero S.A. was formalized and registered in the Éxito's trade register administered by the Aburrá Sur Chamber of Commerce and approved by the Colombian Financial Superintendency according to resolution 1685 of August 20, 2010.

As a result of the merger, Carulla Vivero S.A. was dissolved without winding up and its assets and liabilities were integrated to the Parent Company Almacenes Éxito S.A.

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Note 2
MAIN ACCOUNTING POLICIES AND PRACTICES

In preparing their financial statements, the Parent Company and its subsidiaries abide by generally-accepted accounting principles in Colombia, as provided for by law, as well as the rules, regulations and instructions issued by the Colombian Financial Superintendence, the Colombian Superintendence of Companies, and other applicable legal provisions; said principles may differ in certain aspects from those established by other State regulatory authorities. The following are the main accounting policies and practices that the Parent Company and its subsidiaries have adopted in keeping with the above:

Consolidation principles:

These financial statements were consolidated using the global integration method, by means of which the assets, liabilities, equity and income belonging to the subsidiary companies, were incorporated into the Parent Company's financial statements, after eliminating the investment made by the Parent Company in its subsidiary companies' equity as well as the transactions and reciprocal balances existing at the cut-off date of the consolidated financial statements.

Thus, the consolidated financial statements adequately present the magnitude of the resources under the Parent Company's exclusive control, besides providing an approximate indication of the economic responsibility degree applicable to the Parent Company.

These consolidated financial statements include the accounts of both the Parent Company and its subsidiary companies. All significant balances and transactions between these companies were duly eliminated from the consolidation.

The following figures were taken from the individual financial statements of both the Parent Company and its subsidiary companies at December 31, and were duly certified and audited according to current applicable legislation:

Company	Assets		Liabilities		Equity		Results	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Almacenes Éxito S.A.	6,640,338	6,391,483	2,223,116	2,228,360	4,417,222	4,163,123	254,834	147,302
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A." (1)	161,997	129,826	47,530	16,406	114,468	113,420	1,354	3,641
Almacenes Exito Inversiones S.A.S. (2)	4,292	-	-	-	4,292	-	(508)	-
Carulla Vivero S.A. (3)	-	937,131	-	224,136	-	712,995	-	77,909
Carulla Vivero Holding Inc. (4)	196	-	126	-	70	-	-	-
Total (*)	**6,806,823**	**7,458,440**	**2,270,772**	**2,468,902**	**4,536,052**	**4,989,538**	**255,680**	**228,852**

(*) Corresponds to the summing of the individual financial statements without eliminating the transactions and reciprocal balances.

(1) For 2010 Didetexco S.A. recorded sales of $145,598 and the operating, selling and administrative expense accounted 14.38% of sales, the operating income for 2010 came to $3,629 with a net income of $1,354.

(2) The stake held by Almacenes Éxito S.A. in Almacenes Éxito Inversiones S.A.S. at December 31, 2010 came to 100%.

(3) The stake held by Almacenes Éxito S.A. in Carulla Vivero S.A. at December 31, 2009 came to 99.87%. The merger with Carulla Vivero S.A. was approved on September 2, 2010.

(4) For 2009, Carulla Vivero Holding Inc., is consolidated in the figures of Carulla Vivero S.A.

Notes to the Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Effects of the consolidation on the Parent Company's assets, liabilities, equity and net income:

	Figures prior to consolidation		Figures subsequent to consolidation	
	2010	**2009**	**2010**	**2009**
Total assets	6,640,338	6,391,483	6,640,448	6,325,051
Total liabilities	2,223,116	2,228,360	2,225,024	2,162,759
Minority interest	-	-	2,576	3,465
Total equity	4,417,222	4,163,123	4,412,848	4,158,827
Total Net income	254,834	147,302	254,834	147,302

Reconciliation between the Parent Company's net income and the income obtained by its subsidiary companies and overall consolidated profit:

	2010	2009
Net income - Almacenes Éxito S.A.	254,834	147,302
Net income - Didetexco S.A.	1,354	3,641
Net income - Almacenes Exito Inversiones S.A.S.	(508)	-
Net income - Carulla Vivero S.A.	-	77,909
	255,680	**228,852**
Equity Method - Almacenes Exito Inversiones S.A.S.	508	-
Equity Method - Didetexco S.A.	(1,194)	(3,905)
Minority interest - Didetexco S.A.	(81)	(81)
Unrealized profit in inventories	(79)	347
Minority interest - Carulla Vivero S.A.	-	(99)
Equity Method - Carulla Vivero S.A.	-	(77,812)
Consolidated Net income	**254,834**	**147,302**

Adjustments for inflation

By means of Law 1111 of December 27, 2006, the Colombian Government eliminated adjustments for inflation for fiscal purposes beginning on January 1st, 2007. These same adjustments for accounting purposes were eliminated by means of Decree 1536, issued on May 7, 2007, and backdated to January 1st, 2007. Adjustments for inflation accruing in accounts up to December 31, 2006 were not reversed and continued to form part of the balance of the respective accounts for all accounting purposes, until these are settled, depreciated or amortized. Also the balance of the equity revaluation account may be reduced with applicable wealth tax, but may not be distributed as profits until the parent company and its subsidiaries are nor wound up or capitalized, this according to currently applicable legislation. Once the company is capitalized, the equity revaluation account may be used to absorb losses, providing the company is being wound up, however it cannot be used to reduce the Company's capital. This capitalization, with regard to shareholders, represents income that is not subject to either income or occasional earnings tax.

Foreign exchange conversion

All foreign currency operations were posted according to the exchange rates that applied on the dates these were carried out. At the end of each period, balances corresponding to cash, banks and accounts receivable or payable as well as financial obligations and investments in foreign currency are adjusted using the applicable exchange rate that, since the end of 1991 has been the Representative Market Rate, certified by the Colombian Financial Superintendency. With regard to balances remaining due and payable, only the exchange differences that are not attributable to the cost of acquiring assets are posted in the income accounts in the form of financial expense. Exchange differences can be attributed to the cost of acquiring assets while these are either being built or installed and until they are fit to be used.

Assets and liabilities classification

Assets and liabilities are classified according to their use or the degree in which they can be realized, remain disposable, become due and payable or are finally settled, this in terms of both time and amounts.

For this purpose, current assets are considered amounts that are realized or remain disposable for up to one year, and current liabilities are all those items that become due and payable or are settled also within a term of up to one year.

Cash and cash equivalents

These are available funds that the Parent Company and its subsidiaries have at their immediate disposal. This account includes cash and due from banks and corporations, as well as balances pending clearing with different banking networks.

Accounts receivable

These represent the resources that confer the right to demand that a third party fulfills an obligation, therein incorporated, in the form of cash, goods or services, according to that agreed upon between the parties, as a result of any legal arrangement made with regard to credit payments.

Accounts receivable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

At the close of the fiscal year, technical evaluations are performed on the probability of their recovery and any loss contingencies are duly recorded.

Inventories

Inventories of merchandise that are not manufactured by the Parent Company and its subsidiary companies are posted at cost, which is calculated using the retail method.

Inventories of merchandise manufactured by the Parent Company are posted at cost, which is calculated using the weighted average method.

Inventories of materials, spare parts and accessories of the Parent Company are posted at cost, which us calculated at the end of the year using the FIFO method, in the case of the subsidiary company Didetexco S.A., is calculated using the weighted average method.

Merchandise in transit is appraised using the specific value method.

At the end of the fiscal year, a provision is set up to recognize the market value of the Company's inventories.

Investments

1. Negotiable investments

These are those readily-disposable securities or instruments that the holder intends to sell within a period of up to three (3) calendar years. These may be either of fixed or variable income.

a. **Fixed income negotiable investments,** are posted first in books using the cost method and subsequently in an exponential fashion, based on the internal rate of return calculated on the date of purchase. The difference with regard to their market or estimated value at the close of the fiscal year is recorded as a higher or lower value of the original investment on the income accounts.

b. **Variable income negotiable investments** are recorded using the cost method and the differences arising from the periodic adjustments in their market value and the last value posted in books are entered against the value of the investments on the income accounts..

2. Permanent investments

These are investments that the investor has the firm intention of keeping until they expire or mature. These may be of a controlling or non-controlling nature.

a. **Permanent controlling investments,** are posted using the equity method, as determined by the Colombian Superintendence of Finance and, according to which, investments in subsidiary companies with regard to which the economic entity is entitled to arrange for profits or surpluses to be transferred to itself during the following period, must be recorded using the equity method, except when these investments are acquired or exclusively kept for subsequent sale in the near future, in which case they must be considered as negotiable investments.

   In applying the equity method, the company records its investments in subsidiary companies, first at their adjusted cost for inflation until December 31, 2006 and subsequently these figures are adjusted (increased or reduced) based on any changes arising in the equity, as applicable, and in the corresponding amount according to the percentage stake held. The balancing item for this adjustment in the Parent Company's financial statements is recorded in the income accounts and/or the capital surplus account (equity method) as explained below:

- Changes in subsidiary equity during the fiscal year in question are recorded by the parent company, either increasing or reducing the cost of said investment.
- Changes in subsidiary equity arising from the net income for the year shall affect the parent company's income statement.
- Fluctuations in subsidiary equity not resulting from the subsidiary's income statement do not affect the parent company's income, but are recorded in the parent company's capital surplus account.
- Dividends received in cash from an investee company corresponding to periods in which the shareholder company applied the equity method are recorded by reducing the book value of the investment in question.

At the close of the fiscal year, if the estimated value of controlling investments is lower than their respective adjusted cost, a provision is recorded to reflect this loss in value and posted in the income accounts.

b. Non-controlling permanent investments, are recorded at cost, and this includes adjustments for inflation up to December 31, 2006.

According to regulations issued by the Colombian Financial Superintendency, at the end of the fiscal year, if the realizable value of non-controlling investments (intrinsic or stock market value, as applicable) is lower than their cost, this difference is recorded as a reduction in value and as a lower value of the investor's equity, in the capital surplus account, except when the respective non-controlled company is being wound up, or is producing recurrent losses, in which case the lower value is posted on the income statement, according to the Company's prudence principle.

Any surplus in the investment's market or estimated value at the close of the fiscal period, is recorded separately as an increase in its value and posted in the equity reappraisal surplus account.

Until the sell, the investment held in Cativén S.A. was recorded based on an appraisal that the Company carried out in December 2008.

Property, plant, equipment and depreciation

The Property, Plant and Equipment account includes all tangible resources controlled by the Parent Company and its subsidiary companies, that have been obtained, or built or under construction and used in the normal course of business to produce other goods or provide services either for itself or for third parties; and whose contribution to the Company's revenue-raising capabilities exceeds the term of one calendar year.

Property, plant and equipment are recorded using the cost method and these included adjustments for inflation up to December 31, 2006.

The cost of property, plant and equipment includes the value of all those items required for operating or starting up these same. For this reason, once the asset is in condition to be used, any greater cost of such, together with the value of the items accruing or expensed or any additions made to the asset in question subsequent to said date cease to be recorded.

In this sense, all expense incurred as a result of acquiring, installing or building the tangible asset, including engineering and supervision expense, taxes, interest and monetary correction are subject to forming part of the cost of said asset, only up till such a time as the asset can be used, regardless of whether this use is real or material, and once it can be used, these items are recorded as expense for the period in which they either accrue or are paid, whichever occurs earliest.

Repairs and maintenance performed on these assets are charged to the income accounts.

Sales and withdrawals of such assets are discharged at their respective net cost and the difference between their selling price and net cost is posted on the income accounts.

Depreciation is calculated on the cost of said assets using the straight-line method, based on the probable useful life of said assets and using the following annual rates:

- 5% for buildings and construction.
- 10% for machinery and equipment, including transport and office equipment.
- 20% para otros equipos de transporte (vehículos), equipo de cómputo y pos escáner.

Display fixtures such as gondolas as well as anti-theft tags, shopping carts and signage, amongst others, are depreciated using the straight-line method applying an accelerated depreciation percentage ranging from 25% to 50% for each successive period.

According to the policy adopted by the Parent Company and its subsidiary companies, the residual value of fixed assets for the purpose of calculating depreciation is zero (0).

Valuation methods

According to technical regulations, accepted valuation criteria are: the historic cost or value, the current or replacement value, the realizable or market value and the present or discounted value.

a. **Historic cost or value.** This is the original value either in cash or its equivalent incurred when the respective transaction was carried out.

b. **Current or replacement value.** This represents the cash value that would be incurred in replacing the asset or that would be required in order to settle an obligation at that moment.

c. **Realizable or market value,** this is the cash value expected in order to obtain an asset or settle a liability during the normal course of business.

d. **Present or discounted value.** This is the present value of the net cash inflows or outflows generated by an asset or liability.

Pursuant to Article 4 of Regulatory Decree 2649 issued in 1993 and the attributes therein provided for accounting information, the Parent Company and its subsidiary companies have decided that their property, plant and equipment be valued according to its realizable or market value.

The realizable or market value of an asset must be based on commercial appraisals carried out every three calendar years at a maximum. In performing these appraisals, all those assets whose adjusted value is lower than twenty (20) basic legal monthly wages are exempted by law.

Appraisals are performed by persons who have no relationship with the Parent Company and its subsidiary companies that could be considered to represent a conflict of interest; that is to say between the appraiser and the Parent Company and subsidiary companies there are no parallel ties, relations or operations implying a real or potential interest, that could, in turn, prevent a fair and equitable value from being arrived at for the asset in question.

In all those cases where the value of property, plant and equipment is lower than their book cost, this latter figure is adjusted by means of provisions which affect the Parent Company and its subsidiary companies' income accounts.

In all those cases where the value of property, plant and equipment is higher than their book cost, this latter figure is adjusted by means of appraisals which directly affect the Parent Company and its subsidiary companies' equity.

Intangibles

These represent resources that carry a right or privilege enforceable against third parties, whose exercise or utilization may produce economic benefits in future years.

This category includes: goods handed over under trust arrangements, brands and goodwill.

The cost of these assets corresponds to clearly identifiable expenses incurred, and includes adjustments for inflation until December 31, 2006. In order to recognize their contribution to the Company revenue-raising capabilities, these are amortized systematically throughout their useful life.

Goodwill

All those additional amounts paid out on the purchase of businesses or companies over which control is obtained are recorded as goodwill.

The value of goodwill in the case of acquiring control over other companies is the difference between the purchase cost and the value of the acquired company's equity in books.

Acquired goodwill is recorded as an intangible asset and is amortized on a monthly basis affecting the income accounts over a term of 20 years.

This annual amortization is calculated using the exponential amortization method pursuant to External Circular 034 of 2006 issued by the Colombian Financial Superintendency.

Deferred items

Deferred assets include:

1. **Prepaid expense,** which are all those sums of money paid in advance or which must be amortized during the same period in which the services, accruing such costs or expense, are received, these include interest, insurance, lease rentals and other expense incurred in order to receive services in the future.
2. **Deferred charges** are goods or services received with regard to which economic benefits are expected in other periods. These included adjustments for inflation up to December 31, 2006 and their amortization is calculated as follows:
   a. **Improvements made to third-party property,** are amortized during either the term of the corresponding agreement (independently of any extensions granted to such) or their probable useful life, when their cost cannot be recovered.
   b. **Software** is amortized at annual rates of 33% and 20% depending on the purpose for which they were acquired.
3. **Deferred Monetary Correction,** the deferred monetary correction credit account includes all those adjustments for inflation applied to construction work in progress and non-monetary deferred charges corresponding to the pre-operative stage which are amortized at the date on which income is received and during the term established for the respective deferred item. The deferred monetary correction debit account corresponds to the proportional amount of the adjustment on equity, with regard to all those assets that are recorded as a credit in the deferred monetary correction credit account.

   As a result of eliminating the adjustments for inflation as of January 1, 2007, the balances of the debit and credit entries in the deferred monetary account at December 31, 2006, shall continue to be amortized according to the useful life of the asset in question, posting either an extraordinary non-operating expense or miscellaneous non-operating revenue. Should the asset producing an entry in these accounts be sold, transferred or otherwise withdrawn, the accumulated balances must be eliminated.
4. **Deferred tax,** the effect of all those temporary differences which imply higher or lower income tax must be recorded as deferred tax receivable or payable in the same year as accrued. These entries are calculated using current rates, providing that the possibility of these differences being reverted is reasonable.

Deferred tax is amortized in the periods in which the temporary differences producing such are reverted.

Valuations and devaluations

Asset valuations and devaluations that form part of the Company's equity include:

a. Surpluses recorded from commercial appraisals of moveable property or real estate compared with their net cost in books

b. Increases or drops in the intrinsic or stock market value of some investments, including fiduciary rights, at the end of the fiscal year, with regard to their net cost in books.

c. Valuations and devaluations of investments pursuant to regulations issued by the Colombian Financial Superintendency.

Financial obligations

These are obligations incurred by the Parent Company and its subsidiary companies with credit and financial institutions both at home and abroad, including bank overdrafts and hedging operations.

The value recorded corresponds to the principal amount of the obligation and all financial expense that does not increase the principal is recorded as accrued payable expense.

Derivatives

The Parent Company carried out various derivative-based transactions with a view to reducing its exposure to market fluctuations in the obligations, exchange and interest rates. These included SWAPs and Forwards.

The Parent Company records all those contractually acquired rights and obligations, and shows these as net amounts on its balance sheet, following hedging accounting procedures, as stipulated in External Circulars 025 and 049 issued in 2008 by the Colombian Financial Superintendency.

In appraising the value of these the Parent Company follows the following accounting policies:

a. Derivative contracts entered into for commercial purposes are adjusted at their market value at the end of the fiscal year and either debited or credited to the income accounts, as applicable. Their market value is determined based on stock quotes or, in the absence of these, on future discounted cash flow techniques or option models.

b. Derivative contracts that are entered into for the purpose of hedging the Company's financial liabilities are also adjusted at their market value, as described above, but the resulting adjustment, whether positive or negative is posted in the equity accounts.

Suppliers and accounts payable

These represent obligations payable by the Parent Company and its subsidiary companies for goods or services received. The more important obligations are recorded separately, these including suppliers, creditors and others. Accounts payable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

Taxes, duties and rates

These represent the value of all general and obligatory taxes and duties owed by the Parent Company and its subsidiary companies to the State that are calculated based on tax settlements for the respective fiscal year. These include, amongst others, income and complementary taxes, sales tax as well as industry and commerce tax.

The provision for income tax posted on the income accounts includes, besides the income tax due for the fiscal year in question, additional tax corresponding to the temporary differences arising between commercial profits and net income.

Labor liabilities

These include all liabilities payable by the Parent Company and its subsidiary companies to its workers or their beneficiaries. During the fiscal period in question, global estimates are recorded which are then adjusted at the end of the year, determining the amount payable to each employee in keeping with current legislation and the collective labor agreements in force.

The Parent Company and its subsidiaries make periodic all-inclusive severance and social security contributions including healthcare, occupational risk and pensions, to the respective Private Funds or to the Colombian Social Security Institute that are responsible for these obligations.

Estimated liabilities and provisions

These consist of current obligations to be paid by the Parent Company and its subsidiary companies, whose ultimate value depends on certain factors in the future and is recorded in books by way of provisions, in keeping with standard principles of realization, prudence and accrual. Estimated liabilities are recorded in books during the period these are realized, and are applied to the assets and/or income belonging to the Parent Company and its subsidiary companies, as applicable.

A liability is understood to have materialized together with the need to calculate and record in books its estimated value, whenever an obligation is incurred by the Company as a result of a transaction, but due to temporary reasons its final value is not known for sure, albeit there being sufficient elements to be able to calculate its value in a reasonable fashion.

Retirement pensions

A retirement pension is a special employment benefit provided by the Parent Company and its subsidiary companies to its employees as a result of legal or contractual provisions and consist of the payment of a monthly sum of money, that is readjusted according to the indexes stipulated by the Colombian Government or the parties in question, during the lifetime of the holder of the pension right or his or her legal beneficiaries, this according to the parameters and procedures established by law or by contractual provisions.

Annual adjustments to this liability are made based on actuarial studies in keeping with applicable legislation.

Pension payments are posted directly in the income accounts.

Recognition of revenues, costs and expense

Revenues from sales are posted when the actual transaction is carried out; revenues from leasing arrangements are posted in the same month as they accrue, while revenues from services are recorded during the term of the contract or when the services are provided. Costs and expense are posted based on the accrual method.

Net income per share

Net income per share is calculated on the weighted average of subscribed shares outstanding at the end of the fiscal year, which for 2010 came to 333.333.632 (2009 - 333.174.004).

Memorandum accounts, debit and credit

Memorandum accounts, both debtor and creditor, contain all those commitments made in respect of transactions scheduled to be carried out as well as contingent rights or responsibilities, such as guarantees issued, unused letters of credit, securities received for safekeeping or as security, contracts signed for the purpose of buying merchandise, property and equipment as well as hedging operations. These also include control accounts used for the internal control of assets, management information or future financial situations. On the other hand, fiscal memorandum accounts are used to post differences between the accounting figures and figures used for tax purposes.

Materiality concept

Transactions are recorded and presented according to their relative importance.

A transaction is considered material when, due to its nature or value, or whether it is known or unknown, bearing in mind the circumstances of such, it could significantly affect the decisions made by those using such information.

Upon preparing the financial statements, including the notes to such, the relative importance for reporting purposes, was calculated on the basis of 5% on current and non-current assets, current and non-current liabilities, shareholders' equity, the results for the period and on each general ledger account, considered on an individual basis.

Reclassifications

Certain items contained in the financial statements for 2009 were reclassified for comparative purposes only and do not affect the working capital.

Administrative and accounting internal controls

During 2010 and 2009 there were no significant changes to the administrative and accounting internal controls implemented by the Parent Company and its subsidiary companies.

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Note 3
TRANSACTIONS IN FOREIGN CURRENCY

Current basic rules and regulations in Colombia allow the free negotiation of foreign currency through banks and other financial institutions at freely determined exchange rates. However, in the case of the Parent Company, the majority of transactions in foreign currency still require official approval.

Operations and balances in foreign currency are converted using the representative market exchange rate, as certified by the Financial Superintendence of Colombia, which was used to prepare the financial statements at December 31, 2010 and December 31, 2009. The representative market exchange rate at December 31, 2010 was $1,913.98* (2009 - $2,044.23*).per US dollar.

(*) In Colombian pesos

The Parent Company and its subsidiary companies held the following assets and liabilities in foreign currency, posted at their equivalent value in millions of pesos at December 31:

	2010		2009	
	US$	Equivalent in millions of Colombian pesos	US$	Equivalent in millions of Colombian pesos
Assets				
Accounts receivable	72,071,054	137,942	4,202,748	8,591
Banks	1,263,710	2,419	4,052,007	8,283
Negotiable investments	3,227,229	6,177	-	-
Cash in foreign currency	288,102	551	249,688	511
Total current assets	**76,850,095**	**147,089**	**8,504,443**	**17,385**
Investments	-	-	73,520,646	150,293
Total non-current assets	-	-	**73,520,646**	**150,293**
Total assets	**76,850,095**	**147,089**	**82,025,089**	**167,678**
Liabilities				
Foreign financial obligations (*)	152,833,211	292,520	78,250,000	159,961
Foreign suppliers	28,436,860	54,427	16,151,122	33,017
Accounts payable	4,353,282	8,332	3,972,120	8,120
Financial obligations - letters of credit	-	-	1,838,227	3,758
Total current liabilities	**185,623,353**	**355,279**	**100,211,469**	**204,856**
Foreign financial obligations (*)	-	-	117,125,000	239,430
Total non-current liabilities	**-**	**-**	**117,125,000**	**239,430**
Total liabilities	**185,623,353**	**355,279**	**217,336,469**	**444,286**
Passive monetary position net	**(108,773,258)**	**(208,190)**	**(135,311,380)**	**(276,608)**

(*) Including a syndicated loan for US$72 million. The parent company's hedging operations corresponding to SWAPs come to US$72 millions with JP Morgan and US$42 millions with Bancolombia, plus Forward hedges for Bancolombia's credits for US$36 millions (See note 13).

(In millions of Colombian pesos and in US dollars)

The exchange differences for the year were posted in the following accounts:

	2010	2009
Financial income	101,835	308,551
Financial expense	(78,069)	(227,248)
Hedging expense (*)	(20,540)	(86,956)
Net financial income (expense)	**3,226**	**(5,653)**

(*) Corresponding to the effect of hedging operations carried out by the Parent Company to cover investments and financial obligations in foreign currency.

Adjustments for the exchange difference applicable on investments in foreign companies:

	2010	2009
Non-operating income	6,390	33,104
Non-operating expense	(17,815)	(47,698)
Net expense	**(11,425)**	**(14,594)**

Note 4
CASH AND BANKS

The balance of Cash and Banks at December 31 is as follows:

	2010	2009
Banks and corporations	451,269	344,433
Cash	65,056	51,677
Total cash and banks	**516,325**	**396,110**

In 2010, the Parent Company posted returns obtained from savings accounts held with banks and corporations for a total value of $9,882 (2009 - $1,727).

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Note 5
NEGOTIABLE INVESTMENTS

The negotiable investments at December 31 are broken down as follows:

	2010	Interest Rate	2009
CDTs	250,609	Between 3.00% and 4.0% effective	122,103
Fiduciary Rights	17,143	1.5% effective	6,618
Investments in foreign currency (See Note 3)	6,177	2.2% effective	-
Investments in repos	6,804	1.5% effective	-
Funding	-		111,908
Investment fund	-		5,835
Total negotiable investments	**280,733**		**246,464**

In 2010, the Parent Company and its subsidiaries recorded returns from negotiable investments totaling $2,353 (2009 - $4,924).

None of these investments bear restrictions or encumbrances which could limit their negotiability or realization.

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Note 6
ACCOUNTS RECEIVABLE

The balance of the Accounts Receivable account at December 31 is broken down as follows:

	2010	2009
CURRENT:		
Clients	65,124	72,675
Advance payments on tax receivable (See Note 17)	61,726	63,972
Provision - clients	(3,161)	(3,218)
Sub-total	**123,689**	**133,429**
Miscellaneous receivables:		
Geant International (1)	138,578	-
Compañía de Financiamiento Tuya S.A (formerly Sufinanciamiento) (2)	36,918	19,435
On sale of fixed assets – real estate (3)	24,972	3,621
Employee cooperative	15,672	12,225
Promo bonds (4)	15,473	18,178
Franchises	14,148	11,271
Advance payments to contractors and suppliers	1,233	537
Interests	629	560
Hogar Sacerdotal (formerly Arquidiócesis de Medellín) A church-sponsored home	169	169
Parent Company	72	72
Cativén S.A.	-	5,457
Insurance claims	-	26
Other receivables (5)	39,274	31,193
Provision for account receivable (6)	(69,286)	(5,349)
Sub-total miscellaneous receivables	**217,851**	**97,395**
Total current receivables	**341,541**	**230,824**
NON-CURRENT RECEIVABLES:		
Employee cooperative	25,230	23,288
Advance payments on purchase of fixed assets (6)	17,602	25,257
On sale of fixed assets – real estate (7)	7,872	10,874
Other miscellaneous receivables	1,041	22
Total non-current receivables	**51,745**	**59,441**

(1) Receivable corresponding to the sale of the investment in Cativén S.A. (See note 27)

(2) Corresponds to items relating to business operation of the Exito Card business, including royalties, reimbursed shared expense and coupon collection fees, which are scheduled to be paid in January and February of 2011.

(3) For 2010 this included $11,413 on the sale of fiduciary rights of the mall San Pedro Plaza in Neiva, $6,500 on the sale of the premises Floresta in Bogotá, $2,375 on the sale of the premises where the Belen Distribution Center used to be in Medellin to Comfenalco Antioquia, $2,000 on the sale of Cedritos in Bogotá, $1,517 on the cooperation agreement with Cafam, $664 on the sale of the Murillo land lot in Barranquilla, $284 for the civil engineering project corresponding to the Éxito Rionegro store in Antioquia and others for $219.

(4) Receivable corresponding to agreements made with the country's main Family Welfare Institutions as well as numerous Employee Cooperatives belonging to companies from both the private and public sectors of our economy.

(In millions of Colombian pesos and in US dollars)

(5) For 2010 other receivable included: $15,244 on corporate sales agreements; $5,548 on the sale of the investment held on Makro; $4,377 on judicial sequestrations; $3,669 corresponding to tax claims (VAT and duties for imports' indicative prices), $2,529 on loans to Packers' Cooperatives; $2,069 on advance payments made to retirees, $552 on public utility collections; $435 in employee loans and other minor items totaling $4,850.

(6) Corresponding in 2010 to the Geant International B.V. provision and in 2009 corresponding to the receivable for Cativén S.A.

(7) Corresponding to advance payments made to contractors for the purchase of real estate and retrofitting stores, which payments shall be made based on the corresponding construction inspection certificates and/or public deeds drawn up in 2011, however these are classified as long-term receivables based on their end purpose of acquiring fixed assets.

(8) Corresponding to a receivable for the sale of the premises where the Belen Distribution Center used to be in Medellin to Comfenalco Antioquia, this is to be repaid at an interest rate equivalent to the DTF benchmark rate + 1 point on a half-yearly in arrears basis, by its expiry date in 2014.

In 2010 the Parent Company recorded charge-offs for a total of $1,146 and included new provisions for $65,026 mainly generated for the provision of the portfolio for the sell of Cativen S.A.

Long-term receivables include $17,602 in advance payments on purchases of fixed assets and $34,143 in other accounts receivable which shall be recovered as follows:

Year	Receivables – Almacenes Éxito S.A. Employees' Cooperative	Other miscellaneous receivables and proceeds from sale of fixed assets
2012	3,874	2,375
2013	3,606	2,375
2014	3,126	1,188
2015	2,370	2,562
2016	1,331	-
2017 onwards	10,923	413
Total	**25,230**	**8,913**

(In millions of Colombian pesos and in US dollars)

Note 7
INVENTORIES

The Inventories' account at December 31 is as follows:

	2010	2009
Goods for sale	802,819	774,227
Inventories in transit	21,185	13,509
Finished product	6,584	2,911
Materials, spare parts and accessories	24,107	20,247
Products in process	10,822	11,216
Raw materials	8,989	6,262
Provision for the protection of inventories	(33,597)	(22,089)
Total inventories	**840,909**	**806,283**

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Note 8
PERMANENT INVESTMENTS

The balance of the Permanent Investment account at December 31 is broken down as follows:

	2010							2009
Economic entity	Valuation method	Date of intrinsic or market value	Book value	Increase in value (See Note 12)	Decrease in value (See Note 12)	Provision	Realizable value	Realizable value
1. Equity investments held in non-controlled companies, voluntary and participative								
Cadena de Tiendas Venezolanas – Cativén S.A. (1)	-	-	-	-	-	-	-	68,279
Bonos Tuya S.A. (former Sufinanciamiento) (2)	-	-	54,500	-	-	-	54,500	49,500
Predios del Sur S.A.""subject to liquidation proceedings"	Intrinsic	November	3,451	-	-	(857)	2,594	2,148
Automercados de la Salud S.A. Panama	Intrinsic	November	2,335	285	-	-	2,620	3,055
Fogansa S.A.	Intrinsic	December	1,000	-	-	-	1,000	-
Promotora de Proyectos S.A.	Intrinsic	November	240	-	(195)	-	45	41
Central de Abastos del Caribe S.A.	-	-	26	46	-	-	72	63
Reforestadora El Guásimo S.A.	-	-	-	-	-	-	-	43
Other minor investments	-	-	644	32	-	(12)	664	763
2. Equity investments in non-controlled companies, obligatory and non-participative								
Solidarity (Peace) Bonds (3)	-	-	1,375	-	-	-	1,375	1,541
Equity investments – sub-total	**-**	**-**	**63,571**	**363**	**(195)**	**(869)**	**62,870**	**125,433**
Provision for the protection of investments	-	-	(869)	-	-	-	-	-
Total permanent investments	**-**	**-**	**62,702**	**363**	**(195)**	**(869)**	**62,870**	**125,433**

(1) In 2010 the parent company sold off its stake in Cadena de Tiendas Venezolanas Cativén S.A. to Geant International B.V., subsidiary company of Grupo Casino, for US$90,5 millions, from which US$18,1 were paid in 2010, and US$18,1 at January 31, 2011, and the rest will be paid during the year.

(2) Bonds issued by Compañía de Financiamiento Tuya S.A. (former Sufinanciamiento) as part of a shared publicity agreement entered into by the Parent Company with regard to the Éxito Card, for a nominal value of $54,500 for a total term of 10 years, and at a rate of return equivalent to CPI+ 2% plus the percentage of profits stipulated in said agreement.

(3) Solidarity Peace Bonds are bearer bond certificates issued by the State for a term of 7 years and producing an annual rate of return of 110% of the Fiscal Year Adjustment Percentage. In 2010 these produced a total return of $49 (2009 - $40). The balance of these bonds corresponds to an investment made in 2007 for a total of $1,375, maturing in 2014.

These permanent investments do not bear any restrictions or encumbrances restricting their negotiability or disposal, except for the investment which the Parent Company has in the form of Compañía de Financiamiento Tuya S.A. (former Sufinanciamiento) bonds which were issued as part of a shared publicity agreement for the Éxito card.

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(In millions of Colombian pesos and in US dollars)

The following is additional information regarding permanent investments:

Type of investment according to economic entity	Economic activity	Type of share	No. of shares		% stake of subscribed capital	
			2010	**2009**	**2010**	**2009**
Equity investments held in non-controlled companies, voluntary and participative						
Cadena de Tiendas Venezolanas - Cativén S.A.	Commerce	Ordinary	-	15.249.340	-	28.62
Predios del Sur S.A.""subject to liquidation proceedings"	Construction	Ordinary	1.496.328.719	1.496.328.719	19.47	19.47
Promotora de Proyectos S.A.	Services	Ordinary	212.169	138.631	5.64	5.50
Central de Abastos del Caribe S.A.	Commerce	Ordinary	3.430	3.430	0.14	0.14
Reforestadora El Guásimo S.A.	Agriculture	Ordinary	-	2.262.513	-	0.06
Automercados de la Salud S.A. Panamá	Commerce	Ordinary	20.000	20.000	20.00	25.00
Fogansa S.A.	Livestock	Ordinary	500.000	-	0.89	-

The Parent Company does not plan to sell off the equity investments held in other companies in the short-term.

In the case of all those investments whose intrinsic value was not available at December 31, 2010, the available value at November 30 of 2010 was taken and compared with the value recorded in books at December 31, 2010 so as to determine the corresponding valuations or non-valuations.

Subsidiary companies in which the Parent Company holds a stake higher to 10% of their total equity.

Corporate purpose:

Predios del Sur S.A. "subject to liquidation proceedings", incorporated by means of Public Deed Nº 3423, before the Public Notary No. 25 of Medellín, on December 6, 1996, as recorded before the Chamber of Commerce of Medellin in Register 9 of folio 1566. Its main corporate purpose is to build real estate projects in general, in urban or rural areas, for whatever purpose or use, with the view to selling off the property that make up the respective projects.

On December 17, 2009, in Book 9 under registry Nº 18157 before the Public Notary No. 25 of Medellín, approval was given to the dissolution of this Company which shall henceforth be known as Predios del Sur "Subject to Liquidation Proceedings".

Automercados de la Salud S.A. Panamá. This Company was incorporated by means of Public Deed No. 3380 drawn up before Public Notary No. 5 of the Circuit of Panama, on June 9, 2004. Its corporate purpose is to establish, perform and carry out business inherent to an investment company; purchasing, selling and negotiating all types of consumer articles, shares, bonds and securities of all types; purchase, sell, lease or otherwise acquire or sell real estate; request or provide loans with or without collateral, enter into, extend, fulfill and execute all types of contracts; act as guarantor or otherwise guarantee the drawing up and fulfillment of all and any type of contract; engage in any type of lawful business that is not forbidden for this type of company, etc.

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Comparative breakdown of the assets, liabilities, equity and net income of all those companies in which permanent investments are held:

The following figures were taken from financial statements, certified pursuant to applicable legislation of all those companies in which permanent investments were held at December 31, 2010 and December 31, 2009, respectively.

Company	Assets		Liabilities		Equity		Net Income		Net Revenues	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Predios del Sur S.A. "subject to liquidation proceedings"	13,280	12,374	2	1,185	13,278	11,189	975	(136)	4,282	15,374
Automercados de la Salud S.A. Panamá	14,161	12,783	1,043	-	13,118	12,783	1,941	439	2,028	-
Total	**27,441**	**25,157**	**1,045**	**1,185**	**26,396**	**23,972**	**2,916**	**303**	**6,310**	**15,374**

Note 9

PROPERTY, PLANT AND EQUIPMENT, NET

At December 31, property, plant, equipment and depreciation were as follows:

	2010			2009		
	Cost	Accumulated Amortization	Net cost	Cost	Accumulated Amortization	Net cost
Buildings and constructions (1)	1,602,641	(516,829)	1,085,812	1,768,664	(626,916)	1,141,748
Land	487,811	-	487,811	475,488	-	475,488
Machinery and equipment	756,588	(475,004)	281,584	773,927	(453,822)	320,105
Office Equipment	497,181	(344,985)	152,196	480,932	(315,842)	165,090
Constructions in progress	94,106	-	94,106	6,901	-	6,901
Computer and communication equipment	256,245	(200,696)	55,549	263,140	(203,970)	59,170
Transport equipment	37,540	(28,710)	8,830	37,490	(28,823)	8,667
Security guard weaponry	58	(38)	20	49	(33)	16
Sub-total	**3,732,170**	**(1,566,262)**	**2,165,908**	**3,806,591**	**(1,629,406)**	**2,177,185**
Provision for property, plant and equipment	-	(16,128)	(16,128)	-	(15,811)	(15,811)
Total property, plant and equipment, net	**3,732,170**	**(1,582,390)**	**2,149,780**	**3,806,591**	**(1,645,217)**	**2,161,374**

(In millions of Colombian pesos and in US dollars)

(1) In 2010, the Parent Company sold off the following property:

Property	City	Value of Sale	Net Cost	Profits from sale
Premises No 9 La Sabana Fontibón Shopping Center	Bogotá	173	16	157
Carulla La Merced	Cali	1,238	558	680
Premises of Ley Cartagena Centro	Cartagena	1,000	43	957
Land lot Bucaramanga (portion 18.74%)	Bucaramanga	2,500	1,138	1,362
Premises Calle 100 Building	Bogotá	717	9	708
Premises in Carulla Niza	Bogotá	4,000	2,611	1,389
Premises Carulla Tunal	Bogotá	1,961	385	1,576
Carulla Antonio Nariño	Bogotá	1,180	136	1,044
Warehouse Escorpión	Bogotá	900	973	(73)
Carulla Floresta	Bogotá	8,232	9,124	(892)
Land lot Murillo	Barranquilla	3,366	2,085	1,281
Total		**25,267**	**17,078**	**8,189**

The Parent Company's property, plant and equipment do not bear any restrictions or encumbrances that limit their realization or negotiability, these being wholly-owned assets.

VALUATION OF PROPERTY, PLANT AND EQUIPMENT

At December 31 the valuations summary and assets provisions subject to appraisals according to the policies is as follows:

1. With valuation

	2010			2009		
Type	Realizable value	Net cost	Increase in value (See Note 12)	Realizable value	Net cost	Increase in value (See Note 12)
Land and buildings	2,395,121	1,407,125	987,996	2,452,764	1,501,626	951,138
Machinery and equipment	261,756	189,177	72,579	152,486	96,323	56,164
Office Equipment	101,909	78,703	23,207	43,693	25,546	18,147
Computer equipment	21,863	14,863	7,000	-	-	-
Transport equipment	8,968	4,514	4,454	12,625	5,199	7,425
Total Increase in value	**2,789,617**	**1,694,382**	**1,095,236**	**2,661,568**	**1,628,694**	**1,032,874**

(In millions of Colombian pesos and in US dollars)

2. With provision

Type	2010 Realizable Value	2010 Net cost	2010 Provision	2009 Realizable Value	2009 Net cost	2009 Provision
Land and buildings	52,755	68,347	(15,592)	28,342	42,444	(14,102)
Machinery and equipment	3,933	4,419	(486)	8,750	10,352	(1,602)
Office Equipment	-	-	-	-	1	(1)
Transport equipment	18	68	(50)	1,911	2,017	(106)
Total provision	**56,706**	**72,834**	**(16,128)**	**39,003**	**54,814**	**(15,811)**

Technical appraisals in real estate and movable property are performed every three years pursuant to Article 64 of Decree 2649 of 1993 “Generally accepted accounting principles in Colombia”.

Note 10
INTANGIBLES, NET

The Intangibles Account at December 31 is broken down as follows:

	2010 Cost	2010 Accumulated Amortization	2010 Net cost	2009 Cost	2009 Accumulated Amortization	2009 Net cost
Goodwill - Carulla Vivero S.A. (1).	1,001,940	(78,643)	923,297	998,260	(50,393)	947,867
Fiduciary rights on real estate (2)	31,774	(10,624)	21,150	4,778	(62)	4,716
Other rights (3)	22,827	-	22,827	24,162	-	24,162
Brands (4)	32,363	(4,143)	28,220	37,916	(7,648)	30,268
Goodwill - Home Mart	5,141	(370)	4,771	9,610	(3,732)	5,878
Share rights	18	-	18	1,062	-	1,062
Goodwill and others (5)	14,034	(9,384)	4,650	79,676	(72,022)	7,654
Total intangibles, net	**1,108,097**	**(103,164)**	**1,004,933**	**1,155,464**	**(133,857)**	**1,021,607**

(1) Goodwill recorded in 2007 representing the equity surplus paid by the Parent Company for the acquisition of Carulla Vivero S.A., totaling $692,101 (including all costs incurred by the Parent Company with the purchase of this company).

In December 2009 the Parent Company purchased an additional 22.5% stake in Carulla Vivero S.A. recording $306,159 for goodwill (2009 - $306,159), in 2010 $3,680 additional were registered.

At the close of the fiscal year there were no contingencies that could have modified or accelerated the amortization of the goodwill acquired from Carulla Vivero S.A.

(2) In 2010 the Parent Company constituted the Autonomous Equity Mall San Pedro in Neiva city for $16,436 and others for $4,714, after amortizations.

(In millions of Colombian pesos and in US dollars)

(3) Including the sum of $19,418 that was transferred to the City Plaza trust in which the Parent Company Almacenes Éxito S.A. figures as the beneficiary of the area and rights on the premises in the Tesoro Shopping Center stage 3 for $1,457 along with other sums totaling $1,952.

(4) Including the Surtimax and Merquefácil brands.

(5) Including goodwill for Merquefácil and Carulla among others.

Note 11

DEFERRED ITEMS, NET

The Deferred Items account at December 31 is broken down as follows:

	2010			2009		
	Cost	Accumulated Amortization	Net value	Cost	Accumulated Amortization	Net value
Pre-paid expense						
Insurance	8,654	-	8,654	5,568	-	5,568
Maintenance	1,013	-	1,013	817	-	817
Lease rentals	1,829	-	1,829	1,333	-	1,333
Others	-	-	-	267	-	267
Advertising	64	-	64	664	-	664
Subtotal - pre-paid expense	**11,560**	**-**	**11,560**	**8,649**	**-**	**8,649**
Deferred income tax (See Note 17)	30,187	-	30,187	20,911	-	20,911
Subtotal – current deferred expense	**41,747**	**-**	**41,747**	**29,560**	**-**	**29,560**
Deferred charges:						
Improvements to third-party property	251,049	(133,107)	117,942	225,554	(114,815)	110,739
Software (1)	140,878	(110,761)	30,117	125,440	(92,459)	32,981
Lease rentals (2)	8,579	-	8,579	10,208	-	10,208
Deferred monetary correction	19,331	(14,722)	4,609	19,332	(13,665)	5,667
Deferred income tax (See Note 17)	67,431	-	67,431	51,444	-	51,444
Deferred actuarial valuation	2,590	-	2,590	-	-	-
Subtotal – noncurrent deferred charges	**489,858**	**(258,590)**	**231,268**	**431,978**	**(220,939)**	**211,039**
Total deferred items in assets	**531,605**	**(258,590)**	**273,015**	**461,538**	**(220,939)**	**240,599**
Liabilities:						
Deferred monetary correction	29,480	(22,683)	6,797	29,480	(21,125)	8,355
Deferred income tax (See Note 17)	8,371	-	8,371	-	-	-
Total non-current items in liabilities	**37,851**	**(22,683)**	**15,168**	**29,480**	**(21,125)**	**8,355**

(1) In 2010, the Parent Company acquired software for its expansion program in the amount of $18,070. From which $1,047 came from the merger with Carulla Vivero S.A. and $17,023 for new purchases.

(2) The figure for 2010 includes an advance payment on lease contracts for premises where the Pomona San Lucas store operates in Medellin for $1,082 and the Éxito San Martin store in Bogotá for $7,497.

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Note 12
APPRAISALS

The following breakdown shows a summary of appraisals at December 31:

	2010			2009		
	Net Increase in value	Decrease in value	Net Increase in value	Net Increase in value	Decrease in value	Net Increase in value
Buildings and constructions (See Note 9)	987,996	-	987,996	951,138	-	951,138
Movable property (See Note 9)	107,240	-	107,240	81,736	-	81,736
Investments	363	(195)	168	3,101	(155)	2,946
Fiduciary Rights	23,076	-	23,076	1,409	-	1,409
Total appraisals	**1,118,675**	**(195)**	**1,118,480**	**1,037,384**	**(155)**	**1,037,229**

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Note 13
FINANCIAL OBLIGATIONS

The balance at December 31 is broken down as follows:

		2010						2009	
	Fin Institution	Book Value	Accrued Interest Payable	Interest Rate	Maturity Date	Guarantee	Book Value	Interest Rate
SHORT TERM									
Letters of credit	Bancolombia	-	-				3,757	
Credit cards		31	-				42	
Loans in local currency	Citibank	-	-			Promissory notes	8,591	8.95% half yearly in arrears
Subtotal – loans in local currency		**31**	-				**12,390**	
Loans in foreign currency	JP Morgan	137,806	204	90-day Libor + 1.75	December 2011	Promissory notes	147,185	90-day Libor + 1.75
	Citibank	5,981	3	180-day Libor + 0.70	June 2011	Promissory notes	12,776	180-day Libor + 0.70
	Bancolombia	80,387	104	180-day Libor + 0.70	May 2011	Promissory notes	-	
	Bancolombia	49,764	665	180-day Libor + 2.4	June 2011	Promissory notes	-	
	Bancolombia	19,140	270	180-day Libor + 2.4	June 2011	Promissory notes	-	
SWAP hedging operations	Citibank (1)	39,976	1,540				47,315	
	Citibank	-	-				4,354	
	Bancolombia	24,799	979				7,926	
Forward hedging operations	Bancolombia	(559)	-				-	
Total loans in foreign currency		**357,294**	**3,755**				**219,556**	
Total short term		**357,325**	**3,755**				**231,946**	
LONG TERM								
Loans in foreign currency	JP Morgan					Promissory notes	147,184	90-day Libor + 1.75
	Citibank					Promissory notes	6,388	180-day Libor + 0.70
	Bancolombia					Promissory notes	85,858	180-day Libor + 0.70
SWAP hedging operations	Citibank (1)						25,752	
	Citibank (1)						1,437	
	Bancolombia (1)						17,045	
Total loans in foreign currency							**283,664**	
Total long term							**283,664**	
Total short and long term financial obligations		**357,325**	**3,755**				**515,610**	

(1) Derivatives – SWAPs.

In January 2007, the Parent Company received the funds corresponding to a syndicated loan from J.P. Morgan Chase Bank for US$300 million for the purpose of acquiring Carulla Vivero S.A., this loan was divided up into two tranches: one totaling US$120 million (totally amortized in 2010) and a second tranche for US$180 million with a five year term and five separate repayments on a half-yearly basis beginning in the third year (this will be totally amortized in 2011).

In addition to this, the Company has another two loans in foreign currency, one with Bancolombia for US$42 million expiring in May 2011 and another with Citibank for US$3,1 million expiring in June 2011.

New loans were acquired with Bancolombia for US$36 millions expiring in June 2011.

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To 31 December 2010 the parent company has valid two agreements SWAP, designated like hedges of ash flow, with the end to cover the risk of fluctuation of the tax of interest and tax of change of the obligations mentioned, with the following characteristics:

Fin Institution	Nominal value in dollars	SWAP rate in pesos	Starting date	Expiry Date	Payments made at December 31, 2009 US$	Fixed interest rate (obligation)	Interest Rate (right)
Citibank (*)	180,000,000	2,386.42	January 2007	December 2011	108,000,000	10.75% half yearly in arrears	90-day Libor + 1.75
Bancolombia	42,000,000	2,451.50	May 2006	May 2011	-	9.70% half yearly in arrears	180-day Libor + 0.70

In 2010 the result of the value of these instruments, pursuant to rules and regulations issued by the Colombian Financial Superintendency, with regard to hedging accounting, was recorded in the amount of $11,743 in the Parent Company's equity account.

(*) In June, 2007, the Parent Company performed a novation operation on these contracts with Citibank N.A.

The banks and financial institutions participating in this syndicated loan at December 31, 2010 are:

JP Morgan Chase Bank, N.A.
Banco de Bogotá, S.A. Panamá
Banco de Crédito del Perú - Miami Agency
Banco de Crédito Helm Financial Services (Panamá) S.A.
Bancolombia S.A.
Bank of Nova Scotia
Banco Bilbao Vizcaya Argentaria, S.A.
Banco de Bogotá S.A., Miami Agency
Banco de Bogotá S.A., Nassau
Banco de Bogotá- NY Agency
Banco Latinoamericano de Exportaciones, S.A.
Banco Security
Natixis
Standard Chartered Bank

Pursuant to keep the terms and conditions of its syndicated loan, the Parent Company honors several financial commitments including the following:

Commitment		Figure obtained for 2010
EBITDA/interest payments	No less than 3.50 for 2009 and onwards	18.86
Debt /EBITDA	No greater than 2.75 for 2009 and onwards	0.99
Maximum purchases of capital goods	No greater than $750,000 million per year	272,073

The Parent Company and its subsidiary companies do not expect to restructure their borrowings. The Company amortizes its financial obligations on their respective due dates. None of said financial obligations are in arrears.

(In millions of Colombian pesos and in US dollars)

Note 14
SUPPLIERS

The balance of the Suppliers account at December 31 is broken down as follows:

	2010	2009
Local suppliers	1,035,449	939,794
Foreign suppliers	54,428	33,016
Total suppliers	**1,089,877**	**972,810**

Note 15
ACCOUNTS PAYABLE

The Accounts Payable account at December 31 is broken down as follows:

	2010	2009
Dividends payable (1)	**20,715**	**6,615**
Miscellaneous creditors:		
Costs and expense payable	155,605	116,975
Contractors	30,096	1,539
Merchandise withdrawal orders to be used	27,847	20,364
Withholding tax payable	21,091	18,481
Contributions - Social Security Law (2)	15,182	9,034
Other miscellaneous creditors	842	3,043
Account payable on hedging obligations (3)	2,519	3,086
Subtotal – miscellaneous creditors	**253,182**	**172,522**
Total short-term accounts payable	**273,897**	**179,137**

(1) At their Annual Meeting held March 19, 2010, the General Assembly of Shareholders of the Parent Company declared a quarterly dividend of $60 (*) per share payable in four installments between the sixth (6th) and the tenth (10th) business days of April, July and October of 2010 and January 2011.

(*) In Colombian pesos.

(2) At December 31, 2010 and December 31 2009, the Parent Company and its subsidiary companies had duly complied with all applicable legislation regarding the payment of contributions pursuant to the Social Security Law.

(3) This figure corresponds to interests' payable on SWAP hedging operations in 2010, as follows: Citibank N.A. $1,540 (2009 - $2,157) and Bancolombia $979 (2009 - $929).

The Parent Company and its subsidiary companies do not have any accounts payable whose residual duration is greater than five years.

(In millions of Colombian pesos and in US dollars)

Note 16
BONDS

By means of Resolution 0414 issued in March 2006 by the Colombian Financial Superintendency, the Parent Company, Almacenes Éxito S.A. was authorized to issue bonds with the following characteristics:

Amount authorized:	$200,000
Amount placed at December 31, 2006:	$105,000
Nominal value:	$1
Payment method:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A. (Colombian Centralized Securities Depository)

The placement prospectus for the Parent Company Almacenes Éxito S.A.'s issue of common bonds placed in 2006, stipulates the following general guarantee for said bonds:

"To guarantee its obligations with all those holders of Common Bonds using all of its assets in the form of general collateral for all of its creditors, in compliance with all those obligations acquired as a result of this issue of Common Bonds".

By means of Resolution 0335 issued on April 27, 2005 by the Colombian Superintendence of Securities (now known as the Colombian Financial Superintendency), the subsidiary, Carulla Vivero S.A., was authorized to issue bonds with the following characteristics:

Amount authorized:	$150,000
Amount placed at May 31, 2005:	$150,000
Nominal value:	$10
Payment method:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A. (Colombian Centralized Securities Depository)

In the General Assembly of Bondholders of Carulla Vivero S.A. celebrated on June 18, 2010, in Bogotá city, the change of issuer of these bonds was approved now passing to the name of the Parent Company Almacenes Éxito S.A.

Date of Issue	Value In pesos	Maturity Date	Term	Interest Rate
26.04.2006	30,350	26.04.2011	5 years	CPI+ 4.98% half yearly in arrears
26.04.2006	74,650	26.04.2013	7 years	CPI+ 5.45% half yearly in arrears
05.05.2005	150,000	05.05.2015	10 years	CPI+ 7.5%
Total	**255,000**			

In 2010 interests on these bonds, totaling $20,134 (2009 - $33,386) were charged to the income statement. At December 31, 2010 accrued interest payable came to $3,632 (2009 - $6,739).

(In millions of Colombian pesos and in US dollars)

Note 17
TAXES AND RATES

Advance payments and balances in favor with regard to taxes and rates at December 31, are broken down as follows:

	2010	2009
Income and complementary tax	(55,675)	(39,226)
Sales tax payable	(3,835)	(4,036)
Land and Industry and Commerce tax	(2,179)	(1,448)
Advance payments on Land and Industry and Commerce tax	(37)	-
Industry and Commerce withholding tax	37,619	46,357
Sales tax receivable	24,148	22,436
Development quotas	83	63
Net total (*)	**124**	**24,146**

(*) Included on the Company's balance sheet as follows:

	2010	2009
Current assets		
Advance payments on tax receivable (See Note 6)	(61,726)	(63,972)
Current liabilities		
Taxes and rates	61,850	88,118
Total	**124**	**24,146**

The estimated current receivables for income and complementary tax at December 31 were as follows:

	2010	2009
LIABILITY - PROVISION FOR THE YEAR	**48,780**	**61,445**
Less adjustment in provisions for the year	(692)	-
Liability – Provision for the year	**48,088**	**61,445**
Less - advance payments	(4,170)	-
Less - Withholding tax	(99,593)	(100,670)
Total income and complementary tax receivable	**(55,675)**	**(39,225)**

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Deferred income tax during the year was as follows:

	2010	2009
Balance at beginning of the year	**(72,355)**	**(57,719)**
Net adjustment to deferred tax from prior years	-	**(1)**
Deferred income tax for the year due to the effect of:		
- Provisioned expense	(12,330)	5,008
- Non-deductible provision for other assets	(10,236)	(351)
- Non-deductible tax	(6,323)	(531)
- Adjustment to depreciation expense on tax-book differences	865	167
- Recovered deferred depreciation	-	(2,644)
- Applications from deductible provisioned liabilities	7,416	2,676
- Applications from deductible provisioned inventories	7,150	-
- Deductible taxes	6,059	1,189
- Surplus presumptive income on ordinary income(1)	(17,864)	(20,149)
- Deferred payable tax deduction Carulla's goodwill	8,371	-
Net movement for the year	**(16,892)**	**(14,635)**
Balance at year-end (See Note 11) (2)	**(89,247)**	**(72,355)**

(1) The figure for 2010 represents 33% of the surplus presumptive income recorded on the ordinary net income pertaining to the Parent Company and its subsidiary Didetexco S.A. totaling $52,969 and 33% of $1,164 for adjustment of the surplus presumptive income for 2009 of the Parent Company and its subsidiary Didetexco S.A. according to the income tax.

(2) Included on the balance sheet as follows:

	2010	2009
Current assets		
Deferred items (See Note 11)	(30,187)	(20,911)
Non-current assets		
Deferred items, net (See Note 11)	(67,431)	(51,444)
Non-current liabilities		
Deferred items (See Note 11)	8,371	-
Total	**(89,247)**	**(72,355)**

Notes to the Consolidated Financial Statements

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The reconciliation between book profits and taxable income for tax purposes is as follows:

	2010	2009
Book profits before income tax	**286,722**	**194,112**
Plus:		
- Losses removal of buildings and sale of investments	6,616	31,766
- Provision for other assets	71,562	5,334
- Non-deductible expense on provisioned liabilities	22,947	20,746
- Provision for unknown shrinkage	31,017	21,667
- Financial transaction tax	669	859
- Expensed provision for Land and Industry and Commerce tax	20,183	23,578
- Non-deductible expense	12,250	7,998
- Recovered depreciation on sale of fixed assets	4,818	6,893
- Recovered deferred depreciation	-	8,013
- Non-deductible expense on limit of net income.	-	3,233
- Adjustment on expensed depreciation on tax/book differences	3,347	5,865
- Expensed amortization of goodwill of Carulla Vivero S.A.	-	19,305
- Recovered deduction on investment in productive fixed assets	1,203	27,054
- Equity method expense on Didetexco S.A.	508	-
- Subsidiary effect	1,354	81,550
Less:		
- Withdrawal of profits on sells of fix assets for occasional earnings.	(44,407)	(77,975)
- Recovered provision for assets (*)	(85,284)	(41,249)
- Provision for liabilities from prior years, deductible in current year.	(31,620)	(48,204)
- industry and Commerce plus Land tax payments for the year	(18,362)	(22,007)
- Deduction for Carulla's goodwill additional to the countable value	(155,094)	(19,652)
- Provision for inventories from prior years, deductible in current year.	(22,088)	(81,715)
- Revenues from applying equity method to income	-	(95)
- Income not subject to income or occasional earnings tax	(50)	(10,000)
- Other non-taxable income	(491)	-
- 40% deduction on investment in income-producing assets	(51,452)	(35,897)
- Amortization of surplus presumptive income on prior years and tax loss	-	(19,810)
Total net ordinary income	**54,348**	**101,369**

(*) In 2010 a total of $79,520 were recorded from a provision recovery on Cativén S.A. (2009 - $7,755); $451 were recovered on a provision for Predios del Sur S.A. “subject to liquidation proceedings” (2009 Comercial Inmobiliaria S.A. “subject to liquidation proceedings” for $31,758); provision recovered on contracts on building fixed real estate assets for $1,142 (2009 - $1,691), provision recovered from other investments $479 (2009 - $45).

(In millions of Colombian pesos and in US dollars)

Occasional earnings for tax purposes of the Parent Company are as follows:

	2010	2009
- Selling price of fixed real estate assets sold (held for more than two years)t	13,497	152,778
- Selling price of fixed moveable assets sold	3,001	7,529
- Selling price of investments soldt	170,999	53,345
Total selling price	**187,497**	**213,652**
- Tax cost of fixed real estate assets sold	(9,020)	(123,115)
- Tax cost of fixed movable assets sold	(2,847)	(4,517)
- Tax cost of investments sold	(136,621)	(79,214)
Total cost	**(148,488)**	**(206,846)**
Taxable occasional earnings	**39,009**	**6,806**
Occasional earnings taxt	**12,873**	**2,246**

The current income tax liability was calculated as follows:

	2010	2009
Net equity at December 31 of prior year	3,952,907	3,301,163
Less net equity to be excluded	(375,675)	(276,297)
Net equity base for presumptive incomet	**3,577,232**	**3,024,866**
Presumptive income on net equity	107,317	90,746
Total net ordinary income	54,348	101,369
Taxable net income (*)	**107,317**	**179,390**
Income tax before occasional earnings tax (33%)	35,415	59,199
Occasional earnings tax	12,873	2,246
Tax discount for investing in livestock companies	(200)	-
Total current income tax liability	**48,088**	**61,445**
Current income tax expense	**48,088**	**61,445**
Income tax expense for adjustment of prior year	692	-
Net movement of deferred taxes	(16,892)	(14,635)
Income tax expense	**31,888**	**46,810**

(*) For 2009, the net taxable income of the Parent Company and its subsidiaries, it was formed the presumptive income of the Parent Company for $75,495, plus the presumptive income of the subsidiary Didetexco S.A. for $2,526, plus the net income of the subsidiary company Carulla Vivero S.A. for $101,369.

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The reconciliation between book and tax equity is as follows:

	2010	2009
Book equity at December 31	**4,412,848**	**4,158,827**
Plus:		
- Disencumbrance of net fixed assets and tax readjustments	129,245	129,267
- Subsidiary effect	116,213	823,193
- Provision for fixed assets (see note 9)	16,128	15,811
- Provision for investments (See note 8)	869	80,823
- Estimated liabilities for expenses	39,022	35,338
- Provision for inventories (See note 7)	33,597	22,089
- Deferred tax payable (See note 11)	8,371	-
- Amortized Goodwill - Carulla Vivero S.A.	-	50,393
- Provision for Industry and Commerce tax	1,836	2,236
- Tax readjustments on temporary investments	11,115	11,115
- Elimination of accumulated depreciation on difference between book and tax useful lives	3,242	5,865
- Provision for receivables (See note 6)	3,161	-
- Provision for other receivables (See note 6)	69,286	8,323
Less:		
- Valuations on fixed assets (See Note 12)	(1,095,236)	(1,032,874)
- Valuations on investments (See Note 12)	(168)	(2,946)
- Deferred tax receivable (See note 11)	(97,618)	(72,354)
- Surplus between tax and book depreciation	(105,389)	-
- Elimination of Equity Method - Carulla Vivero S.A.	-	(182,806)
- Elimination of Equity Method - Didetexco S.A.	(12,405)	(16,331)
- Amortization of capitalized deferred charges	(81,783)	(81,783)
- Difference between book and fiscal balance in favor income tax	-	(1,279)
Total net equity	**3,452,334**	**3,952,907**

Income and occasional earnings tax

Current tax provisions applicable to the Parent Company and its subsidiary companies stipulate that:

a. The income tax rate and the occasional earnings tax rate for years 2010 and 2009 is 33%.

b. The basis for determining income tax cannot be lower than 3% of the net equity recorded on the last day of the immediately preceding fiscal year.

c. Beginning in the fiscal year of 2007 all adjustments for inflation for tax purposes were eliminated and an occasional earnings tax was revived in the case of corporate persons, which is calculated on the total amount of income received in the form of occasional earnings during the fiscal year in question.

d. The annual readjustment percentage applicable to the cost of all real estate and movable property that is classified as fixed assets for 2010 is 2.35%, (2009 - 3.33%) and shall only affect fiscal equity.

e. Beginning in 2007 and ending in 2009 the deduction on cash investments made in real productive fixed assets was set at 40% and its application does not give rise to taxable earnings for either shareholders or partners. Taxpayers who acquire productive fixed assets that are depreciable as of January 1°, 2007 and who use the above deduction, may only depreciate said assets applying the straight-line method and shall not be entitled to exercise their right to an audit, even if they comply with the parameters established for such according to current tax legislation. Prior to January 1°, 2007, this deduction was applied to investments in productive fixed assets without having to depreciate these same using the straight-line method. In the event that the assets, on which the abovementioned discount benefit accrued, cease to be used for income-producing activities or are sold off or otherwise transferred, the portion of this discount corresponding to their remaining useful life when they are sold off or otherwise withdrawn, constitute income to be taxed at the current rates.

Beginning in the fiscal year of 2011, the special deduction to investments in productive fixed assets is eliminated with law 1430 of December 30, 2010. Nevertheless, it is dedicated for those investors that had applied to access to juridical stability agreements before November 1° 2010, the possibility to stabilize this norm by a maximum term of three years.

Until 2017 the Parent Company will be able to request 40% of these investments since the article 158-3 of the Tax Legislation is included in the Agreement of Juridical Stability included in the Law 963 of July 2005, signed with the State by a term of ten years starting from August of 2007.

f. At December 31, 2009, the Parent Company and its subsidiary Didetexco S.A. posted a fiscal loss of $80,845 to be subsequently offset, together with a surplus of presumptive income of $150,317. According to current tax legislation, as of the fiscal year of 2007, companies may offset their tax losses, duly readjusted on a tax basis, at any time and without these being subject to any percentage restrictions, with ordinary net income without prejudice to the presumptive income recorded for the corresponding fiscal year. Any surpluses in presumptive income with regard to ordinary income obtained as of the fiscal year of 2007 may be offset with ordinary net income determined within a term of the following five (5) years, these to be duly readjusted on a tax basis. Losses sustained by companies may not be transferred to shareholders or partners. Tax losses arising from revenues that do not constitute income or occasional earnings or from costs and deductions that are not caused by the generation of taxable income may in no event be offset by the taxpayer's net income.

Pursuant to that stipulated in Articles 188 and 189 of the Colombian Tax Statute, for the fiscal year of 2009, the parent Company and its subsidiary Didetexco recorded their income tax liability using presumptive income system for the fiscal year of 2008, the Parent Company and its subsidiary Didetexco S.A. established their income tax liability using presumptive income system, while its subsidiary, Carulla Vivero S.A. applied the ordinary net income system in accordance with Article 178 of this same Tax Statute.

All tax returns for the years 2008 to 2010 as well as wealth tax returns for these same years remain subject to review on the part of the Colombian tax authorities, except in the case of the tax return filed in 2009 by the subsidiary Carulla S.A., which is under firm audit benefit. Both the Company Management and its tax advisors consider that there will be no extra taxes to be paid by the Parent Company and its subsidiaries, other than those that have been provisioned up to December 31, 2010.

Wealth tax

Pursuant to Law 1111 of 2006, a wealth tax was created for corporate and natural persons, de facto corporations and taxpayers declaring income tax for the fiscal years of 2007, 2008, 2009 and 2010. For the purpose of this tax, the concept of wealth is equivalent to the taxpayer's entire net equity, when this is equal or higher than three thousand million Colombian pesos.

This tax is calculated on the basis of net equity at January 1º, 2007 at a rate of 1.2%.

Wealth tax for the fiscal year of 2010, came to $26,101 (2009 - $26,101), which was recorded by the Parent Company and its subsidiaries as a lower value in the equity revaluation account.

Changes on the Wealth Tax with the New Tax Reform Legislation of December 2009

The Colombian Government passed Law 1370 on December 30, 2009 which introduced a new wealth tax for the fiscal year of 2011 for all those corporate and natural persons, de facto corporations and taxpayers declaring income tax. For the purpose of this tax, the concept of wealth is equivalent to the taxpayer's entire net equity, when this is equal or higher than three thousand million Colombian pesos ($3,000).

This tax shall accrue on the taxpayer's net equity on January 1º, 2011, for which a rate of 2.4% shall be applied on a tax equity base equal or higher than three thousand million pesos ($3,000) without this exceeding five thousand million pesos ($5,000) and in the case of a tax equity base equal or higher than five thousand million pesos ($5,000) shall be taxed at a rate of 4.8%.

Wealth tax for 2011 must be paid in eight equal installments during the years 2011, 2012, 2013 and 2014, within the terms set by the Colombian Government.

Changes on the Wealth Tax with the New Tax Reform Legislation of December 2010

The Colombian Government passed Law 1429 of December 29, 2010 introducing changes to wealth tax for the fiscal year of 2011 as follows:

a. Explanation of the tax base to take into account for effects of the rate application

The Article 296-1 of the Tax Code is amended by clarifying that the tax rate is applied to the tax base as defined in Article 295-1, when the taxpayer's net equity exceeds the cap of three thousand millions of Colombian pesos ($3,000) and five thousand millions of Colombian pesos (5,000) as established by Law 1370 of 2009.

b. Tax base composition for effects of determining the tax payable of the taxpayers

Two norms are included aiming to control the reduction on net equities which are base for the tax:

1. The taxpayer who carried out cleaving processes during the year 2010 will have to add the equities of the cleaved and beneficiary companies in order to calculate the tax payable.
2. The taxpayer who constituted simplified anonymous corporations during 2010 will have to add to his net equity heritage, the equity of the new corporate person, in order to determine the tax base of the wealth tax.

c. Some additional considerations about the Social Emergency Decree 4825 of 2010

With the expedition of Decree 4825 of 2010, the following additional measures to take into account were adopted:

1. The creation of a new wealth tax on net equities higher than one thousand millions of Colombian pesos ($1,000) and two thousand millions of Colombian pesos ($2,000), taxed at a rate of 1% and 1.4% respectively.
2. A surcharge of 25% is established for the wealth tax taxpayers according to Law 1370 of 2009, whose effective tax rate should pass from 2.4% to 3% (for net equities between $3,000 and $5,000), and from 4.8% to 6% (for net equities higher than $5,000).

(In millions of Colombian pesos and in US dollars)

Note 18
LABOR LIABILITIES

The balance of the Labor Liabilities account at December 31 is broken down as follows:

	2010		2009	
	Valor corriente	Valor no corriente	Valor corriente	Valor no corriente
Severance Law 50	19,192	-	15,332	-
Vacations and vacation bonuses payable	13,309	-	12,664	-
Salaries and employment benefits payable	12,452	-	3,090	-
Retirement pensions (See Note 19)	3,079	-	3,080	-
Interest on severance payable	2,409	-	1,960	-
Consolidated severance previous regime	400	575	968	732
Total Labor liabilities	**50,841**	**575**	**37,094**	**732**

Employee information – Total Parent Company and Subsidiaries:

	Headcount		Personnel expense (1)		Balance of employee loans granted	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Management personnel (2)	380	343	75,506	38,184	128	131
Others	27.638	24.297	363,931	340,276	359	316
Total	**28.018**	**24.640**	**439,437**	**378,460**	**487**	**447**

(1) Including salaries and paid unemployment benefits.

(2) Including the Chief Executive Officer, Vice-Presidents, Corporate Division Managers, Senior Managers, Distribution Center Managers, Store Managers and District Managers.

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(In millions of Colombian pesos and in US dollars)

Note 19
ESTIMATED RETIREMENT PENSION LIABILITYt

The value of the Parent Company's liability with regard to retirement pensions has been calculated based on actuarial studies, in accordance with that provided for in Decree 4565 issued December 7, 2010, which introduced amends to the technical basis used for making said calculations.

The Parent Company is responsible for paying retirement pensions to all those employees who fulfill the following requirements:

- Employees completing more than 20 years of service at January 1º, 1967 (full liability).
- Employees and former employees completing between 10 and 20 years of service at January 1º, 1967 (partial liability)

In the case of all other employees, the Colombian Institute of Social Security or the authorized pension funds are responsible for paying these pensions.

Actuarial calculations and the amounts posted in books are as follows:

	2010	2009
Actuarial calculation of the liability (100% amortized)	19,923	17,165
Less: Current portion (See Note 18)	(3,079)	(3,080)
Non-current portion	**16,844**	**14,085**

At December 31, 2010, actuarial calculations included 196 persons (2009 - 200).

The benefits covered correspond to monthly retirement pensions, pension readjustments pursuant to legal regulations, surviving beneficiary income, burial benefits and bonuses in June and December, as legally provided.

The deferred cost of retirement pensions was amortized pursuant to tax regulations. The Parent Company's net balance at December 31, 2010 and December 31 2009 represent 100% of the actuarial calculations made on the total contingent liability for the years ended on said dates.

(In millions of Colombian pesos and in US dollars)

Note 20
ESTIMATED LIABILITIES AND PROVISIONS

The balance of the Estimated Liability and Provisions account at December 31 is broken down as follows:

	2010	2009
Other provisions (1)	27,357	26,182
Provision for customer loyalty program (2)	15,165	8,508
Total estimated liabilities and provisions	**42,522**	**34,690**

(1) Including provisions for 2010 on expense incurred with the processes of organizational excellence $15,844, municipal taxes $4,616, labor lawsuits $1,681 (2009 - $2,466), Agreements on Juridical Stability $1,932 (2009 - $3,143), merger process with Carulla Vivero S.A. $3,177 (2009 - $3,871) as well as others for $107.

(2) Liability incurred on customer loyalty programs: Puntos Exito and Supercliente Carulla.

Note 21
OTHER LIABILITIES

The balance of the Other Liabilities account at December 31 is broken down as follows:

	2010	2009
Retained as security (1)	8,634	426
Amounts collected for third parties (2)	7,354	12,799
Installments received – lay away plan	2,342	2,172
Subtotal – other current liabilities	**18,330**	**15,397**
Other non-current liabilities (3)	42,795	41,731
Total Other liabilities	**61,125**	**57,128**

(1) The balance of this account for 2010 includes advance payments received on the reconciliation on the dispute of the premises of Éxito Unicentro in Bogotá for $6,250, held by investments in the Predios del Sur S.A. “Subject to Liquidation Proceedings” for $1,110, civil engineering projects in Éxito Colombia, in Medellín for $307, Éxito San Fernando in Cali for $70, Éxito Alamedas in Montería for $40 and others for $857.

(2) For 2010 and 2009 this includes collections corresponding to public utility, cell phone, cable TV, non-bank correspondents and other third party billings.

(3) In 2010 the Parent Company signed a promise of sale on the construction of a Locatel building in the Puerta del Norte Shopping Mall, located in the Bello municipality in Antioquia for $3,198.

In 2009 and 2008, the Parent Company entered into business partnership agreements with the company EASY Colombia, the purpose of which is for Almacenes Exito S.A. to transfer occupancy rights to EASY S.A. on premises located at its Éxito Norte and Éxito Occidente stores in Bogotá and allow said company to set up and run its business on said premises. EASY Colombia for its part is obliged to build and retrofit said premises as tenant, amortizing the improvements made over a period of 20 years, when it shall be released from any liability regarding the construction and improvement work. The value of building these premises in 2009 came to $42,665, $3,068 of which has been amortized.

(In millions of Colombian pesos and in US dollars)

Note 22
EQUITY

22.1 Share Capital

The Parent Company's authorized share capital is divided up amongst 400.000.000 common shares each with a nominal value of $10(*), the subscribed and paid-in capital totals $3,340 (2009 - $3,338), the number of shares outstanding comes to 333.333.632 (2009 - 333.174.004) and the number of repurchased own shares come to 635.835 for each year.

The Company's capital and share placement premium for 2010 is broken down as follows:

	Shares	Price (*)	Capital	Share placement premium
Share issue merger with Carulla Vivero S.A.	159.628	18,310	2	2,921

(*) In Colombian pesos

22.2 Share placement premium

The share placement premium represents the higher value paid out over and above the shares' face value. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

22.3 Reserves

Except for the reserve for share repurchases, the other reserves were set up with retained earnings and remain freely available for distribution by the General Assembly of Shareholders of the Parent Company.

The Parent Company and its subsidiaries are required to set up this reserve appropriating 10% of their net annual profits until the balance of this reserve reaches 50% of its subscribed capital. The reserve cannot be distributed prior to the Parent Company and its subsidiary companies being wound up, but must be used to absorb or reduce losses. Appropriations in excess of the aforementioned 50% remain freely available for distribution by the General Assembly of Shareholders.

22.4 Equity Revaluation

Adjustments for inflation on balances of shareholders' equity accounts up to December 31, 2006, excluding the reappraisal surplus, have been posted to this account, and charged to the income statement. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

The Colombian Government eliminated adjustments for inflation for tax purposes by means of Law 1111 passed December 27, 2006. These were subsequently eliminated from books, as of January 1, 2007 by means of Decree 1536 issued May 7, 2007.

(In millions of Colombian pesos and in US dollars)

In 2010, the Parent Company and its subsidiaries recorded a lower value for its equity revaluation account $26,101 (2009 - $26,101) given the wealth tax created with Law 1111 passed December 27, 2006.

Note 23

MEMORANDUM ACCOUNTS, DEBTOR AND CREDITOR

	2010	2009
Hedging operations (1)	218,194	399,391
Receivables to be recovered	11	179
Subtotal - Contingent rights	**218,205**	**399,570**
Tax receivable	599,233	1,551,730
Subtotal – tax receivable	**599,233**	**1,551,730**
Unused credit (2)	1,683,232	1,125,658
Property, plant and equipment, fully depreciated	640,806	585,524
Adjustments for inflation on non-monetary assets.	241,631	344,258
Goods handed over under fiduciary arrangements (3)	43,040	29,055
Litigations and lawsuits (4)	39,375	35,968
Merchandise in consignment (5)	29,141	15,483
Unused letters of credit	27,754	11,662
Post– dated checks	3,772	5,389
Leased goods	222	829
Subtotal – debtor control accounts	**2,708,973**	**2,153,826**
Hedging operations	274,785	470,139
Other litigations and lawsuits (6)	28,606	18,800
Labor suits and litigations	14,542	21,383
Other contingent liabilities (7)	5,599	5,948
Goods and securities received for safekeeping	-	3,699
Promises of sale	500	-
Goods and securities received as security	337	344
Subtotal – contingent liabilities	**324,369**	**520,313**
Tax payable	466,301	720,590
Subtotal – tax payable	**466,301**	**720,590**
Adjustments for inflation on equity	321,728	721,064
Subtotal – creditor control accounts	**321,728**	**721,064**
Total – Memorandum accounts, debtor and creditor	**4,638,809**	**6,067,093**

(1) In order to minimize the impact of fluctuating interest rates, the Parent Company has carried out hedging operations, in the form of SWAPs. These operations include the Company's syndicated loan as well as two other dollar-denominated loans In 2009 a total of US$120 million was repaid as part of the first tranche of the loan and another US$36 million was repaid as part of the second tranche of this loan. In 2010 a total of US$72 millions were repaid as part of the second tranche leaving a balance of US$72 millions over which is the current hedging.

(2) Various financial institutions granted short-term loans to the Parent Company, which remain at its disposal.

(3) Including property such as: the Éxito Villamayor store in Bogotá and the Éxito store in Armenia, premises at the Vizcaya Shopping Center in Medellín and the City Plaza – Escobero Shopping Center in Envigado, as well as an escrow with Corficolombiana pertaining to a lease agreement on the Éxito Poblado store in Medellín and the Avenida 68 Distribution Center in Bogotá, that the Parent Company handed over to a trust. This also includes rights over the third stage of the El Tesoro Shopping Mall in Medellín and a new stage on the San Pedro Shopping Mall in Neiva.

(In millions of Colombian pesos and in US dollars)

(4) 2010's figure included the following legal proceedings:

- **a.** Unfair competition suits originating in comparative publicity for the "Guaranteed Lowest Price" campaign for an approximate value of $25,000 (2009 - $25,000).
- **b.** Various customs lawsuits with the Colombian Tax Authorities for a total value of $2,442 (2009 - $2,916).
- **c.** Other suits with municipal authorities and other third parties for an approximate value of $6,148 (2009 - $4,614).
- **d.** Claim Lote Murillo in Barranquilla city $3,325.
- **e.** Other minor lawsuits for $2,460.

(5) Including amongst other items, merchandise from the following suppliers in 2010: Continente S.A. $11,601, Editorial Norma S.A. $3,183, Sociedad de Comercialización Internacional $1,619, Zapf S.A. $877, JEN S.A. $815, Industrias Cannon $718, Brighstar Colombia $662, Inval S.A. $653, Calzatodo S.A. $617, Kids & Arts Company $560 and others $7,836.

(6) Including amongst other processes:

- **a.** Tort liability suits for an approximate value of $9,849 for 2010 (2009 - $9,911).
- **b.** Other proceedings with municipal authorities and other third parties for an approximate value of $7,084 for 2010 (2009 - $3,996).
- **c.** Dispute claim administration fee increase in Bello Shopping Center in Antioquia for $2,500.
- **d.** Other minor lawsuits for $9,173.

(7) Figure for 2010 corresponds to contingent liabilities on the part of the Parent Company corresponding to purchases from President Choice $4,099 (2009 - $4,378), a foreign supplier, as well as on a business with the Family Compensation Fund of Risaralda COMFAMILIAR for a total of $1,500.

Note 24
NET REVENUES

The Net Revenues Account at December 31 is broken down as follows:

	2010	2009
Net sales (1)	**7,154,028**	**6,644,387**
Other operating revenues		
Special display negotiations	158,386	150,974
Revenues from franchises and leases	71,904	64,956
Royalties from the Éxito-Tuya S.A. alliance (former Sufinaciamiento)	42,268	19,023
Discount sales – customer loyalty program	36,635	44,117
Revenues from events	20,014	25,179
Services	16,356	15,568
Miscellaneous (2)	10,488	17,699
Subtotal – other operating revenues	**356,051**	**337,516**
Total Net Revenues	**7,510,079**	**6,981,903**

(1) Discounts given in 2010 came to $169,705 (2009 - $158,047).

(2) Miscellaneous revenues include billboards $460 (2009 - $391), premium on retail premises $2,133 (2009 - $981), income from management and district events $2,259 (2009 - $1,505), home delivery revenues $850 (2009 - $808) and other miscellaneous gains $4,785 (2009 - $14,014).

grupo éxito

Notes to the Consolidated Financial Statements

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Sales returns are posted as a lower value of sales, bearing in mind that it is the policy of the Parent Company and its subsidiary companies to exchange merchandise. When the customer returns an article, he or she is given an exchange receipt to be used in payment of other items.

Note 25

SELLING, GENERAL & ADMINISTRATIVE EXPENSE

The Selling, General & Administrative Expense Account at December 31 is broken down as follows

	2010			2009		
	Administrative	Sales	Total Operating Expense	Administrative	Sales	Total Operating Expense
Personnel expense	89,830	458,538	548,368	77,763	389,304	467,067
Services	8,037	244,008	252,045	10,233	301,483	311,716
Depreciation	19,568	187,275	206,843	21,411	182,513	203,924
Lease rentals	1,559	147,439	148,998	2,927	133,292	136,219
Taxes	32,180	70,215	102,395	30,490	66,204	96,694
Amortization	50,609	34,479	85,088	39,656	40,028	79,684
Maintenance and repairs	6,141	35,431	41,572	7,198	33,789	40,987
Packaging and tagging material	309	29,419	29,728	-	27,925	27,925
Commissions on debit and credit cards	-	22,779	22,779	-	22,074	22,074
Insurance	3,796	12,436	16,232	3,147	14,213	17,360
Fees	8,890	1,751	10,641	7,262	1,329	8,591
Traveling expense	4,635	3,106	7,741	4,334	2,471	6,805
Retrofitting and installations	580	4,356	4,936	269	4,367	4,636
Legal expenses	1,433	2,227	3,660	425	2,001	2,426
Membership fees and contributions	724	358	1,082	623	333	956
Miscellaneous (*)	5,448	57,976	63,424	9,662	47,233	56,895
Total selling, general and administrative expense	**233,739**	**1,311,793**	**1,545,532**	**215,400**	**1,268,559**	**1,483,959**

(*) Miscellaneous expenses include: Store inauguration expenses $6,489 (2009 - $3,098), fuel for electricity generating plants $479 (2009 - $543), cleaning and fumigation supplies $6,025 (2009 - $5,547), regional support $3,529 (2009 - $3,304) stationery, office supplies and forms $5,351 (2009 - $5,467), store items $5,701 (2009 - $4,559), restaurant and coffee shop supplies $4,058 (2009 - $3,783), and others for $31,792 (2009 - $30,594).

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Note 26

OTHER NON-OPERATING INCOME AND EXPENSE, NET

The Other Non-Operating Income And Expense account is broken down as follows:

	2010	2009
Non-operating income		
Provision recovery from investments Cativén S.A.	79,520	7,884
Profits from sale of investments (1)	34,381	5,783
Amounts recovered from provisions (2)	20,250	52,311
Profits from sale of property, plant and equipment, investments and intangibles (3)	19,600	74,719
Income from exchange difference (4)	6,420	33,103
Recovered costs and expense	2,198	1,223
Amortization of deferred credited monetary correction with the dismantling adjustments for inflation	1,559	4,131
Other non-operating revenue	5,574	8,804
Total non-operating income	**169,502**	**187,958**
Non-operating expense		
Provision for receivable Geant International (5)	(69,286)	(5,221)
Amortizations, bonuses and indemnities (6)	(29,701)	(17,236)
Expense on exchange difference (4)	(17,816)	(47,517)
Provision for property, plant and equipment	(7,429)	(635)
Royalty expense - Tuya S.A. (former Sufinanciamiento)	(5,910)	(5,054)
Portfolio losses	(3,550)	(413)
Up-fronts	(2,917)	-
Legal and lawsuit expense	(2,775)	(954)
Donations	(2,217)	(2,044)
Expense on special projects	(1,741)	-
Other Provisions	(1,220)	-
Juridical stability	(1,210)	(884)
Loss on sale/withdrawal of assets	(1,126)	(905)
Cost of claims (7)	(1,116)	(1,799)
Financial transaction tax (“4 x 1000” tax)	(892)	(1,141)
Legal proceedings and costs	(355)	(936)
Retirement pensions	(176)	(7)
Losses on sales of investments	(2)	(31,765)
Expense on restructuring and merging with Carulla Vivero S.A.	-	(2,030)
Other no operational expense (8)	(10,488)	(17,528)
Total non-operating expense	**(159,927)**	**(136,069)**
Total Other Non-Operating Income and Expense, net	**9,575**	**51,889**

(1) Corresponding to the sale of the investment in Cativén S.A.

(2) (2)Figure for 2010 corresponds to recovered amounts provisions set up on litigations and lawsuits for $5,368, accounts receivable recovery from Cativén S.A. $5,349, fix assets recovery from Cedritos contract assignment $3,692, the use of Carulla S.A.'s provision for $3,004, the recovery of provision for increase of value of real estate properties for $1,592 and others for $1,245.

Figure for 2009 corresponds to recovered amounts provisions set up on the sale of the investment held in Makro Supermayorista S.A. for $31,765, the use of Carulla Vivero S.A.'s provision totaling $17,128, on gains obtained on movable property for $1,691, on the legal stability agreement for $1,093, on litigations and lawsuits for $245, and others for $389.

(3) Figure for 2010 corresponds to the sale of trust rights of the autonomous equity for San Pedro Plaza Shopping Mall in Neiva City.

Figure for 2009 corresponds mainly to the sale of the following property: Premises # 102 and 103 of the Pereira Plaza Shopping Mall in Pereira, the Las Vegas Distribution Center in Envigado, the Éxito Chipichape store in Cali, the Ley 7 de Agosto store in Bogotá, the Ley store in the Bolívar Shopping Center in Cúcuta

(4) Corresponding to adjustments for the net exchange difference on the Parent Company's investment in Cativén S.A, for $11,215, (2009 - $14,414) and others for $181.

(5) The figure for 2010 corresponds to the provision set up for receivable accounts from Geant International in 2009 from the investment in Cativén S.A.

(6) The figure for 2010 corresponds to projects bonus for $2,305, indemnities for personnel of the Parent Company Almacenes Éxito S.A. for $11,552, and provision for Organizational Excellence $15,844.

The figure for 2009 corresponds to personnel indemnities: $1,358 in the case of Carulla Vivero S.A., $15,878 for Almacenes Exito S.A.

(7) Figure for 2009 corresponds to merchandise claims for $1,116.

Figure for 2009 corresponds to uncollected claims from insurance companies totaling $1,087, other merchandise claims for $688 and other claims for $24.

(8) The figure for 2010 includes amortization of deferred restatements for the clearance of inflation adjustments for $1,057, fines, sanctions and litigations $1,537, maintenance and security guard expense on non-operating real estate for $295, assumed taxes $674 and other expenses for $6,925.

The figure for 2009 includes amortization of deferred restatements for the clearance of inflation adjustments for $2,802, fines, sanctions and litigations $3,664, maintenance and security guard expense on non-operating real estate $491, institutional and association contributions for $1,500, withdrawals of fixed assets $904, indemnities for external personnel and internal activities for employees $711, assumed taxes and non-deductible expense $806 and other expense $6,650.

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Note 27

RELEVANT FACTS

2010

Incorporation of Almacenes Éxito Inversiones S.A.S

According to information published in the Colombian Financial Superintendency on October 27, 2010, a Colombian Simplified Anonymous Corporation was incorporated and inscribed in the Chamber of Commerce of Aburrá South, Almacenes Éxito Inversiones S.A.S., exclusive property of Almacenes Éxito S.A., with the character of subsidiary and whose main object will be to invest in societies of the companies of Grupo Empresarial Éxito.

This company has received as a contribution from Éxito totaling three hundred thousand shares of the subsidiary company of Almacenes Éxito S.A., called Distribuidora de Textiles & Confecciones - Didetexco S.A., for sixteen thousand Colombian pesos each for a total of $4,800.

Ending of the lawsuit for the Unicentro's premises in Bogotá D.C.

On August 20, 2010, the subsidiary company Didetexco S.A. signed transaction contracts with Chevor S.A. and Industrias Alimenticias Aretama S.A., and Federación Nacional de Cafeteros, agreeing to call off the differences they had in relation with the rights on the premises where the Éxito store operates in the Shopping Mall Unicentro in Bogotá, D.C.

The transaction agreement established the cessation of all civil and commercial actions and the withdrawal of all civil action of the parts in the penal processes.

Business partnership agreement with CAFAM S.A.

So as to boost their respective levels of performance and service, Almacenes Éxito S.A. signed a business partnership agreement with Caja de Compensación Familiar CAFAM, to maximize their core retail store and pharmacy businesses. This partnership is based on the strengths that each party brings to the table, that is to say Cafam's expertise with its core pharmacy business and the experience that Almacenes Exito S.A. has gained with its core retail business, transferring the benefits to the consumer.

On July 28, 2010 the Superintendence of Trade and Industry resolved not objecting the integration operation derivative from the partnership between Cafam and Almacenes Éxito S.A., through which both companies join efforts to develop their businesses in the field of the supermarkets, hypermarkets and drugstores, this will allow Cafam to operate and manage 91 drugstores within the Almacenes Éxito, Ley and POMONA stores in 30 cities of the country and Almacenes Éxito S.A. to operate and manage 31 supermarkets and hypermarkets of Cafam in Bogotá and Cundinamarca and in Melgar, (Tolima.)

Cadena de Tiendas Venezolanas S.A. - Cativén S.A.

On November 26, Guichard Perrachon ("Casino") concluded an agreement with República Bolivariana de Venezuela for the sale of 80.1% of the shares of Cadena de Tiendas Venezolanas S.A. -Cativén S.A. This percentage included all shares held by Almacenes Éxito S.A., equivalent to 28.62% of Cativen's stoke, which were transferred to Casino under a sale contract between Almacenes Éxito S.A. and Geant International, subsidiary company of Casino. For its part, Casino has retained a 19.9% stake in Cativen S.A. to continue to provide operational support and cooperate with the new entity.

The sale was made in totaling US$90.5 million, 20% of which has been paid during 2010 totaling $18.1 million; the full payment of the portfolio is agreed until November 2011. (To the date of preparation of these notes, another 20% of the payment of another has been received on January 31, 2011).

2009

Share issues

a. Private issue

An issue of 14.349.285 common shares in the Parent Company at a price of US$7.75 dollars per share, which was carried out through a private offer of shares, this issue does not carry any preferential rights and was placed in its entirety with the remaining shareholders of Carulla Vivero S.A.

The price agreed upon was in line with the average price of Almacenes Éxito S.A.'s shares as listed on the Colombian Stock Exchange during a period of six months prior to October 23, 2009, at an average exchange rate calculated over the days preceding the closing date; all of which was duly stated in the Amended and Restarted Exit Rights Agreement signed between the Company and the remaining shareholders on October 26, 2009.

The purchase price for these preferred shares may be adjusted based on the future performance of Almacenes Éxito's common shares for a period of up to 30 months beginning as of March 15, 2010.

This arrangement had the following implications: it allowed the Company to set in advance the value of the purchase option for these preferred shares, reduce the amount of future obligations based on these agreements, prepare the ground for reaping the benefits of a possible merger and the Company's current shareholders could well see a drop in the stakes held given the share dilution brought about with this issue.

(In millions of Colombian pesos and in US dollars)

b. Public issue

Number of shares placed:	30.000.000
Total value of the issue, broken down as follows: Shares placed in the first round (October 27 - November 18, 2009):	Four hundred and thirty-five thousand million pesos 28.746.815
Ordinary shares corresponding to 95.8% of the total issue for a value of	$416,828 million pesos
Shares placed in the second round (November 25 - December 1, 2009):	1.253.185
Ordinary shares corresponding to 4.2% of the total issue for a value of	$18,171 million pesos

Purchase of a 22.5% stake in Carulla Vivero S.A.'s equity - CVSA

The remaining shareholders of Carulla Vivero S.A. subscribed to all of the 14.349.285 ordinary shares offered by Almacenes Exito S.A. at US$7.75 dollars per share, converted at the representative market rate for December 15, 2009, in accordance with that set out in Resolution 1930 issued December 15, 2009, by the Colombian Superintendence of Finance, by means of which said authority approved the regulations for said issue.

These shares were issued as a result of a private offer; they do not carry preferential rights and were placed in its entirety with the remaining shareholders.

Also and pursuant to the Amended and Restated Exit Rights Agreement signed by the Parent Company and the remaining shareholders in 2007, the Parent Company acquired the total 7.969.390 preferred shares held by the remaining shareholders in Carulla Vivero S.A. this representing 22.5% of the Company's share capital. With this, the Parent Company Almacenes Éxito S.A., acquired a 99.8% stake in Carulla Vivero S.A.

Comments on the consolidated financial results for 2010

Net revenues:

Came to $7,510,079 million for the year ending December 31, 2010. showing a 7.6% year-on-year increased compared with the $6,981,903 million obtained last year.

Gross profit:

Came to $1,863,996 million with a gross margin as a percentage of net revenues of 24.8%, showing a 7.2% year-on year increase, due to an optimum handling of the sales margin.

Selling, general and administrative expense:

Increased 4.1% for a total of $1,545,532 million, mainly due to the merger with Carulla Vivero. The increase of this this item was lower compared to the net revenues increase.

Operating income:

Totaled $318,464 million for 2010, compared to $254,878 million for 2009. As a percentage of net revenues, operating income rose by 4.2%.

EBITDA:

Came to $610,396 million for 2010, or 8.1% as a percentage of net revenues for a year-on year increase of 13.4%. This was mainly due to greater expense efficiencies and an optimum handling of sales margin.

Financial income and expense:

Net financial expense dropped by 62.9% to $41,709 in 2010 compared to $112,473 for the previous year, this mainly due to having reduced the Company's debt and income for short term investments.

Other non-operating income and expense:

Operating income totaled $9,975 million including $52,855 million in income on sales of fixed assets and investments. The main asset divested in 2010 was the investment in Cadena de Tiendas Venezolanas S.A., Cativén S.A.

Income tax:

The provision for income tax came to $31,888 million in 2010 compared to $46,810 million for 2009. The decreased in this provision is due to the effects of the merger with Carulla Vivero.

Net income:

Totaling $254,834 million for 2010 growing 73% compared to 2009. As a percentage of net revenues, the net income margin represented 3.4% in 2010 and 2.1% in 2009.

Financial indicators

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009

	2010	2009
1. LIQUIDITY RATIOS		
Current ratiot	1.05	1.10
Net Working Capital / Operating Revenues	1.28	2.15
Acid test ratio - inventories	0.61	0.59
Suppliers/ Inventories	1.30	1.24
2. INDEBTEDNESS RATIOS (%)		
Total indebtedness	33.51	34.19
Concentration of short-term borrowings	86.52	72.09
Financial indebtedness	9.22	12.18
Financial leverage	13.88	18.53
Short-term indebtedness	63.31	30.10
Total mid- to long-term indebtedness	36.69	69.90
Total indebtedness in foreign currency	58.02	65.30
Total indebtedness in local currency	41.64	34.70
Net Financial Expense / EBITDA	6.83	20.89
Gross Indebtedness / EBITDA (times)	1.00	1.43
Operating income / net financial expense (times)	7.64	2.27
Operating income / total financial obligations (times)	12.26	9.06
3. PROFITABILITY RATIOS (%)		
Margin before non-operating revenue and expense	4.24	3.65
Net margin	3.39	2.11
Return on assets	3.84	2.33
Return on Equity	5.77	3.54
EBITDA Margin (*)	8.13	7.71
Gross profit / Total net revenues	24.82	24.90
4. OPERATING EFFICIENCY AND TENDENCY RATIOS (TIMES)		
Total asset turnover	1.13	1.10
Inventory turnover	7.03	6.10
Supplier turnover	5.47	5.59
Gross profit / selling expense coverage	1.42	1.37
Fixed asset turnover	3.49	3.23
Administrative expense / gross profit (%)	12.54	12.39
Selling expense / gross profit (%)	70.38	72.95
Personnel expense / net revenues	7.30	6.69

(*) Profit before interest, tax, amortization, depreciation and adjustments for inflation.

The Parent Company does cash sale, so the financial ratio calculation "Accounts receivable turnover" does not apply.

Analysis of financial indicators

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

Liquidity ratios

The Parent Company's Working capital at December 31, 2010 came to $96,263 (2009 $150,049). This decrease was due to having paid off US$72 million of a syndicated loan taken out in 2007 to purchase Carulla Vivero S.A. and the sale of the investment held in Cativén S.A. for US$90,5 million.

The Parent Company has a total of $1.05 to cover its short-term borrowings and the supplier-inventory ratio rose to 1.30 compared to the 1.24 recorded for 2009, clearly showing an improvement in the Company's negotiating capacity with suppliers.

Indebtedness ratio

The Parent Company's total debt fell by 0.68% for 2010 going from 34.19% to 33.51%, having paid off US$72 million in the syndicated loan acquired in 2007 for the purchase of Carulla Vivero S.A. and the sale Forward operation for US$36 million to cover the payment of the syndicated loan.

The proportion of debt financed with financial obligations comes to 9.22%.

The indebtedness concentration ratio for 2010 shows a short-term portion of 86.52%, given the upcoming maturing of a syndicated loan of US$72 millions acquired in 2007 to purchase Carulla Vivero S.A. and the maturing of bonds for $30 million.

Mid- to long-term indebtedness with the financial sector included a syndicated loan for US$72 million, disbursed in January, 2007, in order to purchase Carulla Vivero S.A.

The Net financial expense/EBITDA decreased 14.06% passing from 20.89% to 6.83%, this due to the payment of the syndicated loan of US$72 millions.

Profitability indicators

The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin shows the Parent Company's capacity to generate cash from its operations which in 2010 came to 8.13%.

The profit margin over the assets and equity increased from 1.51 to 2.23 respectively when comparing 2010 and 2009.

The Parent Company in 2010 produced a net margin of 3.39%, upon comparing this with a margin obtained before non-operating revenue and expense of 4.24% showing that non-operating items represent 0.85% of the Organization's operating revenue.

Operating efficiency and tendency ratios

Each peso that the Parent Company invested last year in assets provided additional revenue of 0.03% which shows that the Company's total asset turnover improved from 1.10 in 2009 to 1.13 in 2010.

The Parent Company's purchases remain on average 51 days in inventory whereas payment terms average out at 66 days.

Consolidated Operational Indicators

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009

Number of stores, selling area (own, leased)

	Stores		Area	
Own/Leased	Stores	%	Area (sq m)	%
Leased	156	52	251.132	37
Owned	143	48	424.615	63
Total	**299**	**100**	**675.747**	**100**

Number of store, selling area and % sales

Brand	Stores	Selling Area (sq m)	% sales by brand
Éxito	128	500.686	75.1
Carulla, Pomona	79	75.328	16.9
Bodega & Bodeguita Surtimax	54	42.585	4.1
Other: Ley, Homemart, Cafam	38	57.148	3.9
Total	**299**	**675.747**	**100.0**

Openings, closings and conversions for twelve months ended on December 31, 2010

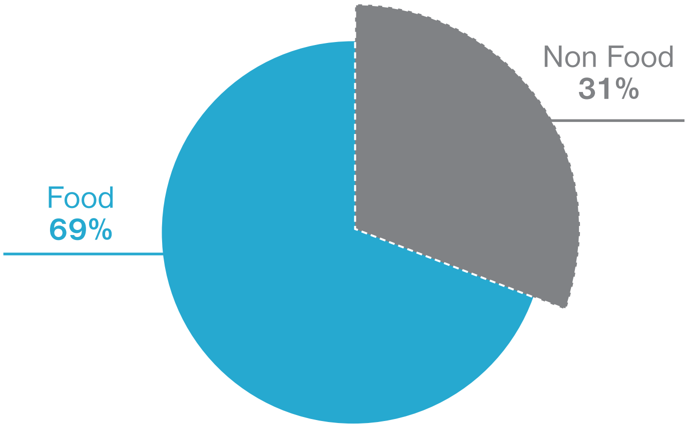
Brand	Opened	Closed	Converted	
Éxito	12	1 (Vivero)	30	From Ley, Vivero, Carulla and Cafam brands
Carulla, Pomona	1	2	0	
Bodega & Bodeg Surtimax	1	2	8	From Ley, Carulla and Cafam brands
Other: Ley, Homemart, Cafam	31*	1 (Ley)	0	
Total	**45**	**6**	**38**	

(*) Corresponds to 31 CAFAM stores integrated to Éxito's operations.

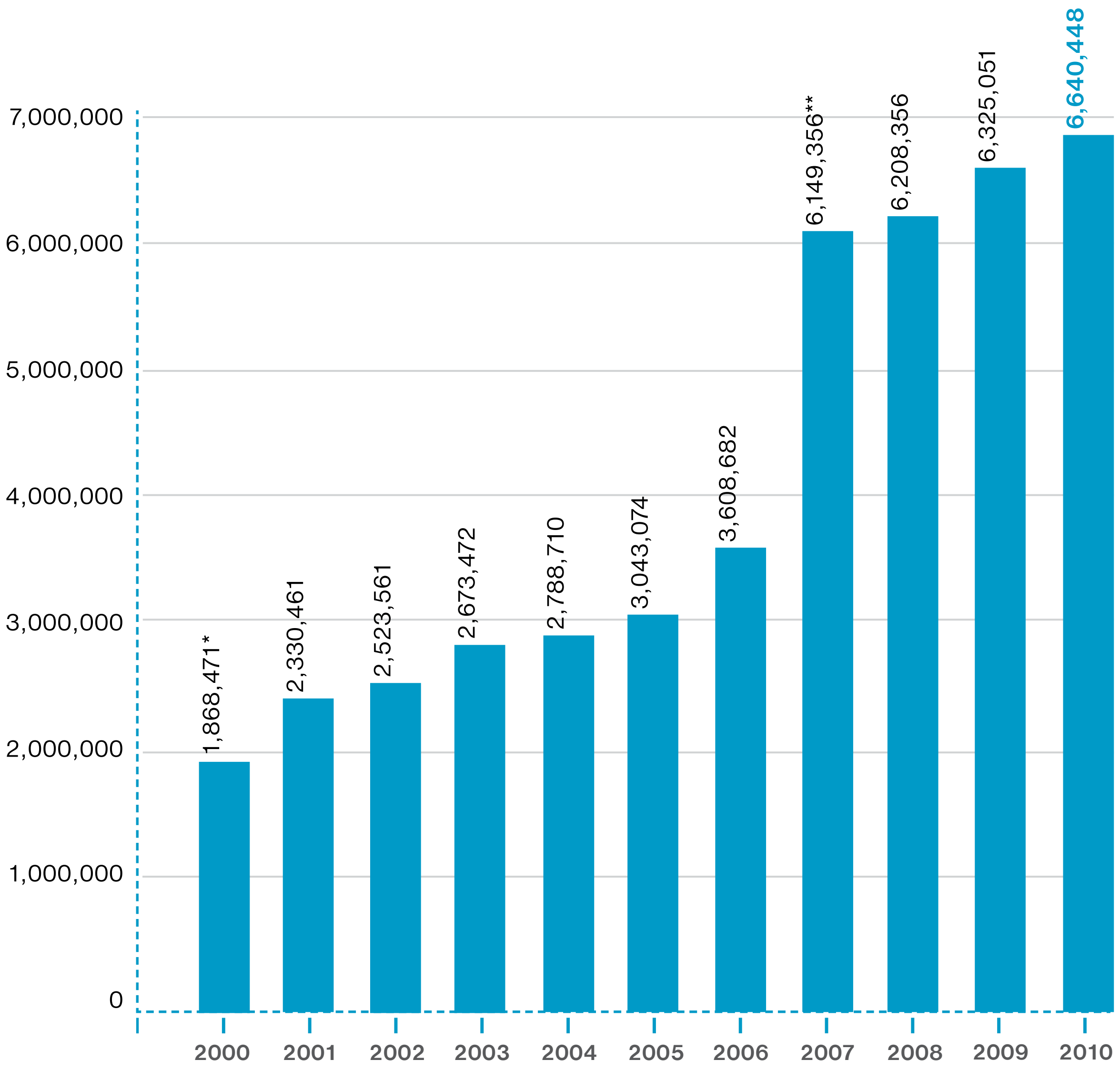
Consolidated investment, as of December 31, 2010

	% CAPEX
Expansion	18
Conversions and Remodeling	48
Logistics and IT	12
Other	22
Total CAPEX COP 272,073 million	**100**

Sales mix

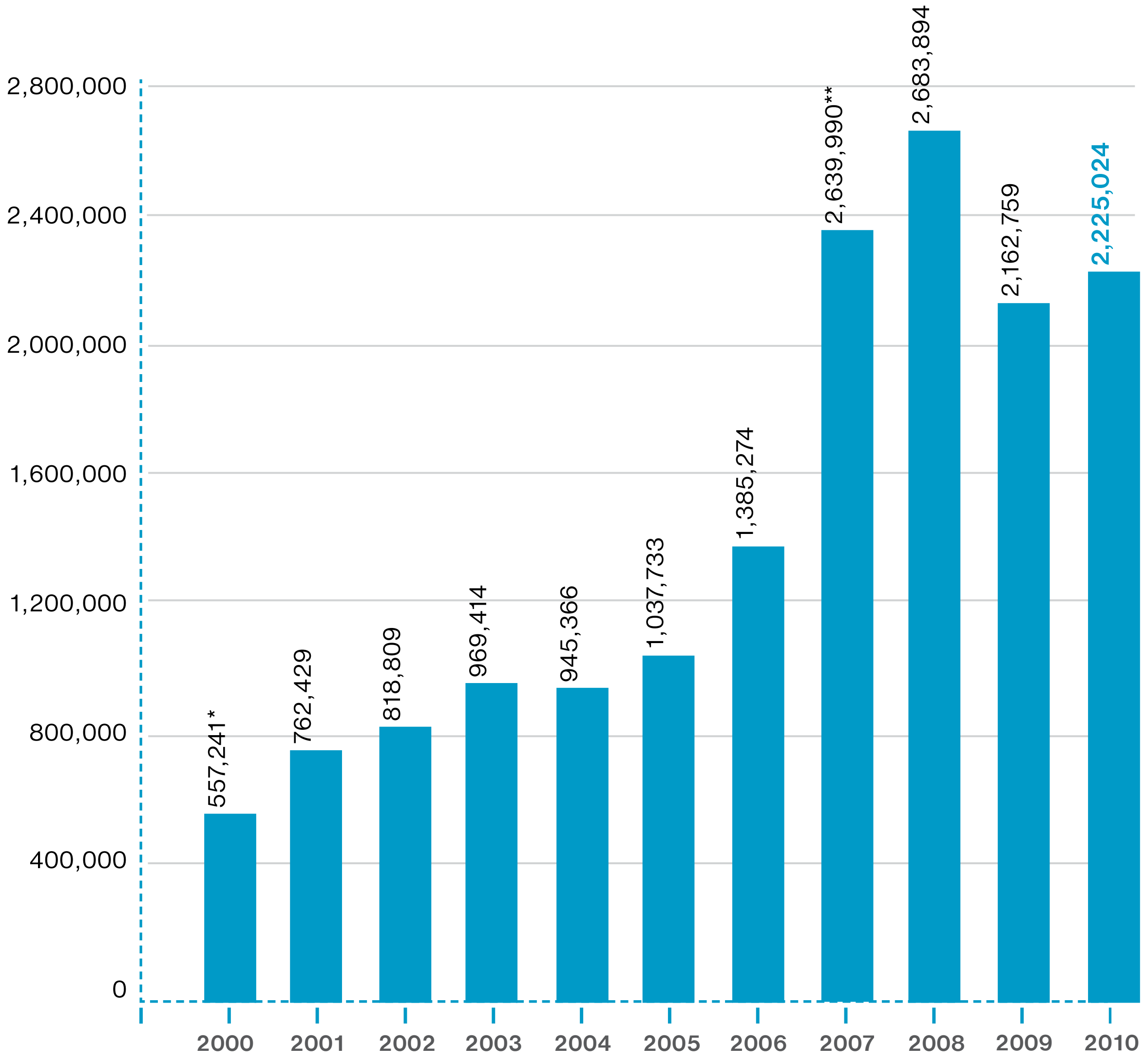


Assets



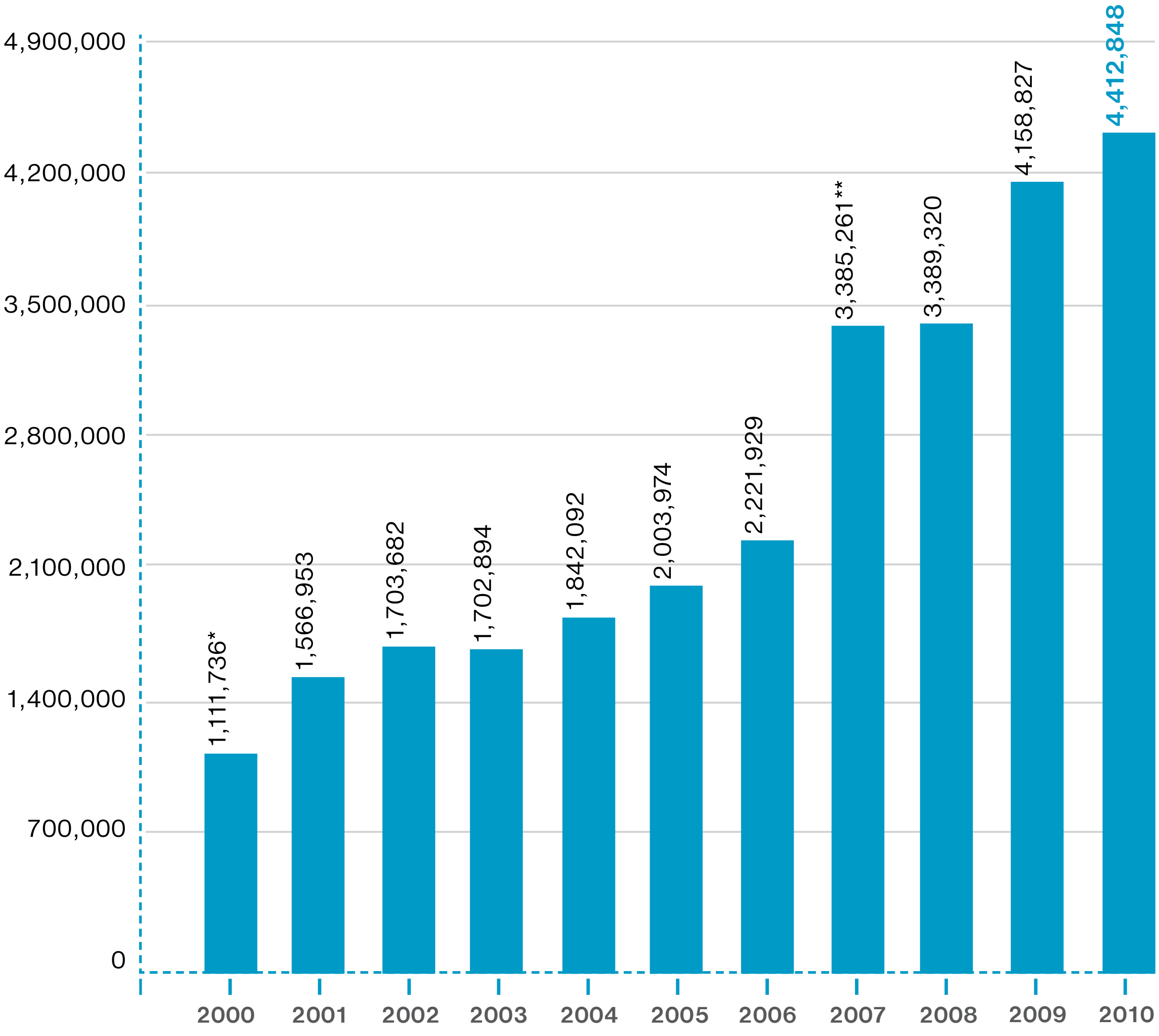
*Year 2000 Acquisition of Gran Cadena de Almacenes Colombianos S.A., Cadenalco.
**Year 2007 Acquisition of Carulla Vivero S.A.

Liabilities



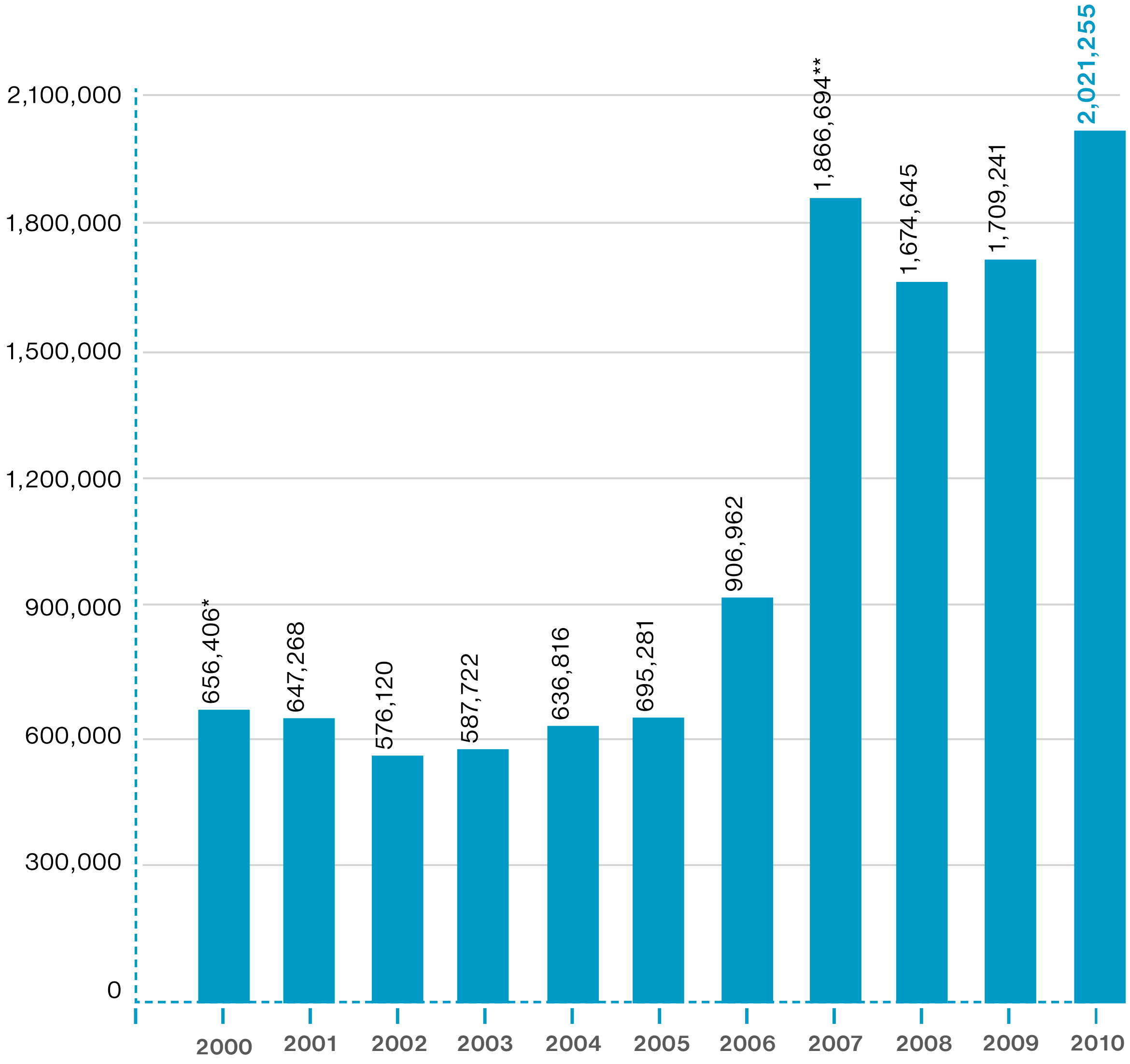
*Year 2000 Acquisition of Gran Cadena de Almacenes Colombianos S.A., Cadenalco.
**Year 2007 Acquisition of Carulla Vivero S.A.

Shareholders´ Equity



*Year 2000 Acquisition of Gran Cadena de Almacenes Colombianos S.A., Cadenalco
**Year 2007 Acquisition of Carulla Vivero S.A.

Current Assets



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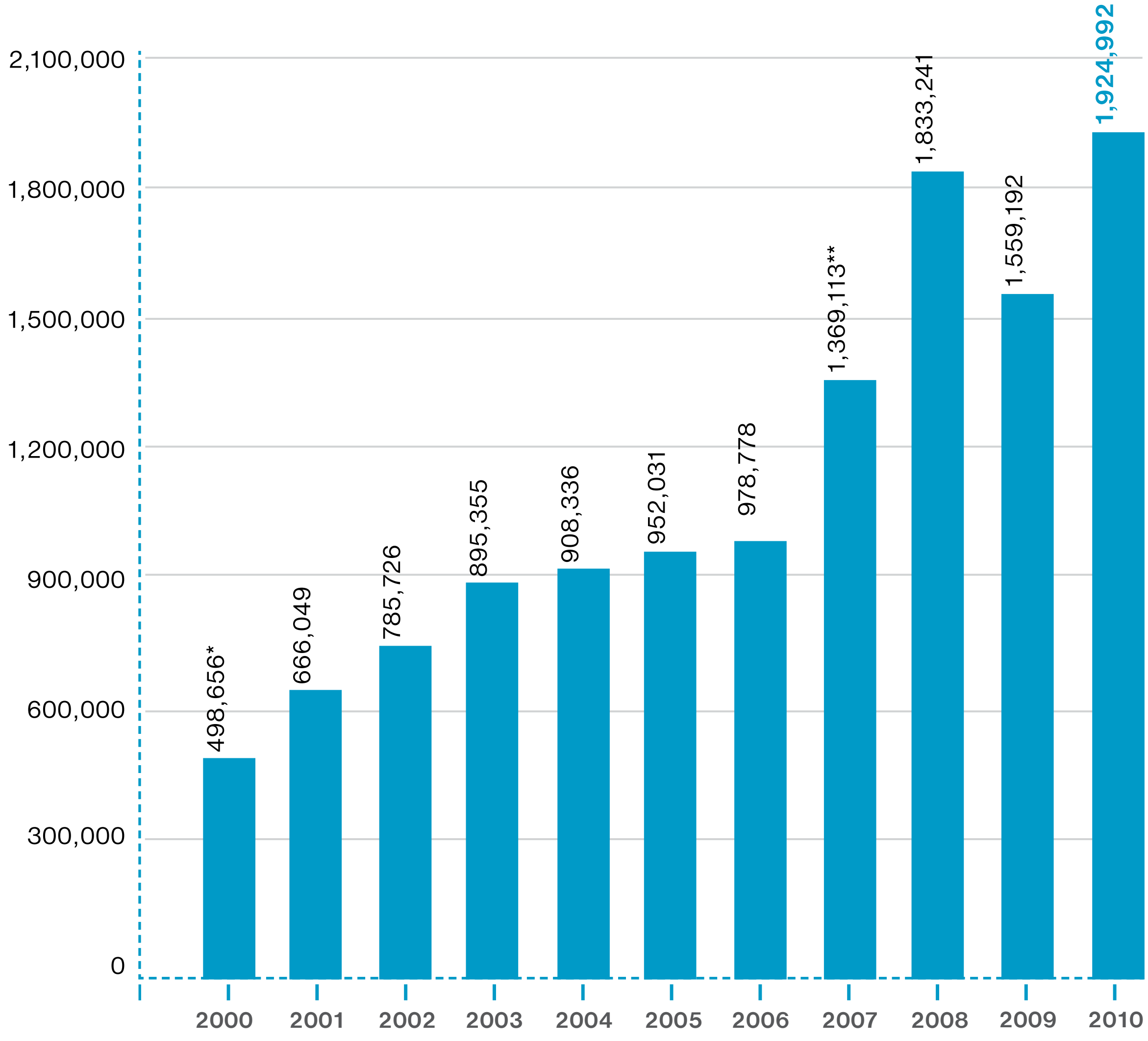
**Year 2007 Acquisition of Carulla Vivero S.A.

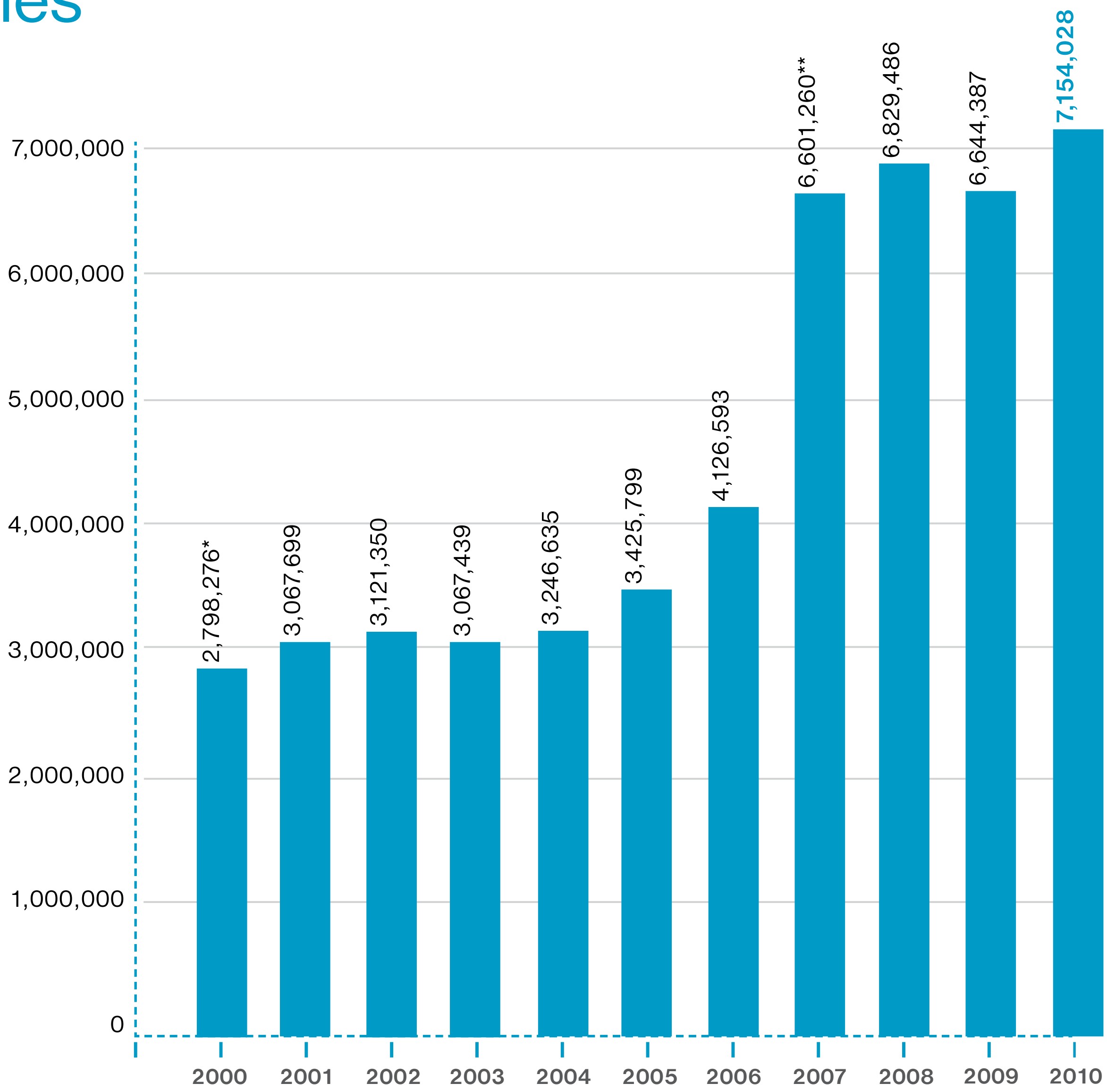
Current Liabilities



*Year 2000 Acquisition of Gran Cadena de Almacenes Colombianos S.A., Cadenalco.
**Year 2007 Acquisition of Carulla Vivero S.A.

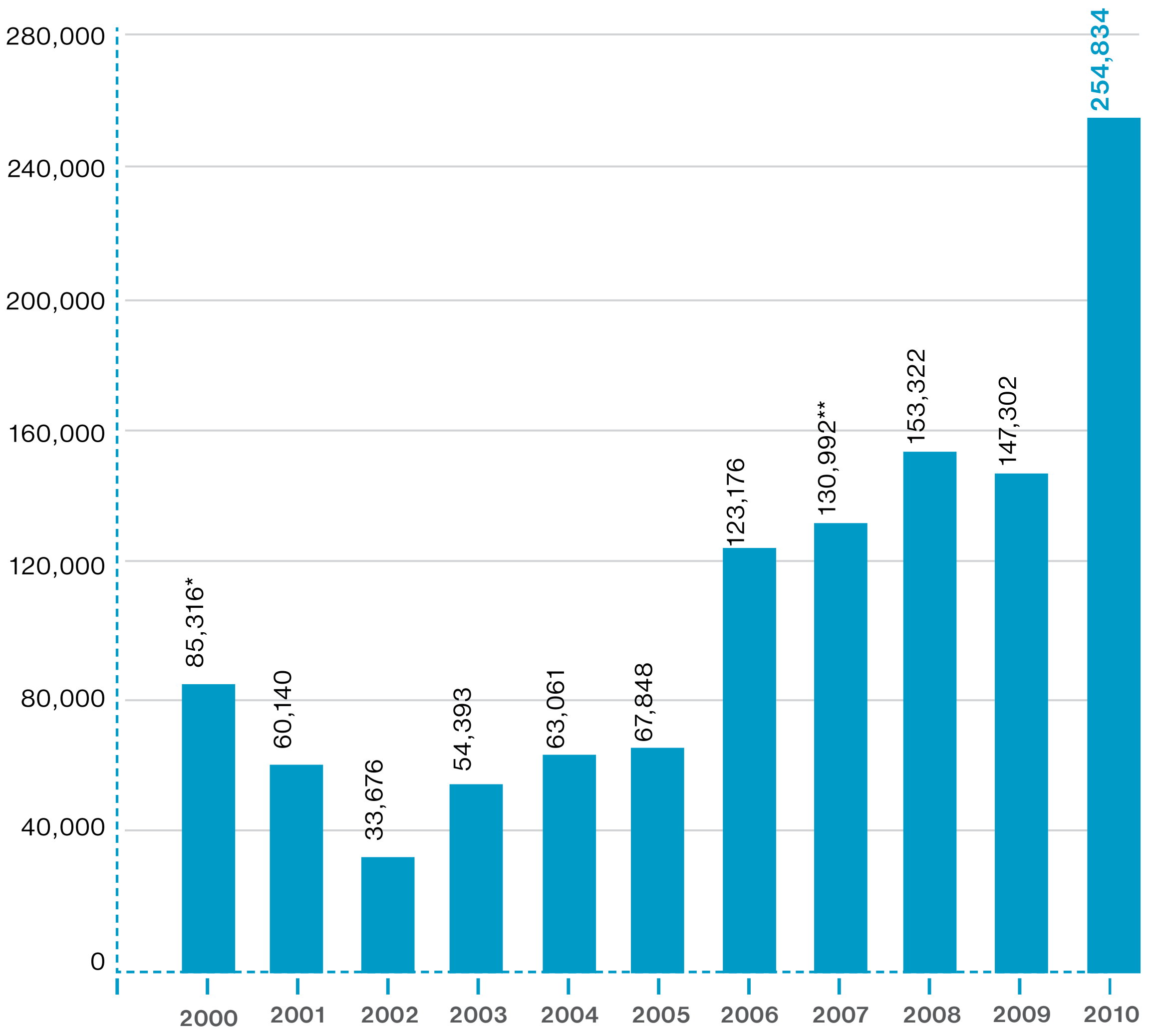
Index

Sales



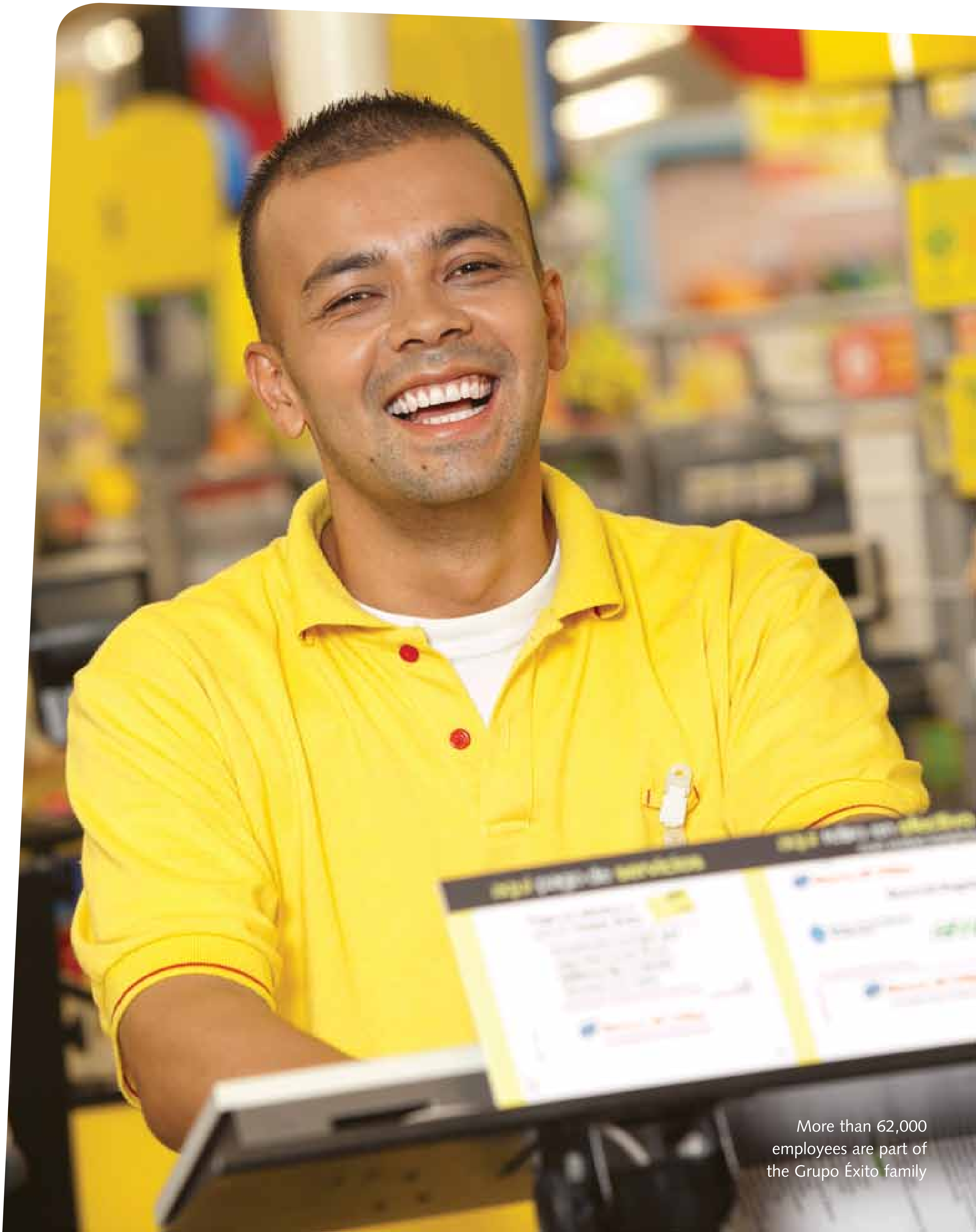
*Year 2000 Acquisition of Gran Cadena de Almacenes Colombianos S.A., Cadenalco.
**Year 2007 Acquisition of Carulla Vivero S.A.

Net Income



*Year 2000 Acquisition of Gran Cadena de Almacenes Colombianos S.A., Cadenalco.
**Year 2007 Acquisition of Carulla Vivero S.A.

Financial statements



More than 62,000 employees are part of the Grupo Éxito family

Ernst & Young

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Statutory Auditor's Report

To the Shareholders of
Almacenes Éxito S.A.

I have audited the accompanying financial statements which comprise the balance sheets of Almacenes Éxito S.A., as at December 31, 2010 and 2009 and the related statements of income, changes in equity, changes in financial position and cash flows for the years then ended, and the summary of significant accounting policies and other explanatory notes.

The Company's administration is responsible for the preparation and fair presentation of the financial statements, in accordance with accounting principles generally accepted in Colombia. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; and selecting and applying appropriate accounting policies and making estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these financial statements based on my audits. I obtained the necessary information to comply with my functions and performed my examinations in accordance with auditing standards generally accepted in Colombia. These standards require that an audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audits provide a reasonable basis for my audit opinion.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Almacenes Éxito S. A. as of December 31, 2010 and 2009, the results of its operations, the changes in its financial position and the cash flows for the years then ended, in accordance with accounting principles generally accepted in Colombia, issued by the Colombian Government, consistently applied.

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Further, based on the scope of my audits, I am not aware of situations indicating that the Company has not: 1) kept minute books, the shareholders' register and the accounting records in accordance with legal requirements and prescribed accounting principles; 2) carried out its operations in accordance with the by-laws and the decisions of the Shareholders' and Board of Directors' meetings, 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.

Luz Elena Rodríguez
Statutory Auditor
Professional Card 25820-T
Designated by Ernst & Young Audit Ltda. TR-530

Medellín, Colombia
February 24, 2011

grupo éxito

Financial Statement Certification

To:
The General Assembly of Shareholders of Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE AND PUBLIC ACCOUNTANT OF ALMACENES ÉXITO S.A., EACH ONE ACTING WITHIN OUR OWN CAPACITY

HEREBY CERTIFY:

That in advance we have verified the statements made in the financial statements of both the Company at December 31, 2010 and 2009, according to applicable regulations, and that these were faithfully taken from books.

Therefore, and with regard to the aforementioned financial statements, we hereby declare that:

1. The assets and liabilities of the Company do exist and the transactions recorded were carried out in the year stated.

2. All transactions carried out have been duly recorded.

3. Assets represent acquired rights and liabilities represent obligations payable by the Company.

4. All items have been recorded at their appropriate values.

5. The transactions carried out have been correctly classified, described and disclosed.

This certification has been issued in compliance with that set out in Article 37 of Law 222 of 1995.

In witness whereof, this certification has been signed on February 24, 2010.

GONZALO RESTREPO LÓPEZ
Legal representative

Claudia Patricia Alvarez
CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant
Lic # 69447-T

Financial Statements Certification Pursuant To Law 964 Of 2005

To:
The General Assembly of Shareholders of Almacenes Éxito S.A.
Envigado

THE UNDERSIGNED LEGAL REPRESENTATIVE OF ALMACENES ÉXITO S.A.

HEREBY CERTIFIES:

That the financial statements and the operations carried out by the Company at December 31, 2010 and 2009, neither lack precision nor do they contain any flaws or errors that could keep from knowing the real financial condition of the aforementioned Company.

This certification has been issued in compliance with that set out in Article 46 of Law 964 of 2005.

In witness whereof, this certification has been signed on February 24, 2010.

GONZALO RESTREPO LÓPEZ
Legal Representative

grupo éxito

Balance Sheet

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	Notes	2010	2009
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	514,387	392,316
Negotiable investments	5	274,452	240,626
Accounts receivable	6	355,327	223,284
Inventories	7	822,608	785,637
Deferred items, net	13	41,594	26,553
TOTAL CURRENT ASSETS		**2,008,368**	**1,668,416**
NON-CURRENT ASSETS			
Accounts receivable	6	51,573	58,941
Permanent investments	9 and 10	172,007	936,732
Property, plant and equipment, net	11	2,050,850	1,793,714
Intangibles, net	12	1,004,933	976,806
Deferred items, net	13	231,234	191,984
Other assets		285	285
Valuations	14	1,121,088	764,605
TOTAL NON-CURRENT ASSETS		**4,631,970**	**4,723,067**
TOTAL ASSETS		**6,640,338**	**6,391,483**
MEMORANDUM ACCOUNTS, DEBTOR AND CREDITOR	25	**4,577,106**	**5,154,641**

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	Notes	2010	2009
LIABILITIES AND SHAREHOLDERS EQUITY			
CURRENT LIABILITIES			
Financial obligations	15	357,294	231,718
Suppliers	16	1,098,496	1,040,292
Accounts payable	17	272,441	369,030
Taxes, duties and rates	19	59,838	60,442
Labor liabilities	20	50,063	34,240
Estimated liabilities and provisions	22	42,522	30,744
Bonds	18	30,350	-
Other liabilities	23	12,080	12,889
TOTAL CURRENT LIABILITIES		**1,923,084**	**1,779,355**
NON-CURRENT LIABILITIES			
Financial obligations	15	-	283,664
Labor liabilities	20	575	732
Estimated pension liability	21	16,844	9,523
Bonds	18	224,650	105,000
Deferred items, net	13	15,168	8,355
Other liabilities	23	42,795	41,731
TOTAL NON-CURRENT LIABILITIES		**300,032**	**449,005**
TOTAL LIABILITIES		**2,223,116**	**2,228,360**
SHAREHOLDERS EQUITY, PLEASE REFER TO STATEMENT ATTACHED	14 and 24	**4,417,222**	**4,163,123**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		**6,640,338**	**6,391,483**
MEMORANDUM ACCOUNTS, DEBTOR AND CREDITOR	25	**4,577,106**	**5,154,641**

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

Claudia Patricia Alvarez

CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant
Lic # 69447-T
(See attached certification)

LUZ ELENA RODRÍGUEZ
Statutory Auditor
Lic # 25820-T
Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

grupo éxito

Income Statement

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	Notes	2010	2009
NET REVENUES			
Sales		7,151,445	6,634,144
Other operating revenues		355,687	336,522
TOTAL NET REVENUES	26	**7,507,132**	**6,970,666**
COST OF SALES		**(5,658,967)**	**(5,257,311)**
GROSS PROFIT		**1,848,165**	**1,713,355**
SELLING, GENERAL & ADMINISTRATIVE EXPENSE			
Salaries and employment benefits		(545,570)	(456,522)
Other selling, general & administrative expense		(700,426)	(867,613)
Depreciation and amortization		(287,280)	(244,590)
TOTAL SELLING, GENERAL & ADMINISTRATIVE EXPENSE	27	**(1,533,276)**	**(1,568,725)**
OPERATING INCOME		**314,889**	**144,630**
NON-OPERATING INCOME AND EXPENSE			
Financial income		83,026	46,697
Dividends and participation income		473	-
Income via equity method, net	10	686	81,715
Financial expense		(124,544)	(158,742)
Other non-operating income and expense, net	28	10,276	42,885
TOTAL NON-OPERATING INCOME AND EXPENSE, NET		**(30,083)**	**12,555**
INCOME BEFORE TAX		**284,806**	**157,185**
INCOME AND COMPLEMENTARY TAX			
Current		(47,660)	(27,159)
Deferred		17,688	17,276
TOTAL INCOME TAX AND COMPLEMENTARY	19	**(29,972)**	**(9,883)**
NET INCOME		**254,834**	**147,302**
NET INCOME PER SHARE	2	**764.50***	**442.12***

(*) In Colombian pesos

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

GONZALO RESTREPO LÓPEZ
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(See my report dated February 24, 2011)

Statement of Changes in Shareholders' Equity

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

			Reserves										
	Share Capital	Capital surplus	Statutory Reserve	Reserve for future expansion and improvements	Repurchased shares	Tax deprecia-tion	Future dividends	Total reserves	Equity Revaluation	Retained Earnings	Unappropri-ated Earnings	Valuation Surplus	Total
Balance at December 31 2008	**2,843**	**1,621,198**	**7,857**	**240,025**	**19,266**	**8,741**	**1,419**	**277,308**	**570,376**	**7,813**	**153,322**	**761,107**	**3,393,967**
Appropriations made by the General Assembly of Shareholders: Cash dividend of $60 (*) per share and per quarter from April 2009 to March 2010 on Almacenes Exito S.A's 283.627.168 shares outstanding.											(68,070)		(68,070)
Unappropriated earnings transferred to reserve for future expansion and improvements				85,252				85,252			(85,252)		-
Increase via equity method		42,888											42,888
Drop in value of derivatives		(36,992)											(36,992)
Share issue dividend payments	52	51,371											51,423
Share issues	443	650,036											650,479
Wealth tax - 2009									(21,372)				(21,372)
Increase in valuation surplus												3,498	3,498
Net income at December 31, 2009											147,302		147,302
Balance at December 31 2009	**3,338**	**2,328,501**	**7,857**	**325,277**	**19,266**	**8,741**	**1,419**	**362,560**	**549,004**	**7,813**	**147,302**	**764,605**	**4,163,123**
Appropriations made by the General Assembly of Shareholders: Cash dividend of $60 (*) per share and per quarter from April 2010 to March 2011 on Almacenes Exito S.A's 333.174.004 shares outstanding.											(79,961)		(79,961)
Unappropriated earnings transferred to reserve for future expansion and improvements				67,341				67,341			(67,341)		-
Decrease in equity method		(21,179)											(21,179)
Decrease in value of derivatives		22,451											22,451
Share placement premium		(1,546)											(1,546)
Share issue for merger	2	2,921											2,923
Entries elimination for merger		(52,630)							(205,904)			256,479	(2,055)
Wealth tax - 2010									(21,372)				(21,372)
Increase in valuation surplus												100,004	100,004
Net income at December 31, 2010											254,834		254,834
Balance at December 31 2010	**3,340**	**2,278,518**	**7,857**	**392,618**	**19,266**	**8,741**	**1,419**	**429,901**	**321,728**	**7,813**	**254,834**	**1,121,088**	**4,417,222**

(*) In Colombian pesos

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

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

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(See attached certification)

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Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

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Statement of Changes in Financial Position

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
FINANCIAL RESOURCES WERE PROVIDED BY:		
Net income for the year	254,834	147,302
Plus (minus) charges (credited) to operations that do not affect working capital:		
Depreciation on property, plant and equipment	202,201	177,291
Amortized deferred charges	50,669	46,639
Amortized intangibles	34,410	20,660
Proceeds from sale of property, plant and equipment, net	(10,663)	(57,569)
Profits from sale of intangibles	(7,808)	(2,141)
Reduction in long-term deferred tax	(10,206)	(45,926)
Increase in provisions for property, plant and equipment, net	317	(1,591)
Decrease on amortized long-term actuarial calculations	2,759	57
Profits from applying equity method to the income accounts	(686)	(81,715)
Increase on provision for protection of investments, net	(79,971)	(39,558)
Adjustments for exchange difference on foreign investments, net	11,425	14,414
Amortized rentals paid in advance	201	169
Profits from sale of investments	(34,381)	(5,897)
Losses on sale of investments	2	31,766
Adjustments on de-leveraging securities	(11)	(8)
Amortized deferred monetary correction	(502)	(1,329)
Returns obtained from fiduciary arrangements	(17)	(121)
Others	3,023	1,058
WORKING CAPITAL PROVIDED BY OPERATIONS	**415,596**	**203,501**
FINANCIAL RESOURCES GENERATED FROM OTHER SOURCES:		
Proceeds from sale of property, plant and equipment, net	29,140	162,130
Proceeds from sale of long-term deferred items	114	720
Income on sale of investments	171,000	53,345
Proceeds from sale of intangibles	31,097	7,717
Increase in long-term labor liabilities	(158)	222
Share issues	1,377	495
Premium on share issue	-	701,402
Increase in other long-term liabilities	1,065	23,042
Redemption of liabilities reduction bonds	160	-
Assets transferred to deferred items	1,145	-
Long terms bonds and commercial papers transferred to short term	(30,350)	-
Assignment of contracts	5,692	-
TOTAL FINANCIAL RESOURCES PROVIDED	**625,878**	**1,152,574**

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
FINANCIAL RESOURCES WERE APPLIED TO:		
Purchases of investments	6,000	166,576
Purchases of property, plant, equipment and other assets	212,328	139,851
Increase in intangibles	21,506	314,371
(Decrease) increase in non-current receivables	(7,915)	1,431
Increase in deferred non-current assets	60,183	13,674
Declared dividends	79,961	68,070
Decrease in financial obligations	283,664	193,843
Wealth tax	21,372	21,372
Long-term receivables transferred to intangibles	-	593
Effect of derivative valuations	(22,452)	36,992
Changes in working capital due to merger	(224,992)	-
TOTAL FINANCIAL RESOURCES APPLIED	**429,655**	**956,773**
INCREASE (DECREASE) IN WORKING CAPITAL	**196,223**	**195,801**
ANALYSIS OF CHANGES IN WORKING CAPITAL		
INCREASE (DECREASE) IN CURRENT ASSETS		
Cash and cash equivalents	122,071	210,791
Negotiable investments	33,826	20,098
Accounts receivable	132,043	(17,042)
Inventories	36,971	(127,383)
Deferred charges	15,041	(28,650)
TOTAL INCREASE IN CURRENT ASSETS	**339,952**	**57,814**
(INCREASE) DECREASE IN CURRENT LIABILITIES		
Financial obligations	(125,576)	244,740
Suppliers	(58,204)	(74,152)
Accounts payable	96,589	(29,968)
Taxes, duties and rates	604	(16,012)
Other liabilities	(15,823)	911
Labor liabilities	(11,778)	(2,930)
Estimated liabilities	809	15,398
Commercial papers and short-term bonds	(30,350)	-
TOTAL INCREASE IN CURRENT LIABILITIES	**(143,729)**	**137,987**
INCREASE (DECREASE) IN WORKING CAPITAL	**196,223**	**195,801**

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

Claudia Patricia Alvarez
CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant
Lic # 69447-T
(See attached certification)

LUZ ELENA RODRÍGUEZ
Statutory Auditor
Lic # 25820-T
Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

Statement of Cash Flows

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
CASH RECEIVED FROM THE SALE OF GOODS, SERVICES AND OTHER ITEMS:		
Goods, services and other items	8,400,793	7,719,769
Payments to suppliers	(6,251,118)	(5,611,229)
Paid wages, salaries and employment benefits	(529,779)	(454,586)
Paid administrative expense	(74,633)	(67,835)
Paid sales expense	(657,238)	(780,570)
Paid sales tax	(154,079)	(112,224)
Paid income tax	(117,760)	(81,357)
SUBTOTAL CASH PROVIDED BY OPERATING ACTIVITIES	**616,186**	**611,968**
Purchases of property, plant and equipment, net	(174,549)	(180,700)
Acquired deferred charges	(60,293)	(13,163)
Income from sale of property, plant and equipment, net	21,030	178,935
Purchases of investments	(5,200)	(166,576)
Purchases of intangibles	(12,114)	(314,372)
Income on sale of intangibles	14,845	7,717
SUBTOTAL NET CASH USED IN PROPERTY, PLANT AND EQUIPMENT	**(216,281)**	**(488,159)**
Negotiable investments received (paid)	(27,988)	(20,098)
Income on sale of permanent investments	34,228	47,797
Interests received	80,959	46,175
Dividends and participations received	473	-
SUBTOTAL NET CASH PROVIDED BY (USED FOR) OTHER INVESTMENTS	**87,672**	**73,874**
TOTAL NET CASH USED FOR INVESTING ACTIVITIES	**(128,609)**	**(414,285)**
Loans received	70,430	7,386
Payments of principal owing on loans	(206,095)	(482,960)
Dividend declared and paid	(65,862)	(29,484)
Share issues	1,377	650,479
Interest paid on loans and bonds	(127,606)	(140,933)
SUBTOTAL NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	**(327,756)**	**4,488**
Cash inflows on other items	62,260	84,556
Cash outflow on payment of wealth tax	(25,794)	(21,372)
Cash outflows on other items	(75,680)	(54,564)
SUBTOTAL NET CASH USED FOR OTHER ITEMS	**(39,214)**	**8,620**
TOTAL NET INCREASE IN CASH	**120,607**	**210,791**
OPENING CASH BALANCE EXITO	**392,316**	**181,525**
OPENING CASH BALANCE CARULLA	**1,464**	**-**
ENDING CASH BALANCE	**514,387**	**392,316**

GONZALO RESTREPO LÓPEZ
Legal Representative
(See attached certification)

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
CONCILIATION BETWEEN NET INCOME WITH CASH PROVIDED BY OPERATING ACTIVITIES		
NET INCOME FOR THE YEAR	**254,834**	**147,302**
Adjustments to reconcile net income with net cash provided by operating activities:		
Amortization - deferred monetary correction	(501)	(1,329)
Depreciation on property, plant and equipment, net	202,202	177,291
Amortized deferred charges	50,669	46,639
Amortized intangibles	34,410	20,660
Amortized rentals paid in advance	201	889
Decrease in actuarial calculations to be amortized	2,759	57
Proceeds from sale of property, plant and equipment, net	(10,663)	(57,569)
Profits from applying equity method to the income accounts	(686)	(81,715)
Profits from sale of intangibles	(7,808)	(2,141)
Increase on provision for protection of investments, net	(79,971)	(39,558)
Increase in provisions for property, plant and equipment, net	317	(1,591)
Adjustments for exchange difference on foreign investments	11,425	14,414
Profits on sale of investments	(34,381)	(5,897)
Losses on sale of investments	2	31,766
Changes in non-operating accounts	55,804	74,100
Accrued expense	102,238	16,412
Donations	2,092	1,718
Financial transaction tax	808	891
Increase (decrease) in inventories	(36,971)	127,383
Increase in suppliers	58,204	74,152
Labor liabilities	13,033	1,879
Interests received	(80,957)	(46,175)
Interest paid	127,606	140,933
Taxes payable	(57,166)	(29,603)
Assignment of contracts	5,692	-
Others	2,996	1,060
NET CASH PROVIDED BY OPERATING ACTIVITIES	**616,186**	**611,968**

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

Claudia Patricia Alvarez
CLAUDIA PATRICIA ÁLVAREZ AGUDELO
Public Accountant
Lic # 69447-T
(See attached certification)

Luz Elena Rodríguez
LUZ ELENA RODRÍGUEZ
Statutory Auditor
Lic # 25820-T
Appointed by Ernst & Young Audit Ltda. TR-530
(See my report dated February 24, 2011)

(In millions of Colombian pesos and in US dollars)

Note 1
REPORTING ENTITY

Almacenes Éxito S.A. was incorporated according to Colombian law on March 24, 1950. The Company's business purpose is to acquire, store, process and, in general, distribute and sell under any type of commercial arrangement, including financing, any type of merchandise or product, produced nationally or abroad, either wholesale or retail.

Its main domicile is located in the town of Envigado, Colombia, at the following address: Carrera 48 Nº 32B Sur - 139. The term of its duration is due to expire on December 31, 2050.

In May 2007, the Casino Group based in France acquired a controlling stake in the Company, and at December 31, 2010 held a 54.77% stake in the Company's share capital.

Merger with Carulla Vivero S.A.

By means of public deed number 5037 of September 02, 2010, the merger by absorption between the Almacenes Éxito S.A. and Carulla Vivero S.A. was formalized and registered in the Éxito's trade register administered by the Aburrá South Chamber of Commerce and approved by the Colombian Financial Superintendency according to resolution 1685 of August 20, 2010.

As a result of the merger, Carulla Vivero S.A. was dissolved without winding up and its assets and liabilities were integrated to Almacenes Éxito S.A. as follows:

	Figures before Merger		Figures after Merger
	ÉXITO	**Carulla**	**ÉXITO**
Assets	6,157,375	972,806	5,996,114
Liabilities	1,996,058	215,790	1,822,215
Equity	4,161,317	757,016	4,173,899

Note 2
MAIN ACCOUNTING POLICIES AND PRACTICES

In preparing its financial statements, the Company abides by generally-accepted accounting principles in Colombia, as provided for by law, as well as the rules, regulations and instructions issued by the Colombian Superintendence of Finance together with all applicable legal provisions; said principles may differ in certain aspects from those established by other State regulatory authorities. The following are the main accounting policies and practices that the Company has adopted in keeping with the above:

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Adjustments for inflation

By means of Law 1111 passed December 27th, 2006, the Colombian Government eliminated adjustments for inflation for fiscal purposes beginning on January 1st, 2007. These same adjustments for accounting purposes were eliminated by means of Decree 1536, issued on May 7, 2007, and backdated to January 1st, 2007. Adjustments for inflation accruing in accounts up to December 31, 2006 were not reversed and continued to form part of the balance of the respective accounts for all accounting purposes, until these are settled, depreciated or amortized. Also the balance of the equity revaluation account may be reduced with applicable wealth tax, but may not be distributed as profits until the company is wound up or capitalized, this according to currently applicable legislation. Once the company is capitalized, the equity revaluation account may be used to absorb losses, providing the company is being wound up, however it cannot be used to reduce the Company's capital. This capitalization, with regard to shareholders, represents income that is not subject to either income or occasional earnings tax.

In January 2010 and 2009, Company Administration availed itself of the aforementioned legislation and recorded a lower value for its equity revaluation account $21,372 for each year.

Foreign exchange conversion

All foreign currency operations were posted according to the exchange rates that applied on the dates these were carried out. At the end of each period, balances corresponding to cash, banks and accounts receivable or payable, as well as financial obligations and investments in foreign currency are adjusted using the applicable exchange rate that, since the end of 1991 has been the Representative Market Rate, certified by the Colombian Superintendence of Finance. With regard to balances remaining due and payable, only the exchange differences that are not attributable to the cost of acquiring assets are posted in the income accounts in the form of financial expense. Exchange differences can be attributed to the cost of acquiring assets while these are either being built or installed and until they are fit to be used.

Assets and liabilities classification

Assets and liabilities are classified according to their use or the degree in which they can be realized, remain disposable, become due and payable or are finally settled, this in terms of both time and amounts.

For this purpose, current assets are considered amounts that are realized or remain disposable for up to one year, and current liabilities are all those items that become due and payable or are settled also within a term of up to one year.

Cash and cash equivalents

These are available funds that the Company has at its immediate disposal. This account includes cash and due from banks and corporations, as well as balances pending clearing with different banking networks.

Accounts receivable

These represent the resources that confer the right to demand that a third party fulfills an obligation, therein incorporated, in the form of cash, goods or services, according to that agreed upon between the parties, as a result of any legal arrangement made with regard to credit payments.

Accounts receivable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

At the close of the fiscal year, technical evaluations are performed on the probability of their recovery and any loss contingencies are duly recorded.

Inventories

Inventories of merchandise that are not manufactured by the Company are posted at cost, which is calculated using the retail method.

Inventories of merchandise manufactured by the Company are posted at cost, which is calculated using the weighted average method.

Inventories of materials, spare parts and accessories are posted at cost. Their appraisal at the end of each fiscal year is recorded using the FIFO method.

Merchandise in transit is appraised using the specific value method.

At the end of the fiscal year, a provision is set up to recognize the market value of the Company's inventories.

Investments

1. Negotiable investments

These are those readily-disposable securities or instruments that the holder intends to sell within a period of up to three (3) calendar years. These may be either of fixed or variable income.

a. **Fixed income negotiable investments,** are posted first in books using the cost method and subsequently in an exponential fashion, based on the internal rate of return calculated on the date of purchase. The difference with regard to their market or estimated value at the close of the fiscal year, is recorded as a higher or lower value of the original investment on the income accounts.

b. **Variable income negotiable investments,** are recorded using the cost method and the differences arising from the periodic adjustments in their market value and the last value posted in books are entered against the value of the investments on the income accounts.

2. Permanent investments

These are investments that the investor has the firm intention of keeping until they expire or mature. These may be of a controlling or non-controlling nature.

a. Permanent controlling investments, are posted using the equity method, as determined by the Colombian Superintendence of Finance and, according to which, investments in subsidiary companies with regard to which the economic entity is entitled to arrange for profits or surpluses to be transferred to itself during the following period, must be recorded using the equity method, except when these investments are acquired or exclusively kept for subsequent sale in the near future, in which case they must be considered as negotiable investments.

In applying the equity method, the company records its investments in subsidiary companies, first at their adjusted cost for inflation until December 31, 2006 and subsequently these figures are adjusted (increased or reduced) based on any changes arising in the equity, as applicable, and in the corresponding amount according to the percentage stake held. The balancing item for this adjustment in the Parent Company's financial statements is recorded in the income accounts and/or the capital surplus account (equity method) as explained below:

- Changes in subsidiary equity during the fiscal year in question are recorded by the parent company, either increasing or reducing the cost of said investment.
- Changes in subsidiary equity arising from the net income for the year shall affect the parent company's income statement.
- Fluctuations in subsidiary equity not resulting from the subsidiary's income statement do not affect the parent company's income, but are recorded in the parent company's capital surplus account.
- Dividends received in cash from an investee company corresponding to periods in which the shareholder company applied the equity method are recorded by reducing the book value of the investment in question.

At the close of the fiscal year, if the estimated value of controlling investments is lower than their respective adjusted cost, a provision is recorded to reflect this loss in value and posted in the income accounts.

b. Non-controlling permanent investments, are recorded at cost, and this includes adjustments for inflation up to December 31, 2006.

According to regulations issued by the Colombian Financial Superintendency, at the end of the fiscal year, if the realizable value of non-controlling investments (intrinsic or stock market value, as applicable) is lower than their cost, this difference is recorded as a reduction in value and as a lower value of the investor's equity, in the capital surplus account, except when the respective non-controlled company is being wound up, or is producing recurrent losses, in which case the lower value is posted on the income statement, according to the Company's prudence principle.

Any surplus in the investment's market or estimated value at the close of the fiscal period, is recorded separately as an increase in its value and posted in the equity reappraisal surplus account.

Until the sell, the investment held in Cativén S.A. was recorded based on an appraisal that the Company carried out in December 2008.

Property, plant, equipment and depreciation

The Property, Plant and Equipment account includes all tangible resources controlled by the Company, that have been obtained, or built or under construction and used in the normal course of business to produce other goods or provide services either for itself or for third parties; and whose contribution to the Company's revenue-raising capabilities exceeds the term of one calendar year.

Property, plant and equipment are recorded using the cost method and this included adjustments for inflation up to December 31, 2006.

The cost of property, plant and equipment includes the value of all those items required for operating or starting up these same. For this reason, once the asset is in condition to be used, any greater cost of such, together with the value of the items accruing or expensed or any additions made to the asset in question subsequent to said date cease to be recorded.

In this sense, all expense incurred as a result of acquiring, installing or building the tangible asset, including engineering and supervision expense, taxes, interest and monetary correction are subject to forming part of the cost of said asset, only up till such a time as the asset can be used, regardless of whether this use is real or material, and once it can be used, these items are recorded as expense for the period in which they either accrue or are paid, whichever occurs earliest.

Repairs and maintenance performed on these assets are charged to the income accounts.

Sales and withdrawals of such assets are discharged at their respective net cost and the difference between their selling price and net cost is posted on the income accounts.

Depreciation is calculated on the cost, including the inflation adjustment to December 31 of 2006 of said assets using the straight-line method, based on the probable useful life of said assets and using the following annual rates:

- 5% for buildings and construction.
- 10% for machinery and equipment, including transport and office equipment.
- 20% for other transport equipment (vehicles), computer equipment and POS scanning equipment.

Display fixtures such as gondolas as well as anti-theft tags, shopping carts and signage, amongst others, are depreciated using the straight-line method applying an accelerated depreciation percentage ranging from 25% to 50% for each successive period.

According to the policy adopted by the company, the residual value of fixed assets for the purpose of calculating depreciation is zero (0).

Valuation methods

According to technical regulations, accepted valuation criteria are: the historic cost or value, the current or replacement value, the realizable or market value and the present or discounted value.

a. **Historic cost or value,** is the original value either in cash or its equivalent incurred when the respective transaction was carried out.

b. **Current or replacement value.** This represents the cash value that would be incurred in replacing the asset or that would be required in order to settle an obligation at that moment.

c. **Realizable or market value,** this is the cash value expected in order to obtain an asset or settle a liability during the normal course of business.

d. **Present or discounted value,** is the current value of the net cash inflows or outflows generated by an asset or liability.

Pursuant to Article 4 of Regulatory Decree 2649 issued in 1993 and the attributes therein provided for accounting information, the company has decided that their property, plant and equipment be valued according to its realizable or market value.

The realizable or market value of an asset must be based on commercial appraisals carried out every three calendar years at a maximum. In performing these appraisals, all those assets whose adjusted value is lower than twenty (20) basic legal monthly wages are exempted by law.

Appraisals are performed by people who have no relationship with the company that could be considered to represent a conflict of interest; that is to say that between the appraiser and the company there are no parallel ties, relations or operations implying a real or potential interest, that could, in turn, prevent a fair and equitable value from being arrived at for the asset in question.

In all such cases where the value of property, plant and equipment is lower than their book cost, this latter figure is adjusted by means of provisions which affect the Company's income accounts.

In all those cases where the value of property, plant and equipment is higher than their book cost, this latter figure is adjusted by means of appraisals which directly affect the company's equity.

Intangibles

These represent resources that carry a right or privilege enforceable against third parties, whose exercise or utilization may produce economic benefits in future years.

This category includes: goods handed over under trust arrangements, brands and goodwill.

The cost of these assets corresponds to clearly identifiable expenses incurred, and includes adjustments for inflation until December 31, 2006. In order to recognize their contribution to the company revenue-raising capabilities, these are amortized systematically throughout their useful life.

Goodwill

All those additional amounts paid out on the purchase of businesses or companies over which control is obtained are recorded as goodwill.

The value of goodwill in the case of acquiring control over other companies is the difference between the purchase cost and the value of the acquired company's equity in books.

Acquired goodwill is recorded as an intangible asset and is amortized on a monthly basis affecting the income accounts over a term of 20 years.

This annual amortization is calculated using the exponential amortization method pursuant to External Circular 034 of 2006 issued by the Colombian Financial Superintendency.

Notes to the Financial Statements

Deferred items

Deferred assets include:

1. **Prepaid expense,** which are all those sums of money paid in advance or which must be amortized during the same period in which the services, accruing such costs or expense, are received, these include interest, insurance, lease rentals and other expense incurred in order to receive services in the future.
2. **Deferred charges,** are goods or services received with regard to which economic benefits are expected in other periods. These included adjustments for inflation up to December 31, 2006 and their amortization is calculated as follows:
   a. **Improvements made to third-party property,** are amortized during either the term of the corresponding agreement (independently of any extensions granted to such) and their probable useful life, when their cost cannot be recovered.
   b. **Software,** is amortized at annual rates of 33% and 20% depending on the purpose for which they were acquired.
3. **Deferred Monetary Correction,** the deferred monetary correction credit account includes all those adjustments for inflation applied to construction work in progress and non-monetary deferred charges corresponding to the pre-operative stage which are amortized at the date on which income is received and during the term established for the respective deferred item. The deferred monetary correction debit account corresponds to the proportional amount of the adjustment on equity, with regard to all those assets that are recorded as a credit in the deferred monetary correction credit account.

   As a result of eliminating the adjustments for inflation as of January 1, 2007, the balances of the debit and credit entries in the deferred monetary account at December 31, 2006, shall continue to be amortized according to the useful life of the asset in question, posting either an extraordinary non-operating expense or miscellaneous non-operating revenue. Should the asset producing an entry in these accounts be sold, transferred or otherwise withdrawn, the accumulated balances must be eliminated.
4. **Deferred tax,** the effect of all those temporary differences which imply higher or lower income tax must be recorded as deferred tax receivable or payable in the same year as accrued, these entries are calculated using current rates, providing that the possibility of these differences being reverted is reasonable.

   Deferred tax is amortized in the periods in which the temporary differences producing such are reverted.

Valuations and devaluations

Asset valuations and devaluations that form part of the Company's equity include:

a. Surpluses recorded from commercial appraisals of moveable property or real estate compared with their net cost in books.

b. Increases or drops in the intrinsic valve or stock market value of some investments, including fiduciary rights, at the end of the fiscal year, with regard to their net cost in books.

c. Valuations and devaluations of investments pursuant to regulations issued by the Colombian Financial Superintendency.

Financial obligations

These are obligations incurred by the company with credit and financial institutions, both at home and abroad, including bank overdrafts and hedging operations.

The value recorded corresponds to the principal amount of the obligation and all financial expense that does not increase the principal is recorded as accrued payable expense.

Derivatives

The company carried out various derivative-based transactions with a view to reducing its exposure to market fluctuations in their investments and obligations, exchange and interest rates. These include SWAPs and Forwards.

The company records all those contractually acquired rights and obligations, and shows these as net amounts on its balance sheet, following hedging accounting procedures, as stipulated in External Circulars Nos. 025 and 049 issued in 2008 by the Colombian Financial Superintendency.

In appraising the value of these the company follows the following accounting policies:

a. Derivative contracts entered into for commercial purposes are adjusted at their market value at the end of the fiscal year and either debited or credited to the income accounts, as applicable. Their market value is determined based on stock quotes or, in the absence of these, on future discounted cash flow techniques or option models.

b. Derivative contracts that are entered into for the purpose of hedging the company's financial liabilities are also adjusted at their market value, as described above, but the resulting adjustment, whether positive or negative is posted in the equity accounts.

Suppliers and accounts payable

These represent obligations payable by the company for goods or services received. The more important obligations are recorded separately, these including suppliers, creditors and others. Accounts payable are posted using the cost method, which, when applicable, are adjusted according to the unit of measure or functional currency agreed upon for their subsequent payment.

Taxes, duties and rates

These represent the value of all general and obligatory taxes and duties owed by the company to the State which are calculated based on tax settlements for the respective fiscal year. These include, amongst others, income and complementary taxes, sales tax as well as industry and commerce tax.

The provision for income tax posted on the income accounts includes, besides the income tax due for the fiscal year in question, additional tax corresponding to the temporary differences arising between commercial profits and net income.

Labor liabilities

These include all liabilities payable by the company to its workers or their beneficiaries. During the fiscal period in question, global estimates are recorded which are then adjusted at the end of the year, determining the amount payable to each employee in keeping with current legislation and the collective labor agreements in force.

The company makes periodic all-inclusive severance and social security contributions including healthcare, professional risk and pensions, to the respective Private Funds or to the Colombian Social Security Institute which are responsible for these obligations.

Estimated liabilities and provisions

These consist of current obligations to be paid by the company, whose ultimate value depends on certain factors in the future and is recorded in books by way of provisions, in keeping with standard principles of realization, prudence and accrual. Estimated liabilities are recorded in books during the period these are realized, and are applied to the assets and/or income belonging to the company, as applicable.

A liability is understood to have materialized together with the need to calculate and record in books its estimated value, whenever an obligation is incurred by the company as a result of a transaction, but due to temporary reasons its final value is not known for sure, albeit there being sufficient elements to be able to calculate its value in a reasonable fashion.

Retirement pensions

A retirement pension is a special employment benefit provided by the company to its employees as a result of legal or contractual provisions, consisting of the payment of a monthly amount of money, that is readjusted according to the indexes stipulated by the Colombian Government or the parties in question, during the lifetime of the holder of the pension right or his or her legal beneficiaries, this according to the parameters and procedures established by law or by contractual provisions.

Annual adjustments to this liability are made based on actuarial studies in keeping with applicable legislation.

Pension payments are posted directly in the income accounts.

Recognition of revenues, costs and expense

Revenues from sales are posted when the actual transaction is carried out; revenues from leasing arrangements are posted in the same month as they accrue, while revenues from services are recorded during the term of the contract or when the services are provided. Costs and expense are posted based on the accrual method.

Net profit per share

Net profit per share is calculated on the weighted average of subscribed shares outstanding at the end of the fiscal year, which for 2010 came to 333.333.632 (2009 - 333.174.004).

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Memorandum accounts, debit and credit

Memorandum accounts, both debtor and creditor, contain all those commitments made in respect of transactions scheduled to be carried out as well as contingent rights or responsibilities, such as guarantees issued, unused letters of credit, securities received for safekeeping or as security, contracts signed for the purpose of buying merchandise, property and equipment as well as hedging operations. These also include control accounts used for internal control of assets, management information or future financial situations. On the other hand, fiscal memorandum accounts are used to post differences between the accounting figures and figures used for tax purposes.

Materiality concept

Transactions are recorded and presented according to their relative importance.

A transaction is considered material when, due to its nature or value, or whether it is known or unknown, bearing in mind the circumstances of such, it could significantly affect the decisions made by those using such information.

Upon preparing the financial statements, including the notes to such, the relative importance for reporting purposes, was calculated on the basis of 5% on current and non-current assets, current and non-current liabilities, shareholders' equity, the results for the period and on each general ledger account, considered on an individual basis.

Reclassifications

Certain items contained in the financial statements for 2009 were reclassified for comparative purposes only and do not affect the working capital.

Administrative and accounting internal controls

During 2010 and 2009 there were no significant changes to the administrative and accounting internal controls implemented by the company.

Note 3
TRANSACTIONS IN FOREIGN CURRENCY

Current basic rules and regulations in Colombia allow the free negotiation of foreign currency through banks and other financial institutions at freely determined exchange rates. However, in the case of the Parent Company, most of the transactions in foreign currency still require official approval.

Operations and balances in foreign currency are converted using the representative market exchange rate, as certified by the Colombian Financial Superintendency, which was used to prepare the financial statements at December 31st, 2010 and December 31st, 2009. The representative market exchange rate at December 31, 2010 was $1,913.98* Colombian pesos per US dollar (2009 - $2,044.23*).

(*) In Colombian pesos

The company held the following assets and liabilities in foreign currency, posted at their equivalent value in millions of Colombian pesos at December 31:

	2010		2009	
	US$	Equivalent in millions of Colombian pesos	US$	Equivalent in millions of Colombian pesos
Assets:				
Accounts receivable	71,905,309	137,625	3,386,960	6,924
Banks	961,327	1,840	3,156,239	6,452
Negotiable investments	3,227,229	6,177	-	-
Cash in foreign currency	270,195	517	245,817	503
Total current assets	**76,364,060**	**146,159**	**6,789,016**	**13,879**
Investment in Cativén S.A.	-	-	72,300,646	147,799
Total non-current assets	-	-	**72,300,646**	**147,799**
Total assets	**76,364,060**	**146,159**	**79,089,662**	**161,678**
Foreign financial obligations (*)				
Foreign suppliers				
Accounts payable	152,833,211	292,520	78,250,000	159,960
Financial obligations - letters of credit	27,876,364	53,355	15,926,739	32,558
Total current liabilities	4,353,282	8,332	3,963,407	8,102
Foreign financial obligations (*)	-	-	1,746,093	3,569
Total non-current liabilities	**185,062,857**	**354,207**	**99,886,239**	**204,189**
Total liabilities	-	-	117,125,000	239,430
Passive monetary position net	**-**	**-**	**117,125,000**	**239,430**
Total liabilities	**185,062,857**	**354,207**	**217,011,239**	**443,619**
Passive monetary position net	**(108,698,797)**	**(208,048)**	**(137,921,577)**	**(281,941)**

(*) Includes a syndicated loan for US$72 million. The Company contracted a SWAP for JP Morgan credit of USD72 million and Bancolombia for USD 42 million and a loan for US$36 million with total hedging represented in Forward Delivery with Bancolombia. (See note 15).

(In millions of Colombian pesos and in US dollars)

Exchange differences for the year were posted in the following accounts:

	2010	2009
Financial income	101,619	306,104
Financial expense (*)	(77,668)	(225,072)
Hedging expense	(20,540)	(86,956)
Net financial income (expense)	**3,411**	**(5,924)**

(*) Corresponding to the effect of hedging operations carried out by the company to cover investments and financial obligations in foreign currency.

Adjustments for the exchange difference applicable on the investment in foreing Companies:

	2010	2009
Non-operating income	6,390	33,104
Non-operating expense	(17,815)	(47,518)
Net income (expense)	**(11,425)**	**(14,414)**

Note 4
CASH AND BANKS

The balance of Cash and Banks at December 31 is as follows:

	2010	2009
Banks and corporations	449,446	340,708
Cash	64,941	51,608
Total cash and banks	**514,387**	**392,316**

In 2010, the company posted returns obtained from savings accounts held with banks and corporations for a total value of $9,836 (2009 - $1,715).

(In millions of Colombian pesos and in US dollars)

Note 5
NEGOTIABLE INVESTMENTS

The negotiable investments at December 31 are broken down as follows:

	2010	Interest Rate	2009
CDTs	250,609	Between 3.00% and 4.0% effective	122,100
Fiduciary Rights	17,143	1.5% effective	6,618
Investments in foreign currency (See Note 3)	6,177	2.2% effective	-
Investments in repos	523	1.5% effective	-
Funding	-		111,908
Total negotiable investments	**274,452**		**240,626**

In 2010, the company recorded returns from negotiable investments totaling $2,350 (2009 - $4,852) as well as from solidarity bonds for $49 (2009 - $40).

None of these investments bear restrictions or encumbrances which could limit their negotiability or realization.

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Note 6
ACCOUNTS RECEIVABLE

The balance of the Accounts Receivable at December 31 is broken down as follows:

	2010	2009
CURRENT:		
Clients	63,513	68,202
Advance payments on tax receivable (See Note 19)	57,534	59,534
Provision - Clients	(3,109)	(2,406)
Sub-total	**117,938**	**125,330**
Miscellaneous receivables:		
Geant International (1)	138,578	-
Compañía de Financiamiento Tuya S.A. (formerly Sufinanciamiento) (2)	36,918	19,435
On sale of fixed assets – real estate (3)	24,972	3,621
Receivables - related parties (See note 4) (4)	21,746	10,002
Employee cooperative	15,672	12,225
Promo bonds (5)	15,473	18,178
Franchises	14,148	11,271
Advance payments to contractors and suppliers	1,078	390
Interests	629	560
Hogar Sacerdotal (formerly Arquidiócesis de Medellín) A church-sponsored home	169	169
Cativén S.A.	-	5,457
Other receivables (6)	37,292	21,995
Provision for account receivable (7)	(69,286)	(5,349)
Sub-total miscellaneous receivables	**237,389**	**97,954**
Total current receivables	**355,327**	**223,284**
NON-CURRENT RECEIVABLES:		
Employee cooperative	25,058	23,288
Advance payments on purchase of fixed assets (8)	17,602	24,757
On sale of fixed assets – real estate (9)	7,872	10,874
Other miscellaneous receivables	1,041	22
Total non-current receivables	**51,573**	**58,941**

(1) Corresponding to the sale of the investment in Cativén S.A. (see note 29)

(2) Corresponds to items related to business operation of the Exito Card business, including royalties, reimbursed shared expense and coupon collection fees, which are scheduled to be paid in January and February of 2011.

(3) For 2010 this included $11,413 on the sale of fiduciary rights of the mall San Pedro Plaza in Neiva, $6,500 for the sale of the premises Floresta in Bogotá, $2,375 on the sale of the premises where the Belen Distribution Center used to be in Medellin to Comfenalco Antioquia, $2,000 on the sale of Cedritos in Bogotá, $1,517 on the cooperation agreement with Cafam, $664 on the sale of the Murillo land lot in Barranquilla, $284 for the civil engineering project corresponding to the Éxito Rionegro and others for $219.

(4) Receivables due from related companies include: $21,548 from Didetexco S.A., $126 from Carulla Vivero Holding INC and $72 from the Parent Company Casino (See Note 8).

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(5) Receivable corresponding to agreements made with the country's main Family Welfare Institutions as well as numerous Employee Cooperatives belonging to companies from both the private and public sectors of our economy.

(6) For 2010 other receivable included: $15,244 on corporate sales agreements; $5,548 on the sale of the investment held in Makro; $3,669 corresponding to tax claims (VAT and duties for imports' indicative prices), $2,529 on loans to Packers' Cooperatives; $2,585 on judicial sequestrations, Neiva Municipality; $2,069 on advance payments made to retirees; $552 on public utility collections; $435 in employee loans and other minor items totaling $4,661.

(7) Correspond to provision for receivable to Geant International in 2010 and Receivable to Cativen in 2009.

(8) Corresponding to advance payments made to contractors for the purchase of real estate and retrofitting stores, which payments shall be made based on the corresponding construction inspection certificates and/or public deeds drawn up in 2011, however these are classified as long-term receivables based on their end purpose of acquiring fixed assets.

(9) Corresponding to a receivable for the sale of the premises, where the Belen Distribution Center used to be in Medellin, to Comfenalco Antioquia, this is to be repaid at an interest rate equivalent to the DTF benchmark rate + 1 point on a half-yearly in arrears basis, by its expiry date in 2014.

In 2010 the company recorded charge-offs for a total of $1,146 and included new provisions for $65,786, mainly for receivables to Cativen S.A.

Long-term receivables include $17,602 in advance payments on purchases of fixed assets and $33,971 in other accounts receivable which shall be recovered as follows:

Year	Receivables – Almacenes Éxito S.A. Employees' Cooperative	Other miscellaneous receivables and proceeds from sale of fixed assets
2012	3,702	2,375
2013	3,606	2,375
2014	3,126	1,188
2015	2,370	2,562
2016	1,331	-
2017 on wards	10,923	413
Total	**25,058**	**8,913**

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Note 7
INVENTORIES

The Inventories' account at December 31, is as follows:

	2010	2009
Goods for sale	807,193	778,522
Inventories in transit	19,257	13,509
Finished product	1,022	-
Materials, spare parts, accessories and packages	24,093	15,273
Goods in process	1,431	-
Raw materials	3,051	-
Provision for the protection of inventories	(33,439)	(21,667)
Total	**822,608**	**785,637**

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Note 8
TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties at December 31 are broken down as follows:

Operations with controlled companies	Type of transaction and terms and conditions	2010	2009
Didetexco S.A.	Current accounts payable (See note 17)	743	646
	Suppliers Term: 8, 15, 30 and 60 days	23,454	19,215
	Accounts receivable (See Note 6) (*)	21,548	498
	Purchases of merchandise	139,092	127,736
	Purchase of supplies	3,891	2,380
	Shared publicity expense	-	(57)
	Net recovered amounts from public utilities	111	80
	Leasing and administrative expense	(5,368)	(5,309)
	Other revenues	2,991	3,266
	Miscellaneous expense	(19)	(11)
Carulla Vivero Holding Inc.	Current accounts payable (See note 17)	123	-
	Accounts receivable (See Note 6)	126	-
Operations with other types of related parties, as provided for by Circular No. 2 issued January 28, 1998 by the Colombian Financial Superintendency			
Internacional de Llantas S.A.	Suppliers Term: 8 days	721	379
	Accounts receivable	26	-
	Purchases of merchandise	5,226	4,630
	Other revenues	40	3
Industrias Agrarias y Pecuarias El Imperio S.A.S	Suppliers Term: 8 days	4	-
	Purchases of merchandise	88	-

(*) In 2010 this corresponds to loans granted to DIDETEXCO S.A. in order to call off the lawsuit on the use rights of the premises in Unicentro, Bogotá.

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The following are transactions carried out in 2009 with Carulla Vivero S.A.:

Operations with controlled companies	Type of transaction and terms and conditions	2010	2009
Carulla Vivero S.A.	Current accounts payable	-	203,729
	Suppliers Term: 8, 30, 40, 60 and 90 days	-	72,547
	Accounts receivable	-	9,432
	Purchases of merchandise	-	87,046
	Purchase to the industry	-	80,252
	Purchase of supplies	-	258
	Sales	-	3,640
	Net income recovered amounts from public utility services	-	1,436
	Personnel expense	-	(1,173)
	Leasing and shopping mall administration services expense	-	(34,244)
	Inflows for transportation and logistics charges	-	1,959
	Packaging material expense	-	(157)
	Royalties expense	-	(150,695)
	Intangible's interests, and portfolio expense	-	(24,027)
	Other revenues	-	6,220
	Other expenses	-	(1,945)

In 2010 and 2009, the Company did not carry out any operations with members of its Board of Directors, Legal Representatives and Senior Executives other than those herein reported.

All operations regarding investments in related companies have been disclosed in Note 10 “Investments in subsidiary companies”.

In 2010 and 2009, there were no transactions carried out between the company and its related companies that included the following:

1. Operations different from those carried out with third parties at prices different from normal market prices charged for similar operations.
2. Interest-free loans or loans that do not require payment of consideration.
3. Free services or advisory assistance.
4. Transactions involving other items except for payments inherent to the direct work relationship of members of the Board of Directors, Legal Representatives and Executives.
5. Almacenes Exito S.A. exercises administrative control over Didetexco S.A., Carulla Vivero Holding Inc. and inversiones Almacenes Éxito S.A.S.

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Note 9
PERMANENT INVESTMENTS

The balance of the Permanent Investment account at December 31 is broken down as follows:

	2010							2009
Economic entity	Valuation method	Date of intrinsic or market value	Book value	Increase in value (See Note 14)	Decrease in value (See note 14)	Provision	Realizable value	Realizable value
1. Equity investments held in non-controlled companies, voluntary and participative								
Cadena de Tiendas Venezolanas – Cativén S.A. (1)	-	-	-	-	-	-	-	68,279
Tuya S.A. bonds (formerly Sufinanciamiento) (2)	-	-	54,500	-	-	-	54,500	49,500
Predios del Sur S.A. "subject to liquidation proceedings"	Intrinsic	November	3,451	-	-	(857)	2,594	2,148
Promotora de Proyectos S.A.	Intrinsic	November	240	-	(195)	-	45	41
Reforestadota El Guásimo S.A.	-	-	-	-	-	-	-	43
Central de Abastos del Caribe S.A.	Intrinsic	October	26	46	-	-	72	63
Automercados de la Salud S.A. Panama	Intrinsic	November	2,335	285	-	-	2,620	-
Fogansa S.A.	Intrinsic	December	1,000	-	-	-	1,000	-
Other minor investments	-	-	617	32	-	(12)	637	448
2. Equity investments in non-controlled companies, obligatory and non-participative								
Solidarity (Peace) Bonds (3)	-	-	1,375	-	-	-	1,375	1,375
Equity investments – sub-total	**-**	**-**	**63,544**	**363**	**(195)**	**(869)**	**62,843**	**121,897**
3. Investments in subsidiary companies (See Note 10)	-	-	109,332	2,628	-	-	111,960	822,951
Permanent investments – sub-total	**-**	-	**172,876**	**2,991**	**(195)**	**(869)**	**174,803**	**944,848**
Provision for the protection of investments	-	-	(869)	-	-	-	-	-
Total permanent investments	**-**	-	**172,007**	**2,991**	**(195)**	**(869)**	**174,803**	**944,848**

(1) In 2010 the company sold off its stake in Cadena de Tiendas Venezolanas Cativén to Geant International B.V., subsidiary company of Grupo Casino, for US$90.5 million, from which US$18,1 million were paid in 2010, at january 31, 2011 we have received USD18,1 million.

(2) Bonds issued by formerly Compañia de Financiamiento Tuya S.A. Sufinanciamiento S.A. as part of a shared publicity agreement entered into with regard to the Éxito Card, for a nominal value of $54,500 for a total term of 10 years, and at a rate of return equivalent to CPI+ 2% plus the percentage of profits stipulated in said agreement.

(3) Solidarity Peace Bonds are bearer bond certificates issued by the State for a term of 7 years and producing an annual rate of return of 110% of the Fiscal Year Adjustment Percentage. In 2010 these produced a total return of $49 (2009 - $40). The balance of these bonds corresponds to an investment made in 2007 for a total of $1,375, maturing in 2014.

The Company's permanent investments do not bear any restrictions or encumbrances restricting their negotiability or realization, except for the investment which the Company holds in the form of formerly Compañia de Financiamiento Tuya S.A. (formerly Sufinanciamiento) bonds which were issued as part of a shared publicity agreement for the Éxito store card by Tuya S.A.

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The following is additional information regarding permanent investments:

Type of investment according to economic entity	Economic activity	Type of share	No. of shares		% stake on subscribed capital	
			2010	2009	2010	2009
Equity investments held in non-controlled companies, voluntary and participative						
Predios del Sur S.A. "subject to liquidation proceedings"	Construction	Ordinary	1.496.328.719	1.496.328.719	19.47	19.47
Promotora de Proyectos S.A.	Services	Ordinary	212.169	138.631	5.64	5.50
Central de Abastos del Caribe S.A.	Commerce	Ordinary	3.430	3.430	0.14	0.14
Reforestadora El Guásimo S.A.	Agriculture	Ordinary	-	2.262.513	-	0.06
Automercados de la Salud S.A. Panamá	Commerce	Ordinary	20.000	-	20.00	-
Fogansa S.A.	Livestock	Ordinary	500.000	-	0.89	-

The company does not plan to sell off the equity investments held in other companies in the short-term.

In the case of all those investments whose intrinsic value was not available at December 31, 2010, the available value at November 30 of 2010 was taken and compared with the value recorded in books at December 31, 2010 so as to determine the corresponding valuations or nonvaluations.

Subsidiary companies where the Parent Company holds a stake higher to 10% of their total equity.

Corporate purpose:

Predios del Sur S.A. "subject to liquidation proceedings", incorporated by means of Public Deed Nº 3423, before the Public Notary 25 of Medellín, on December 6, 1996, as recorded before the Chamber of Commerce of Medellin in Register 9 of folio 1566. Its main corporate purpose is to build real estate projects in general, in urban or rural areas, for whatever purpose or use, with the view to selling off the property that make up the respective projects.

On December 17, 2009, in Book 9 under registry Nº 18157 before the Public Notary 25 of Medellín, approval was given to the dissolution of this Company which shall henceforth be known as Predios del Sur "Subject to Liquidation Proceedings".

Automercados de la Salud S.A. Panamá: This Company was incorporated by means of Public Deed 3380 drawn up before Public Notary 5 of the Circuit of Panama, on June 9, 2004. Its corporate purpose is to establish, perform and carry out business inherent to an investment company; purchasing, selling and negotiating all types of consumer articles, shares, bonds and securities of all types; purchase, sell, lease or otherwise acquire or sell real estate; request or provide loans with or without collateral, enter into, extend, fulfill and execute all types of contracts; act as guarantor or otherwise guarantee the drawing up and fulfillment of all and any type of contract; engage in any type of lawful business that is not forbidden for this type of company, etc.

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Comparative breakdown of the assets, liabilities, equity and profits of all those companies in which permanent investments are held:

The following figures were taken from financial statements, certified pursuant to applicable legislation of all those companies in which permanent investments were held at December 31, 2010 and December 31, 2009, respectively:

Company	Assets		Liabilities		Equity		Results		Net revenues	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Predios del Sur S.A. "subject to liquidation proceedings"	13,280	12,374	2	1,185	13,278	11,189	975	(136)	4,282	15,374
Automercados de la Salud S.A. Panamá	14,161	12,783	1,043	-	13,118	12,783	1,941	439	2,028	-
Total	**27,441**	**25,157**	**1,045**	**1,185**	**26,396**	**23,972**	**2,916**	**303**	**6,310**	**15,374**

(In millions of Colombian pesos and in US dollars)

Note 10
INVESTMENTS IN SUBSIDIARY COMPANIES

At December 31 the company held the following investments in its subsidiary companies:

	2010		2009	
Economic entity	Book value	Increase in value	Book value	Increase in value
Equity investments, in controlled companies, voluntary and participative				
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	104,971	2,628	108,866	6,226
Almacenes Éxito Inversiones S.A.S.	4,292	-	-	-
Carulla Vivero Holding Inc.	69	-	-	-
Carulla Vivero S.A.	-	-	705,857	2,002
Total investment in subsidiary companies	**109,332**	**2,628**	**814,723**	**8,228**

Didetexco S.A. and Almacenes Éxito S.A. are located in Envigado city and Carulla Vivero Holding Inc. was incorporated in British Vigin Islands.

Their corporate purpose is as follows:

Didetexco S.A., was incorporated on July 13, 1976, and its business purpose consists of acquiring, storing, transforming, manufacturing selling and generally speaking distributing in any manner all types of apparel manufactured at home or abroad, as well as acquiring, renting or leasing any type of real estate property for the purpose of operating stores, shopping centers and other suitable venues for distributing merchandise or selling goods or services.

Almacenes Éxito Inversiones S.A.S., was incorporated on September 27, 2010 according to Colombian law, its corporate purpose is mainly to: constitute, fund, promote, invest individually or concur with other natural person or legal entity to constitute partnerships, companies or businesses which object is the production or commercialization of goods, objects, commodities, articles or elements or the provision of services related with the operation of commercial establishments and link to said companies as associated, by means of contributions in money, in goods or in services.

Carulla Vivero Holding Inc., was incorporated on September 14, 2000, in the British Virgin Islands, by Carulla Vivero S.A. which at December 31, and December 31 2009 held 100% of its stake.
Its corporate purpose is mainly to: invest, buy, possess, acquire in any way, sell, assign, and administer any piece of furniture or real estate property that is not forbidden or ruled by the laws of the British Virgin Islands.

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The following is additional information regarding investments on subsidiary companies:

Type of investment according to economic entity	Economic activity	Type of share	No. of shares		% stake of subscribed capital	
			2010	2009	2010	2009
Equity investments held in controlled companies, voluntary and participative						
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	Manufacturing	Ordinary	7.520.000	7.820.000	97.75	97.75
Almacenes Éxito Inversiones S.A.S.	Investment	Ordinary	300.000	-	100	-
Carulla Vivero Holding Inc.	Investment	Ordinary	385.900	-	100	-
Carulla Vivero S.A.	Commercial	Ordinary	-	35.370.016	-	99.87

The Company holds 97.75% of the total number of shares outstanding belonging to Didetexco S.A., representing a direct stake of 94% and an indirect stake of 3.75% through Almacenes Éxito Inversiones S.A., in 2009 this indirect stake was held through a special Purpose Vehicle (SPV).

The effect of applying the equity method was as follows:

	2010		2009	
	Results	Equity	Results	Equity
Carulla Vivero S.A.	-	-	77,810	43,251
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	1,194	(289)	3,905	363
Almacenes Éxito Inversiones S.A.S.	(508)	-	-	-
Total	**686**	**(289)**	**81,715**	**43,614**

Comparative breakdown of the assets, liabilities, equity and profits of all those companies in which permanent investments are held:

The following figures were taken from the financial statements of the following subsidiaries that have been duly certified pursuant to all applicable legislation governing said companies, at December 31, 2010 and December 31, 2009:

Company	Assets		Liabilities		Equity		Results		Net revenues	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Carulla Vivero S.A.	-	937,262	-	224,267	-	712,995	-	77,909	-	329,936
Distribuidora de Textiles y Confecciones S.A. "Didetexco S.A."	161,997	129,827	47,530	16,407	114,467	113,420	1,354	3,641	150,682	139,525
Almacenes Éxito Inversiones S.A.S.	4,292	-	-	-	4,292	-	(508)	-	-	-
Carulla Vivero Holding Inc.	195	-	126	-	69	-	-	-	-	-
Totales	**166,484**	**1,067,089**	**47,656**	**240,674**	**118,828**	**826,415**	**846**	**81,550**	**150,682**	**469,461**

(In millions of Colombian pesos and in US dollars)

Pursuant to numeral 12 of Circular 11 of 2005, issued by both the Colombian Financial Superintendency and Companies Superintendency, the following is the equity composition of the subsidiary companies at December 31, 2010 and December 31 2009.

Equity distribution for Distribuidora de Textiles y Confecciones S.A., "Didetexco S.A.", :

	2010	2009
Share Capital	2,800	2,800
Capital surplus	78,250	78,250
Reserves	18,026	14,385
Equity Revaluation	14,017	14,324
Net income	1,354	3,641
Valuation Surplus	20	20
Total	**114,467**	**113,420**

In 2010, Didetexco did not pay dividends and profits from 2009 were transferred to reserve.

By applying the equity method Almacenes Éxito recorded a decrease in the equity method of $289 million, and $1,194 of income by applying the statement method.

Equity distribution of Almacenes Éxito Inversiones S.A.S.:

	2010
Share Capital	300
Capital surplus	4,500
Year's loss	(508)
Total	**4,292**

This company was incorporated in September, 2010.

By applying the equity method Almacenes Éxito recorded a loss of $508 million.

Equity distribution of Carulla Vivero Holding:

	2010	2009
Share Capital	709	757
Loss in previous years	(640)	(683)
Total	**69**	**74**

The equity method was not applied to this company since the exchange difference on the equity is equal to the adjustment for exchange difference applied to the investment.

(In millions of Colombian pesos and in US dollars)

Note 11

PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION

At December 31, property, plant, equipment and depreciation were as follows:

	2010			2009		
	Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net cost
Buildings and constructions (1)	1,495,234	(507,574)	987,660	1,325,909	(455,971)	869,938
Land	487,811	-	487,811	399,088	-	399,088
Machinery and equipment	755,020	(473,920)	281,100	720,215	(413,351)	306,864
Office Equipment	496,222	(344,104)	152,118	474,855	(310,621)	164,234
Constructions in progress	94,106	-	94,106	3,756	-	3,756
Computer and communication equipment	253,671	(198,350)	55,321	237,801	(180,764)	57,037
Transport equipment	37,530	(28,702)	8,828	34,205	(25,904)	8,301
Security guard weaponry	58	(38)	20	49	(33)	16
Sub-total	**3,619,652**	**(1,552,688)**	**2,066,964**	**3,195,878**	**(1,386,644)**	**1,809,234**
Provision for property, plant and equipment	-	(16,114)	(16,114)	-	(15,520)	(15,520)
Total property, plant and equipment and depreciation	**3,619,652**	**(1,568,802)**	**2,050,850**	**3,195,878**	**(1,402,164)**	**1,793,714**

(1) In 2010, the company sold off the following property:

Property	City	Value of Sale	Net cost	Profits from sale
Premises No 9 La Sabana Fontibón Shopping Center	Bogotá	173	16	157
Carulla La Merced	Bogotá	1,238	558	680
Premises of Ley Centro Cartagena	Cartagena	1,000	43	957
Land lot Bucaramanga (portion 18.74%)	Bucaramanga	2,500	1,138	1,362
Premises Calle 100 Building	Bogotá	717	9	708
Premises in Carulla Niza	Bogotá	4,000	2,611	1,389
Premises Carulla Tunal	Bogotá	1,961	385	1,576
Carulla Antonio Nariño	Bogotá	1,180	136	1,044
Warehouse Escorpión	Bogotá	900	973	(73)
Carulla Floresta	Bogotá	8,232	9,124	(892)
Land lot Murillo	Barranquilla	3,366	2,085	1,281
Total		**25,267**	**17,078**	**8,189**

The company's property, plant and equipment do not bear any restrictions or encumbrances that limit their realization or negotiability, these being wholly-owned assets.

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VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The following breakdown shows a summary of appraisals and provisions at December 31:

1. With valuation

	2010			2009		
Type	Realizable value	Net cost	Increase in value (See Note 14)	Realizable value	Net cost	Increase in value (See Note 14)
Land and buildings	2,395,121	1,407,125	987,996	1,920,539	1,229,984	690,555
Machinery and equipment	261,756	189,177	72,579	126,468	83,666	42,803
Office Equipment	101,858	78,671	23,187	41,366	24,749	16,617
Computer equipment	21,863	14,863	7,000	-	-	-
Transport equipment	8,968	4,514	4,454	9,942	4,837	5,104
Total	**2,789,566**	**1,694,350**	**1,095,216**	**2,098,315**	**1,343,236**	**755,079**

2. With provision

	2010			2009		
Type	Realizable value	Net cost	Provision	Realizable value	Net cost	Provision
Land and buildings	52,755	68,347	(15,592)	25,173	39,042	(13,869)
Machinery and equipment	3,412	3,884	(472)	8,215	9,760	(1,545)
Office Equipment	18	68	(50)	1,911	2,017	(106)
Total	**56,185**	**72,299**	**(16,114)**	**35,299**	**50,819**	**(15,520)**

Technical appraisals in real estate and movable property are performed every three years pursuant to Article 64 of Decree 2649 of 1993 “Generally accepted accounting principles in Colombia”.

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Note 12
INTANGIBLES, NET

The Intangibles Account at December 31 is broken down as follows:

	2010			2009		
	Cost	Accumulated Amortization	Net value	Cost	Accumulated Amortization	Net value
Goodwill - Carulla Vivero S.A. (1).	1,001,940	(78,643)	923,297	998,260	(50,393)	947,867
Fiduciary rights on real estate (2)	31,774	(10,624)	21,150	4,778	(62)	4,716
Other rights (3)	22,827	-	22,827	24,162	-	24,162
Brands (4)	32,363	(4,143)	28,220	3,460	(3,460)	-
Share rights	18	-	18	61	-	61
Goodwill - Home Mart	5,141	(370)	4,771	-	-	-
Goodwill and tangibles, net others (5)	14,034	(9,384)	4,650	8,399	(8,399)	-
Total	**1,108,097**	**(103,164)**	**1,004,933**	**1,039,120**	**(62,314)**	**976,806**

(1) Goodwill recorded in 2007 representing the equity surplus paid by the company for the acquisition of Carulla Vivero S.A., totaling $692,101 (including all costs incurred by the company with the purchase of said company).

In December 2009 the company purchased an additional 22.5% stake in Carulla Vivero S.A. recording $306,159 for goodwill and in 2010 - $3,680 million, were registered.

At the close of the fiscal year there were no contingencies that could have modified or accelerated the amortization of the goodwill acquired from Carulla Vivero S.A.

(2) In 2010 the Company constituted the Autonomous Equity Mall San Pedro in Neiva city for $16,436 and others for $4,714, after amortizations.

(3) Including the sum of $19,418 that was transferred to the City Plaza trust in which Almacenes Éxito S.A. figures as the beneficiary of the area and rights on the premises in the Tesoro Shopping Center stage 3 for $1,457 along with other sums totaling $1,952.

(4) Including the brands Surtimax and Merquefacil.

(5) Including goodwill of Home Mart, Merquefacil converted mainly to Surtimax, Carulla and others received for the merger with Carulla Vivero S.A.

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Note 13
DEFERRED ITEMS, NET

The Deferred Items account at December 31 is broken down as follows:

	2010			2009		
	Cost	Accumulated Amortization	Net value	Cost	Accumulated Amortization	Net value
Expense paind in advance:						
Insurance	8,602	-	8,602	5,568	-	5,568
Maintenance	1,013	-	1,013	817	-	817
Advertising	-	-	-	664	-	664
Lease rentals	1,829	-	1,829	772	-	772
Others	-	-	-	-	-	-
Subtotal - expense paid in advance	**11,444**	**-**	**11,444**	**7,821**	**-**	**7,821**
Deferred income tax (See Note 19)	30,150	-	30,150	18,732	-	18,732
Subtotal – current deferred expense	**41,594**	**-**	**41,594**	**26,553**	**-**	**26,553**
Deferred charges:						
Improvements to third-party property	251,049	(133,107)	117,942	198,161	(104,052)	94,109
Software (1)	140,096	(110,013)	30,083	122,026	(90,730)	31,296
Lease rentals (2)	8,579	-	8,579	9,468	-	9,468
Deferred monetary correction	19,332	(14,722)	4,610	19,332	(13,665)	5,667
Deferred income tax (See Note 19)	67,430	-	67,430	51,444	-	51,444
Deferred actuarial valuation	2,590	-	2,590	-	-	-
Subtotal – noncurrent deferred charges	**489,076**	**(257,842)**	**231,234**	**400,431**	**(208,447)**	**191,984**
Total deferred items in assets	**530,670**	**(257,842)**	**272,828**	**426,984**	**(208,447)**	**218,537**
Liabilities:						
Deferred monetary correction	29,480	(22,683)	6,797	29,480	(21,125)	8,355
Deferred income tax (See Note 19)	8,371	-	8,371	-	-	-
Total non-current items in liabilities	**37,851**	**(22,683)**	**15,168**	**29,480**	**(21,125)**	**8,355**

(1) In 2010, the company acquired software for its expansion program in the amount of $18,070, from which $1,047 came from the merger with Carulla Vivero S.A. and $17,023 for new purchases.

(2) The figure for 2010 includes an advance payment on lease contracts for premises where the Pomona San Lucas store operates in Medellin for $1,082 and the Éxito San Martin store in Bogotá for $7,497.

(In millions of Colombian pesos and in US dollars)

Note 14
APPRAISALS

The following breakdown shows a summary of appraisals at December 31:

	2010			2009		
	Increase in value	Decrease in value	Increase in value net	Increase in value	Decrease in value	Increase in value net
Buildings and constructions (See Note 11)	987,996	-	987,996	690,555	-	690,555
Movable property (See Note 11)	107,220	-	107,220	64,524	-	64,524
Investments	2,991	(195)	2,796	8,271	(155)	8,116
Fiduciary Rights	23,076	-	23,076	1,410	-	1,410
Total valuations	**1,121,283**	**(195)**	**1,121,088**	**764,760**	**(155)**	**764,605**

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Note 15
FINANCIAL OBLIGATIONS

The balance at December 31 is broken down as follows:

		2010					2009	
	Institution	Book value	Accrued Interests payable	Interest Rate	Maturity Date	Guarantee	Book Value	Interest Rate
SHORT TERM								
Letters of credit	Bancolombia		-				3,569	-
Credit cards			-				2	-
Loans in local currency	Citibank					Promissory notes	8,591	8.95% half yearly in arrears
Subtotal – loans in local currency							**12,162**	
Loans in foreign currency	JP Morgan	137,806	204	90-day Libor + 1.75	December 2011	Promissory notes	147,185	90-day Libor + 1.75
	Citibank	5,981	3	180-day Libor + 0.70	June 2011	Promissory notes	12,776	180-day Libor + 0.70
	Bancolombia	80,387	104	180-day Libor + 0.70	May 2011	Promissory notes		
	Bancolombia	49,764	655	180-day Libor + 2.4	June 2011	Promissory notes		
	Bancolombia	19,140	270	180-day Libor + 2.4	June 2011	Promissory notes		
SWAP hedging operations	Citibank (1)	39,976	1,540				47,315	
	Citibank						4,354	
	Bancolombia (1)	24,799	979				7,926	
Forward hedging operations	Bancolombia	(559)						
Total loans in foreign currency		**357,294**	**3,755**				**219,556**	
Total short term		**357,294**	**3,755**				**231,718**	
LONG TERM								
Loans in foreign currency	JP Morgan					Promissory notes	147,184	90-day Libor + 1.75
	Citibank					Promissory notes	6,388	180-day Libor + 0.70
	Bancolombia					Promissory notes	85,858	180-day Libor + 0.70
SWAP hedging operations	Citibank (1)						25,752	
	Citibank (1)						1,437	
	Bancolombia (1)						17,045	
Total loans in foreign currency							**283,664**	
Total long term							**283,664**	
Total short and long term financial obligations		**357,294**	**3,755**				**515,382**	

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(1) Derivatives – SWAP.

In January 2007, the Company received the funds corresponding to a syndicated loan from JPMorgan Chase Bank for US$300 million for the purpose of acquiring Carulla Vivero S.A., this loan was divided up into two tranches: one totaling US$120 million (totally paid in 2010) and the second for US$180 million with a five year term and five separate installaments on a half-yearly basis beginning in the third year. (its fully payment will be in 2011)

In addition to this, the Company has another two loans in foreign currency, one with Bancolombia for US$42 million expiring in May 2011 and another with Citibank for US$3,1 million expiring in June 2011.

At 31 December 2010 the company held two SWAP agreements, designated like hedges of cash flow, for the purpose of covering the risk of fluctuation of the interest rates and exchange rates on the aforementioned obligations, these having the following terms and conditions:

Fin Institution	Nominal value in dollars	SWAP rate in pesos	Starting date	Expiry Date	Payments made at December 31, 2010 US$	Fixed interest rate (obligation)	Interest Rate (right)
Citibank (*)	180,000,000	2,386.42	January 2007	December 2011	108,000,000	10.75% half yearly in arrears	90-day Libor + 1.75
Bancolombia	42,000,000	2,451.50	May 2006	May 2011	-	9.70% half yearly in arrears	180-day Libor + 0.70

In 2010 the result of the value of these instruments, pursuant to rules and regulations issued by the Colombian Financial Superintendency with regard to hedging accounting, was recorded for $11,743 in the company's equity account.

(*) In June, 2007, the company performed a novation operation on these contracts with Citibank NA.

The banks and financial institutions participating in this syndicated loan at December 31, 2010 are:

JP Morgan Chase Bank, N.A.
Banco de Bogotá S.A. Panamá
Banco de Crédito del Perú - Miami Agency
Banco de Crédito Helm Financial Services (Panamá) S.A.
Bancolombia S.A.
Bank of Nova Scotia
Banco Bilbao Vizcaya Argentaria, S.A.
Banco de Bogotá S.A., Miami Agency
Banco de Bogotá S.A., Nassau
Banco de Bogotá - NY Agency
Banco Latinoamericano de Exportaciones, S.A.
Banco Security
Natixis
Standard Chartered Bank

The Company does not expect to restructure its borrowings. The Company amortizes its financial obligations on their respective due dates. None of said financial obligations are in arrears.

(In millions of Colombian pesos and in US dollars)

Note 16
SUPPLIERS

The balance of the Suppliers account at December 31is broken down as follows:

	2010	2009
Local suppliers	1,045,141	1,007,734
Foreign suppliers	53,355	32,558
Total Suppliers	**1,098,496**	**1,040,292**

Note 17
ACCOUNTS PAYABLE

The Accounts Payable account at December 31 is broken down as follows:

	2010	2009
Related parties (See note 8)	**866**	**87,315**
Dividends payable (1)	**20,715**	**4,731**
Miscellaneous creditors:		
Fees for running retail establishments (2)	-	117,060
Costs and expense payable	154,974	106,783
Contractors	30,096	1,540
Merchandise withdrawal orders to be used	27,847	20,364
Withholding tax payable	19,552	16,274
Contributions - Social Security Law (3)	15,031	9,032
Other miscellaneous creditors	841	2,845
Account payable on hedging obligations (4)	2,519	3,086
Subtotal – miscellaneous creditors	**250,860**	**276,984**
Total short-term accounts payable	**272,441**	**369,030**

(1) At their Annual Meeting held March 19, 2010, the General Assembly of Shareholders declared a quarterly dividend of $60 (*) per share payable in four installments between the sixth (6th) and the tenth (10th) business days of April, July and October of 2010 and January 2011.

(*) In Colombian pesos

(2) For 2009 this figure corresponded to the fees paid for running the Carulla, Surtimax, Merquefácil and Home Mart stores belonging to Carulla Vivero S.A., merged in 2010.

(In millions of Colombian pesos and in US dollars)

(3) Including payable values pursuant to Social Security Law at December 31, 2010 and December 31, 2009. At December 31, 2010 and December 31 2009, the company had duly complied with all applicable legislation regarding the payment of contributions pursuant to the Social Security Law.

(4) This figure corresponds to interest payable on SWAP hedging operations, as follows: Citibank N.A. year 2010 for $1,540 (2009 - $2,157) and Bancolombia year 2010 $979 (2009 - $929).

The Company does not have any accounts payable whose residual duration is greater than five years.

Note 18
BONDS

By means of Resolution 0414 issued in March 2006 by the Colombian Financial Superintendency, the Parent Company, Almacenes Éxito S.A. was authorized to issue bonds with the following characteristics:

Amount authorized:	$200,000
Amount placed at December 31, 2006:	$105,000
Nominal value:	$1
Payment method:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A. (Colombian Centralized Securities Depository)

The prospectus for Almacenes Éxito S.A.'s issue of common bonds placed in 2006, stipulates the following general guarantee for said bonds:

"To guarantee its obligations with all those holders of Common Bonds using all of its assets in the form of general collateral for all of its creditors, in compliance with all those obligations acquired as a result of this issue of Common Bonds".

By means of Resolution 0335 issued on April 27, 2005 by the Colombian Superintendence of Securities (now known as the Financial Superintendence of Colombia), Carulla Vivero S.A., was authorized to issue bonds with the following characteristics:

Amount authorized:	$150,000
Amount placed at May 31, 2005:	$150,000
Nominal value:	$10
Payment method:	Upon maturity
Issue Administrator:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A.

In the General Assembly of Bondholders of Carulla Vivero S.A. celebrated on June 18, 2010, in Bogotá city, the change of issuer of these bonds was approved now passing to the name of Almacenes Éxito S.A.

(In millions of Colombian pesos and in US dollars)

The market value at December 31, are as follows:

Date of Issue	Amount	Maturity Date	Term	Interest Rate
26.04.2006	30,350	26.04.2011	5 years	CPI+ 4.98% half yearly in arrears
26.04.2006	74,650	26.04.2013	7 years	CPI+ 5.45% half yearly in arrears
05.05.2005	150,000	05.05.2015	10 years	IPC + 7.5%
Total	**255,000**			

In 2010 interests on these bonds, totaling $20,134 (2009 - $11,884) were charged to the income accounts. At December 31, 2010 accrued interest payable came to $3,632 (2009 - $1,616).

Note 19
TAXES AND RATES

Advance payments and balances in favor with regard to taxes and rates at December 31, are broken down as follows:

	2010	2009
Income and complementary tax	(51,483)	(54,492)
Land and industry and commerce tax	(3,822)	(3,594)
Advanced payments on Land and industry and commerce tax	(2,192)	(1,448)
Sales tax-receivable	(37)	-
Included on current assets	**(57,534)**	**(59,534)**
Sales tax payable	35,607	39,625
Land and industry and commerce tax	24,148	20,754
Development quotas	83	63
Included on current liabilities	**59,838**	**60,442**
Total, net	**2,304**	**908**

The estimated current receivables for income and complementary tax at December 31, were as follows:

	2010	2009
Liabilities - Provision for the year	**47,660**	**27,159**
Less adjustment in provisions for the year	(692)	-
Total tax income - liabilities	**46,968**	**27,159**
Less advances payments	(4,170)	-
Less with holding tax	(94,281)	(81,651)
Total income and complementary tax receivables	**(51,483)**	**(54,492)**

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Notes to the Financial Statements

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Deferred income tax during the year was as follows:

	2010	2009
Balance at beginning of the year	**(70,176)**	**(52,899)**
Net adjustment to deferred tax from prior years	**(1,345)**	**(1)**
Deferred income tax for the year due to the effect of:		
- Surplus presumptive income on ordinary income(1)	(18,659)	(19,584)
- Non-deductible provision for estimated liabilities	(12,330)	(6,013)
- Non-deductible provision for inventories	(10,236)	(7,150)
- Non-deductible provision for taxes	(6,324)	(5,012)
- Adjustment on expensed depreciation on tax/book differences	865	167
- Recovered deferred depreciation on reducing balances	-	(2,644)
- Applications from deductible provisioned liabilities	7,416	12,428
- Applications from deductible provisioned inventories	7,150	6,362
- Application from provision of deductible taxes	6,059	4,170
- Tax payable deduction amortization - Carulla's goodwill	8,371	-
Net movement for the year	**(17,688)**	**(17,276)**
Balance at year-end (2)	**(89,209)**	**(70,176)**

(1) The movement for 2010 consists of 33%, corresponding to the surplus presumptive income recorded on the Company's ordinary net income for $52,855, and 33% corresponding to the amortization of surplus presumptive income of 2009 for $3,688 according to the income tax.

(2) Included on the balance sheet as follows:

	2010	2009
Current assets		
Deferred items (See Note 13)	(30,150)	(18,732)
Non-current assets		
Deferred items (See Note 13)	(67,430)	(51,444)
Non-current liabilities		
Deferred items (See Note 13)	8,371	-
Total	**(89,209)**	**(70,176)**

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The reconciliation between book net income and taxable income for tax purposes is as follows:

	2010	2009
Book income before income tax	**284,806**	**157,185**
Plus:		
- Losses on removal of buildings and sale of investments	6,616	31,766
- Non-deductible expense on limit of net income.	-	3,233
- Provision for investments	-	-
- Provision for fixed assets	1,736	100
- Provision for unknown shrinkage	31,017	21,667
- Provision for industry and commerce, land and stamp tax	20,183	17,420
- Provision for account receivable	69,726	5,220
- Non-deductible expense on provisioned liabilities	22,947	19,912
- Expense non-deductible amortization of goodwill of Carulla	-	19,305
- Non-deductible expense	12,085	6,913
- Recovered depreciation on sale of fixed assets	4,818	6,893
- Adjustment on expensed depreciation on tax/book differences	3,243	5,865
- Financial transaction tax	606	672
- Recovered deferred depreciation	-	8,013
- Recovered deduction on investment in productive fixed assets	1,203	19,048
- Equity method expense	508	-
Less:		
- 40% deduction on investment in income-producing assets	(51,452)	(35,897)
- Withdrawal of profits on sells of fix assets for occasional earnings.	(44,407)	(63,757)
- Other non-taxable income	(489)	(6,224)
- Provision for liabilities from prior years, deductible in current year.	(31,620)	(44,030)
- Revenues from applying equity method to income	-	(81,715)
- Provision for inventories from prior years, deductible in current year.	(21,667)	(19,279)
- Provision for Industry and Commerce plus Land tax for prior year, deductible in one year.	(18,362)	(14,871)
- Deduction for Carulla's goodwill additional to the countable value	(155,094)	-
- Income not subject to income or occasional earnings tax	(50)	(40)
- Recovered provision for assets (*)	(85,284)	(41,249)
- Amortization of surplus presumptive income on prior years	-	(16,150)
Total net ordinary income	**51,069**	**-**

(*) In 2010 a total of $79,520 were recorded from a provision recovery on Cativén S.A. (2009 - $7,755); $451 were recovered on a provision for Predios del Sur S.A. (2009 Comercial Inmobiliaria S.A. “subject to liquidation proceedings” for $31,758); recovered on a provision for fixed assents for $1,142 (2009- $1,691), provision recovered on contracts on building $3,692 (2009 recovered was not registred), provision recovered from other investments $479 (2009 - $45).

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Occasional earnings for tax purposes are as follows:

	2010	2009
- Selling price of fixed real estate assets sold (held for more than two years)	13,497	152,778
-Selling price of fixed moveable assets sold	3,001	7,529
- Selling price of investments sold	170,999	53,345
Total selling price	**187,497**	**213,652**
- Tax cost of fixed real estate assets sold	(9,020)	(123,115)
- Tax cost of fixed movable assets sold	(2,847)	(4,517)
- Tax cost of investments sold	(136,621)	(79,214)
Total tax cost	**(148,488)**	**(206,846)**
Taxable occasional earnings	**39,009**	**6,806**
Occasional earnings tax	**12,873**	**2,246**

The current income tax liability was calculated as follows:

	2010	2009
Net equity at December 31 of prior year (1)	3,839,796	2,792,558
Less net equity to be excluded	(375,675)	(276,068)
Net equity base for presumptive income	**3,464,121**	**2,516,490**
Presumptive income on net equity	103,924	75,495
Presumptive income	**103,924**	**75,495**
Total net ordinary income	51,069	-
Taxable net income	**103,924**	**75,495**
Income tax before occasional earnings tax (33%)	**34,295**	**24,913**
Occasional earnings tax	12,873	2,246
Total current income tax liability before tax discounts	**47,168**	**27,159**
Tax discount for investing in livestock companies	(200)	-
Total current income tax liability	**46,968**	**27,159**
Current income tax expense	46,968	27,159
Net adjustment in provision for previous year	692	-
Net movement of deferred taxes	(17,688)	(17,276)
Income tax expense	**29,972**	**9,883**

(1) Corresponds to the sum of the equities of Almacenes Éxito S.A. and Carulla Vivero S.A.

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The reconciliation between book and tax equity is as follows:

	2010	2009
Book equity at December 31	**4,417,222**	**4,163,123**
Plus:		
- Disencumbrance of net fixed assets and tax readjustments	129,245	112,411
-Estimated liabilities for expenses	39,022	30,744
- Provision for inventories (See note 7)	33,439	21,667
- Provision for investments (See note 9)	869	80,823
- Provision for fixed assets (see note 11)	16,114	15,520
- Provision for receivables (See note 6)	3,109	7,755
- Provision for long-term receivables (See note 6)	69,286	-
-Elimination of accumulated depreciation on difference between book and tax useful lives	3,243	5,865
- Amortized Goodwill - Carulla Vivero S.A.	-	50,393
- Greater equity value on temporary investments	11,114	11,114
-Deferred tax payable (See note 13)	8,371	-
- Provision for Industry and Commerce tax	1,836	2,236
Less:		
-Valuations on fixed assets (See Note 14)	(1,095,216)	(755,079)
-Valuations on investments (See Note 14)	(2,796)	(8,116)
-Deferred amortization of capitalized goodwill expense Carulla Vivero S.A.	(81,783)	(81,783)
-Deferred tax receivable (See note 13)	(97,580)	(70,176)
- Elimination of Equity Method - Carulla Vivero S.A.	-	(182,806)
-Elimination method of participation of Didetexco S.A.	(12,405)	(16,331)
-Difference between book and fiscal balance in favor income tax	-	(1,279)
-Surplus between tax amortization and book for goodwill - Carulla	(105,389)	-
Total net equity	**3,337, 701**	**3,386,081**

Income tax and occasional earnings tax

Current legal provisions applicable to the Company stipulate that:

a. As of 2008 taxable income is subject to a rate of 33%.

b. The basis for determining income tax cannot be lower than 3% of the net equity recorded on the last day of the immediately preceding fiscal year.

c. Beginning in the fiscal year of 2007 all adjustments for inflation for tax purposes were eliminated and an occasional earnings tax was revived in the case of corporate persons, which is calculated on the total amount of income received in the form of occasional earnings during the fiscal year in question.

d. The annual readjustment percentage applicable to the cost of all real estate and movable property that is classified as fixed assets for 2010 is 2.35%, (2009 - 3.33%).

e. Beginning in 2007 and ending in 2009 the deduction on cash investments made in real productive fixed assets was set at 40% and its application does not give rise to taxable earnings for either shareholders or partners. Taxpayers who acquire productive fixed assets that are depreciable as of January 1, 2007 and who use the above deduction, may only depreciate said assets applying the straight-line method and shall not be entitled to exercise their right to an audit, even if they comply with the parameters established for such according to current tax legislation. Prior to January 1, 2007, this deduction was applied to investments in productive fixed assets without having to depreciate these same using the straight-line method. In the event that the assets, on which the abovementioned discount benefit accrued, cease to be used for income-producing activities or are sold off or otherwise transferred, the portion of this discount corresponding to their remaining useful life when they are sold off or otherwise withdrawn, constitute income to be taxed at the current rates.

Beginning in the fiscal year of 2011, the special deduction to investments in productive fixed assets is eliminated with Law 1430 of December 29, 2010. Nevertheless, it is dedicated for those investors that had applied to access to juridical stability agreements before November 1 2010, the possibility to stabilize this norm by a maximum term of three years.

Until 2017 the company will be able to request 40% of these investments since the article 158-3 of the Tax Legislation is included in the Agreement of Juridical Stability included in the Law 963 of July 2005, signed with the State by a term of ten years starting from August of 2007.

f. At December 31, 2010, the company posted a fiscal loss of $54,820, together with a surplus of presumptive income of $200,475. According to current tax legislation, as of the fiscal year of 2007, companies may offset their tax losses, duly readjusted on a tax basis, at any time and without these being subject to any percentage restrictions, with ordinary net income without prejudice to the presumptive income recorded for the corresponding fiscal year. Any surpluses in presumptive income with regard to ordinary income obtained as of the fiscal year of 2007 may be offset with ordinary net income determined within a term of the following five (5) years, these to be duly readjusted on a tax basis. Losses sustained by companies may not be transferred to shareholders or partners. Tax losses arising from revenues that do not constitute income or occasional earnings or from costs and deductions that are not caused by the generation of taxable income may in no event be offset by the taxpayer's net income.

In applying that provided by Articles 188 and 189 of the Tax Statute, for the fiscal years 2010 and 2009 the Company set up its income tax liability using the presumptive income system.

Law 963 passed July 8, 2005, provided for legal stability agreements to be drawn up with investors in Colombia; the Company signed a legal stability agreement with the State for a term of ten years beginning in August, 2007.

All tax returns for the years 2008 to 2009 as well as wealth tax returns for these same years remain subject to review on the part of the Colombian tax authorities. Both the Company Management and its tax advisors consider that there will be no extra taxes to be paid by the Parent Company and its subsidiaries, other than those that have been provisioned up to December 31, 2010.

Wealth tax

Pursuant to Law 1111 of 2006, a wealth tax was created for corporate and natural persons, de facto corporations and taxpayers declaring income tax for the fiscal years of 2007, 2008, 2009 and 2010. For the purpose of this tax, the concept of wealth is equivalent to the taxpayer's entire net equity, when this is equal or higher than three thousand million Colombian pesos.

This tax is calculated on the basis of net equity at January 1, 2007 at a rate of 1.2%.

Wealth tax for the fiscal year 2010, came to $21,372 (2009 - $21,372), which was recorded by the Parent Company and its subsidiaries as a lower value in the equity revaluation account.

Changes with the New Tax Reform Legislation of December 2009

The Colombian Government passed Law 1370 on December 30, 2009 which introduced new tax changes and a new wealth tax for the fiscal year of 2011 for all those corporate and natural persons, de facto corporations and taxpayers declaring income tax. For the purpose of this tax, the concept of wealth is equivalent to the taxpayer's entire net equity, when this is equal or higher than three thousand million Colombian pesos.

This tax shall accrue on the taxpayer's net equity on January 01, 2011, for which a rate of 2.4% shall be applied on a tax equity base equal or higher than three thousand million pesos ($3,000) without this exceeding five thousand million pesos ($5,000) and in the case of a tax equity base equal or higher than five thousand million pesos ($5,000) shall be taxed at a rate of 4.8%.

Wealth tax for 2011 must be paid in eight equal installments during the years 2011, 2012, 2013 and 2014, within the terms set by the Colombian Government.

Changes with the New Tax Reform Legislation of December 2010

The Colombian Government passed Law 1429 of December 29, 2010 introducing changes to wealth tax for the fiscal year of 2011 as follows:

a. Explanation of the tax base to take into account for effects of the rate application

The Article 296-1 of the Tax Code is amended by clarifying that the tax rate is applied to the tax base as defined in Article 295-1, when the taxpayer's net equity exceeds the cap of three thousand million Colombian Pesos ($3,000) and five thousand millions Colombian Pesos ($5,000) as established by Law 1370 of 2009.

(In millions of Colombian pesos and in US dollars)

b. Tax base composition for effects of determining the tax payable of the taxpayers

Two norms are included aiming to control the reduction on net equities which are base for the tax:

1. The taxpayer who carried out cleaving processes during the year 2010, will have to add the equities of the cleaved and beneficiary companies in order to calculate the tax payable.
2. The taxpayer who constituted simplified anonymous corporations during 2010, will have to add to his net equity heritage, the equity of the new corporate person, in order to determine the tax base of the wealth tax.

c. Some additional considerations about the Social Emergency Decree 4825 of 2010

With the expedition of Decree 4825 of 2010, the following additional measures to take into account were adopted:

1. The creation of a new wealth tax on net equities higher than one thousand million Colombian Pesos ($1,000) and two thousand million Colombian Pesos ($2,000), taxed at a rate of 1% and 1.4% respectively.
2. A surcharge of 25% is established for the wealth tax taxpayers according to Law 1370 of 2009, whose effective tax rate should pass from 2.4% to 3% (for net equities between $3,000 and $5,000 million), and from 4.8% to 6% (for net equities higher than $5,000 million).

Note 20
LABOR LIABILITIES

The balance of the Labor Liabilities account at December 31 is broken down as follows:

	2010		2009	
	Current Value	Non-current Value	Current Value	Non-current Value
Severance Law 50	18,974	-	15,013	-
Vacations and vacation bonuses payable	13,021	-	12,013	-
Salaries and other employment benefits payable	12,206	-	2,386	-
Retirement pensions (See Note 21)	3,079	-	2,514	-
Interest on severance payable	2,383	-	1,863	-
Consolidated severance previous regime	400	575	451	732
Total	**50,063**	**575**	**34,240**	**732**

(In millions of Colombian pesos and in US dollars)

Note 21
ESTIMATED RETIREMENT PENSION LIABILITY

The value of the Company's liabilities with regard to retirement pensions has been calculated based on actuarial studies, in accordance with that provided for in Decree 4565 issued December 7, 2010, which introduced amends to the technical basis used for making said calculations.

The company is responsible for paying retirement pensions to all those employees who fulfill the following requirements:

- Employees completing more than 20 years of service at January 1, 1967 (full liability)
- Employees and former employees completing between 10 and 20 years of service at January 1, 1967 (partial liability)

In the case of all other employees, the Colombian Institute of Social Security or the authorized pension funds are responsible for paying these pensions.

Actuarial calculations and the amounts posted in books are as follows:

	2010	2009
Liability's actuarial valuation (100% amortized)	19,923	12,037
Less: Current portion (See Note 20)	(3,079)	(2,514)
Non-current portion	**16,844**	**9,523**

At December 31, 2010, actuarial calculations included 196 persons (2009 - 159)

The benefits covered correspond to monthly retirement pensions, pension readjustments pursuant to legal regulations, surviving beneficiary income, burial benefits and bonuses in June and December, as legally provided.

The deferred cost of retirement pensions was amortized pursuant to tax regulations. The Parent Company's net balance at December 31, 2010 and December 31 2009 represent 100% of the actuarial calculations made on the total contingent liability for the years ended on said dates.

(In millions of Colombian pesos and in US dollars)

Note 22

ESTIMATED LIABILITIES AND PROVISIONS

The balance of the Estimated Liability and Provisions account at December 31 is broken down as follows:

	2010	2009
Other provisions (1)	27,357	22,236
Provision for customer loyalty program (2)	15,165	8,508
Total estimated liabilities and provisions	**42,522**	**30,744**

(1) Including provisions for 2010 on expense incurred with the processes of organizational excellence $15,844, municipal taxes $4,616, labor lawsuits $1,681 (2009 - $1,909), Agreements on Juridical Stability $1,932 (2009 - $3,143), merger process with Carulla Vivero S.A. $3,177 (2009 - $3,871) as well as others for $107 (2009 - $2,715).

(2) Liability incurred on customer loyalty programs “Puntos ÉXITO” and “Supercliente CARULLA”.

Note 23

OTHER LIABILITIES

The balance of the Other Liabilities account at December 31 is broken down as follows:

	2010	2009
Amounts collected for third parties (1)	7,354	10,291
Retained as security (2)	2,384	426
Installments received – lay away plan	2,342	2,172
Subtotal – other current liabilities	**12,080**	**12,889**
Other no-current liabilities (3)	42,795	41,731
Total other liabilities	**54,875**	**54,620**

(1) For 2010 and 2009 this includes collections corresponding to public utility, cell phone, cable TV, non-bank correspondents and other third party billings.

(2) The balance of this account for 2010 includes retentions for investments in the Predios del Sur for $1,110, civil engineering projects in Éxito Colombia, in Medellín for $307, Éxito San Fernando in Cali for $70, Éxito Alamedas in Montería for $40 and others for $857.

(3) In 2010 the company signed a sale promise on the building of a Locatel building in the Puerta del Norte Shopping Mall in Bello for $3,198. In 2009 and 2008 entered into business partnership agreements with the company EASY Colombia, the purpose of which is for Almacenes Exito S.A. to transfer occupancy rights to EASY S.A. on premises located at its Éxito Norte and Éxito Occidente stores in Bogotá and allow said company to set up and run its business on said premises. EASY Colombia for its part is obliged to build and retrofit said premises as tenant, amortizing the improvements made over a period of 20 years, when it shall be released from any liability regarding the construction and improvement work. The value of building these premises in 2009 came to $42,665, $3,068 of which has been amortized.

(In millions of Colombian pesos and in US dollars)

Note 24
EQUITY

24.1 Share Capital

The company's authorized share capital is divided up amongst 400,000,000 common shares each with a nominal value of $10 (*), the subscribed and paid-in capital totals $3,340 (2009 - $3,338), the number of shares outstanding comes to 333.333.632 (2009 - 333.174.004) and the number of repurchased own shares come to 635.835 for each year.

The Company's capital and share placement premium for 2010 is broken down as follows:

	Shares	Price (*)	Capital	Share placement premium
Share issue merger with Carulla Vivero S.A.	159.628	18,310	2	2,921

(*) In Colombian pesos

24.2 Share placement premium

The share placement premium represents the higher value paid out over and above the shares' face value. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

24.3 Reserves

Except for the reserve for share repurchases, the other reserves were set up with retained earnings and remain freely available for distribution by the General Assembly of Shareholders of the company.

The company is required to set up this reserve appropriating 10% of their net annual profits until the balance of this reserve reaches 50% of its subscribed capital. The reserve cannot be distributed prior to the company being wound up, but must be used to absorb or reduce losses. Appropriations in excess of the aforementioned 50% remain freely available for distribution by the General Assembly of Shareholders.

24.4 Equity Revaluation

Adjustments for inflation on balances of shareholders' equity accounts up to December 31, 2006, excluding the reappraisal surplus, have been posted to this account, and charged to the income statement. Pursuant to current legislation, this balance can only be distributed in the form of profits when the Company is either wound up or is capitalized. A company is understood to have been capitalized when the surplus is transferred to a capital account as a result of issuing stock dividends.

(In millions of Colombian pesos and in US dollars)

The Colombian Government eliminated adjustments for inflation for tax purposes by means of Law 1111 passed December 27, 2006. These were subsequently eliminated from books, as of January 1, 2007 by means of Decree 1536 issued May 7, 2007.

During 2010 the company administration availed itself of the aforementioned legislation and recorded a lower value for its equity revaluation account for $21,372 (2009 - $21,372) of wealth tax under Law 1111 of December 27, 2006.

Note 25

MEMORANDUM ACCOUNTS, DEBTOR AND CREDITOR

The balance of the Memorandum Accounts at December 31 is broken down as follows:

	2010	2009
Hedging operations (1)	218,194	399,391
Subtotal - Contingent rights	**218,194**	**399,391**
Tax receivable	540,892	1,192,664
Subtotal – tax receivable	**540,892**	**1,192,664**
Unused credit (2)	1,683,232	1,125,658
Property, plant and equipment, fully depreciated	637,455	582,212
Adjustments for inflation on non-monetary assets.	241,631	268,545
Goods handed over under fiduciary arrangements (3)	43,040	29,055
Litigations and lawsuits (4)	39,375	35,968
Merchandise in consignment (5)	29,141	15,483
Unused letters of credit	27,754	11,662
Post- dated checks	3,772	5,389
Leased goods	222	-
Subtotal – debtor control accounts	**2,705,622**	**2,073,972**
Hedging operations	274,785	470,139
Other litigations and lawsuits (6)	28,606	16,603
Labor suits and litigations	14,542	3,866
Other contingent liabilities (7)	5,599	5,878
Promises of sale	500	-
Goods and securities received as security	337	344
Subtotal – contingent liabilities	**324,369**	**496,830**
Tax payable	466,301	442,779
Subtotal – tax payable	**466,301**	**442,779**
Adjustments for inflation on equity	321,728	549,005
Subtotal – creditor control accounts	**321,728**	**549,005**
Total – Memorandum accounts, debtor and creditor	**4,577,106**	**5,154,641**

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

(1) In order to minimize the impact of fluctuating interest rates, the company has carried out hedging operations, in the form of SWAPs. These operations include syndicated loan as well as two other dollar-denominated loans In 2009 a total of US$120 million was repaid as part of the first tranche of the loan and another US$36 million was repaid as part of the second tranche of this loan. In 2010 a total of US$72 millions were repaid as part of the second tranche leaving a balance of US$72 millions over which is the current hedging.

(2) Various financial institutions granted short-term loans to the company, which remain at its disposal.

(3) Including property such as: the Éxito Villamayor store in Bogotá and the Éxito store in Armenia, premises at the Vizcaya Shopping Center in Medellín and the City Plaza – Escobero Shopping Center in Envigado, as well as an escrow with Corficolombiana pertaining to a lease agreement on the Éxito Poblado store in Medellín and the Avenida 68 Distribution Center in Bogotá, that the Parent Company handed over to a trust. This also includes rights over the third stage of the El Tesoro Shopping Mall in Medellín and a new stage on the San Pedro Shopping Mall in Neiva.

(4) 2010's figure included the following legal proceedings:

a. Unfair competition suits originating in comparative publicity for the "Guaranteed Lowest Price" campaign for an approximate value of $25,000 (2009 - $25,000).

b. Various customs lawsuits with the Colombian Tax Authorities for a total value of $2,442 (2009 - $2,916).

c. Other suits with municipal authorities and other third parties for an approximate value of $6,148 (2009 - $4,614).

d. Claim Murillo land lot in Barranquilla city $3,325.

e. Other minor lawsuits for $2,430.

(5) Including amongst other items, merchandise from the following suppliers in 2010: Continente S.A. $11,601, Editorial Norma S.A. $3,183, Sociedad de Comercialización Internacional $1,619, Zapf S.A. $877, JEN S.A. $815, Industrias Cannon $718, Brighstar Colombia $662, Inval S.A. $653, Calzatodo S.A. $617, Kids & Arts Company $560 and others $7,836.

(6) Including amongst other processes:

a. Tort liability suits for an approximate value of $9,849 for 2010 (2009 - $ 9,911).

b. Other proceedings with municipal authorities and other third parties for an approximate value of $7,084 for 2010 (2009 - $3,996).

c. Dispute claim on administration fee increase in Bello Shopping Center in Antioquia for $2,500.

d. Other minor lawsuits for $ 9,173.

(7) Figure for 2010 corresponds to contingent liabilities on the part of the Parent Company corresponding to purchases from President Choice $4,099 (2009 - $4,378), a foreign supplier, as well as on a business with the Family Compensation Fund of Risaralda COMFAMILIAR for a total of $1,500.

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Notes to the Financial Statements

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Note 26
NET REVENUES

The Net Revenues Account at December 31 is broken down as follows:

	2010	2009
Net sales (1)	**7,151,445**	**6,634,144**
Other operating revenues		
Special display negotiations	158,386	150,974
Revenues from franchises and leases	71,540	63,962
Royalties from the Éxito - Tuya S.A. (formerly Sufinanciamiento) alliance	42,268	19,023
Discount sales – customer loyalty program	36,635	44,117
Revenues from events	20,014	25,179
Services	16,356	15,568
Miscellaneous (2)	10,488	17,699
Subtotal – other operating revenues	**355,687**	**336,522**
Total Net Revenues	**7,507,132**	**6,970,666**

(1) Discount given in 2010 came to $169,705 (2009 - $158,047).

(2) Miscellaneous revenues include billboards $460 (2009 - $391), miscellaneous gains $2,430 (2009 - $10,964), premium on retail premises $2,133 (2009 - $981), income from management and district events $2,260 (2009 - $1,505), and other miscellaneous gains $3,205 (2009 - $3,858).

Sales returns are posted as a lower value of sales, bearing in mind that it is the policy of the company to exchange merchandise. When the customer returns an article, he or she is given an exchange receipt to be used in payment of other items.

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos and in US dollars)

Note 27
SELLING, GENERAL & ADMINISTRATIVE EXPENSE

The Selling, General & Administrative Expense Account at December 31 is broken down as follows:

	2010			2009		
	Administrative	Sales	Total operating expense	Administrative	Sales	Total operating expense
Personnel expense	86,176	459,394	545,570	68,803	387,719	456,522
Services	7,548	238,794	246,342	7,127	295,592	302,719
Depreciation	19,476	182,725	202,201	13,682	163,608	177,290
Lease rentals	878	152,132	153,010	1,954	138,166	140,120
Taxes	31,865	69,408	101,273	29,588	59,526	89,114
Amortization	50,600	34,479	85,079	36,955	30,345	67,300
Maintenance and repairs	6,084	35,429	41,513	5,368	33,623	38,991
Packaging and tagging material	306	29,419	29,725	191	27,542	27,733
Commissions on debit and credit cards	-	22,779	22,779	-	22,072	22,072
Insurance	3,462	12,419	15,881	2,718	14,107	16,825
Fees	8,808	1,520	10,328	6,573	783	7,356
Traveling expense	4,573	2,657	7,230	4,190	2,169	6,359
Retrofitting and installations	496	4,357	4,853	184	4,367	4,551
Legal expenses	1,422	2,221	3,643	399	1,926	2,325
Royalty expense (1)	-	1,761	1,761	-	150,695	150,695
Membership fees and contributions	670	358	1,028	473	302	775
Miscellaneous (2)	5,315	55,745	61,060	10,605	47,373	57,978
Total selling, general and administrative expense	**227,679**	**1,305,597**	**1,533,276**	**188,810**	**1,379,915**	**1,568,725**

(1) For 2010 corresponds to fees paid to Cafam

(2) Among others, miscellaneous expenses include: Store inauguration expenses $6,489 (2009 - $3,075), cleaning and fumigation supplies $5,998 (2009 - $5,498), stationery, office supplies and forms $5,267 (2009 - $5,335), regional support $3,529 (2009 - $3,304), store items $5,701 (2009 - $4,559), restaurant and coffee shop supplies $4,057 (2009 - $3,779), and other minor for $30,019 (2009 - $36,207).

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Notes to the Financial Statements

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Note 28
OTHER NON-OPERATING INCOME AND EXPENSE, NET

The Other Non-Operating Income And Expense account is broken down as follows:

	2010	2009
Non-operating income		
Provision recovery from investments (Cativén)	79,520	7,756
Profits from sale of investments (1)	34,381	5,897
Amounts recovered from provisions (2)	20,193	52,085
Profits from sale of property, plant and equipment, investments and intangibles (3)	19,600	60,002
Income from exchange difference (4)	6,420	33,103
Recovered costs and expense	2,124	6,863
Amortization of deferred credited monetary correction with the dismantling adjustments for inflation	1,559	4,131
Other non-operating revenue	5,198	3,131
Total non-operating income	**168,995**	**172,968**
Non-operating expense		
Provision for Accounts receivable Geant International (5)	(69,286)	(5,221)
Amortizations, bonuses and indemnities (6)	(29,701)	(17,364)
Expense on exchange difference (4)	(17,816)	(47,517)
Provision for property, plant and equipment	(7,429)	(99)
Royalty expense Tuya S.A. (Formerly Sufinanciamiento)	(5,910)	(5,054)
W Right-offs	(3,500)	(414)
Preoperational expense	(2,917)	-
Legal and lawsuit expense	(2,775)	(954)
Donations	(2,092)	(1,717)
Expense on special projects	(1,741)	-
Law stability	(1,210)	(884)
Loss on sale/withdrawal of assets	(1,126)	(292)
Cost of claims (7)	(1,116)	(1,892)
Financial transaction tax (“4 x 1000” tax)	(808)	(891)
Other Provisions	(713)	-
Legal proceedings and costs	(355)	(894)
Retirement pensions	(165)	(794)
Losses on sales of investments	(2)	(31,765)
Expense on restructuring and merging with Carulla Vivero S.A.	-	(2,030)
Other no operational expense (8)	(10,057)	(12,301)
Total non-operating expense	**(158,719)**	**(130,083)**
Total Other Non-Operating Income, net	**10,276**	**42,885**

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(1) Corresponding to the sale of the investment in Cativén S.A.

(2) Figure for 2010 corresponds to amounts recovered from provisions set up on litigations and lawsuits for $5,368, from accounts receivable recovery from Cativén S.A. $5,349, from fix assets recovery from Cedritos contract assignment $3,692, from the use of Carulla S.A.'s provision for $3,004, from the recovery of provision for increase of value of real estate properties for $1,592 and from others for $1,188.

In 2009 corresponds to amounts recovered from provisions in Makro Supermayorista S.A. selling for $31,766, use of Carulla Vivero S.A. provision for $17,128, recovered from provisions for valuations of moveable assets $1,691, for Law stability $1,093, for litigations and lawsuits $245 and for others $162.

(3) Figure for 2010 corresponds to the sale of trust rights of the autonomous equity of the San Pedro Plaza Shopping Mall in Neiva City.

Figure for 2009 corresponds mainly to the sale of the following property: Premises # 102 and 103 of the Pereira Plaza Shopping Mall in Pereira, the Las Vegas Distribution Center in Envigado, the Éxito Chipichape store in Cali, the Ley 7 de Agosto store in Bogotá, the Ley store in the BolÌvar Shopping Center in Cúcuta..

(4) Corresponding to adjustments for the net exchange difference on the Parent Company's investment in Cativén S.A, for $11,215, (2009 - $14,414) and others for $181.

(5) The figure for 2010 corresponds to the provision set up for receivable accounts from Geant International, in 2009 corresponds to the investment in Cativén S.A.

(6) The figure for 2010 corresponds to projects bonus for $2,305, indemnities for personnel of Almacenes Éxito S.A. for $11,552, provision for Organizational Excellence $15,844.

The figure for 2009 corresponds to personnel indemnities: $1,486 in the case of Carulla Vivero S.A., $15,878 for Almacenes Exito S.A.

(7) Figure for 2009 corresponds to merchandise claims for $1,116.

Figure for 2009 corresponds to uncollected claims from insurance companies totaling $1,087, other merchandise claims for $688 and other claims for $117**.**

(8) The figure for 2010 includes amortization of deferred restatements for the clearance of inflation adjustments for $1,057, fines, sanctions and litigations for $1,513, maintenance and security guard expense on non-operating real estate for $295, assumed taxes for $670 and other expenses for $6,522.

The figure for 2009 includes amortization of deferred restatements for the clearance of inflation adjustments for $2,802, fines, sanctions and litigations for $3,247, maintenance and security guard expense on non-operating real estate for $491,and other expenses for $5,761.

Note 29
RELEVANT FACTS

Year 2010

Incorporation of Almacenes Éxito Inversiones S.A.S

According to information published in the Colombian Financial Superintendency on October 27, 2010, a Colombian Simplified Anonymous Corporation was incorporated and inscribed in the Chamber of Commerce of Aburrá South, Almacenes Éxito Inversiones S.A.S., exclusive property of Almacenes Éxito S.A., with the character of subsidiary and whose main object will be to invest in societies of the companies of Grupo Empresarial Éxito.

This company has received as a contribution from Éxito totaling three hundred thousand shares of the subsidiary company of Almacenes Éxito S.A., named Distribuidora de Textiles & Confecciones - Didetexco S.A., with a value of sixteen thousand Colombian pesos each for a total of $4,800.

Ending of the lawsuit for the Unicentro's premises in Bogotá D.C.

On August 20, 2010, the subsidiary company Didetexco S.A. signed transaction contracts with Chevor S.A. and Industrias Alimenticias Aretama S.A., and Federación Nacional de Cafeteros, agreeing to call off the differences they had in relation with the rights on the premises where the Éxito store operates in the Shopping Mall Unicentro in Bogotá, D.C.

The transaction agreement established the cessation of all civil and commercial actions and the withdrawal of all civil action of the parts in the penal processes.

Business partnership agreement with CAFAM

So as to boost their respective levels of performance and service, Almacenes Éxito S.A. signed a business partnership agreement with Caja de Compensación Familiar CAFAM, to maximize their core retail store and pharmacy businesses. This partnership is based on the strengths that each party brings to the table, that is to say Cafam's expertise with its core pharmacy business and the experience that Almacenes Exito S.A. has gained with its core retail business, transferring the benefits to the consumers and affiliates.

On July 28 the Superintendence of Industry and commerce resolved not objecting the integration derivative from the commercial partnership between Cafam and Almacenes Éxito S.A., through which both companies join efforts to develop their businesses in the field of the supermarkets, hypermarkets and drugstores, this will allow Cafam to operate and manage 91 drugstores within the Almacenes Éxito, Ley and POMONA stores in 30 cities of the country and Almacenes Éxito S.A. to operate and manage 31 supermarkets and hypermarkets of Cafam in Bogotá and Cundinamarca and in Melgar, (Tolima.)

Cativén S.A.

On November 26, Guichard Perrachon ("Casino"), concluded an agreement with República Bolivariana de Venezuela for the sale of 80.1% of the shares of Cadena de Tiendas Venezolanas S.A. -Cativén S.A.. This percentage included all shares held by Almacenes Éxito S.A., equivalent to 28.62% of Cativen's stoke, which were transferred to Casino under a sale contract between Almacenes Éxito S.A. and Geant International, subsidiary company of Casino. On the other side, Casino has retained 19.9% stake in Cativen S.A. to continue to provide operational support and cooperate with the new entity.

The sale totaled US$90,5 million, 20% of which has been paid during 2010 totaling US$18,1 million, the full payment of the remaining is agreed until November 2011. (To the date of preparation of these notes, another 20% of the payment has been received on January 31, 2011).

Year 2009

Share issues

a. Private issue

An issue of 14.349.285 common shares in the company at a price of US$7.75 per share, which was carried out through a private offer of shares, this issue does not carry any preferential rights and was placed in its entirety with the remaining shareholders of Carulla Vivero S.A.

The price agreed upon was in line with the average price of Almacenes Éxito S.A.'s shares as listed on the Colombian Stock Exchange during a period of six months prior to October 23, 2009, at an average exchange rate calculated over the days preceding the closing date; all of which was duly stated in the Amended and Restarted Exit Rights Agreement signed between the company and the remaining shareholders on October 26, 2009.

The purchase price for these preferred shares may be adjusted based on the future performance of Almacenes Éxito's common shares for a period of up to 30 months beginning as of March 15, 2010.

This arrangement had the following implications: it allowed the company to set in advance the value of the purchase option for these preferred shares, reduce the amount of future obligations based on these agreements, prepare the ground for reaping the benefits of a possible merger and the company's current shareholders could well see a drop in the stakes held given the share dilution brought about with this issue.

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b. Public issue

No. of shares placed:	30.000.000
Total value of the issue: Shares placed in the first round (October 27 - November 18, 2009):	Four hundred and thirty-five thousand million pesos broken down as follows: 28.746.815
Ordinary shares corresponding to 95.8% of the total issue for a value of:	$416,828 million pesos
Shares placed in the second round (November 25 - December 01, 2009):	1.253.185
Ordinary shares corresponding to 4.2% of the total issue for a value of :	$18,171 million pesos

Purchase of a 22.5% stake in Carulla Vivero S.A.'s equity - CVSA

The remaining shareholders of Carulla Vivero S.A. subscribed to all of the 14.349.285 common shares offered by Almacenes Exito S.A. at USD $7.75 dollars per share, converted at the representative market rate for December 15, 2009, in accordance with that set out in Resolution 1930 issued December 15, 2009, by the Colombian Financial Superintendency, by means of which said authority approved the regulations for said issue.

These shares were issued as a result of a private offer, they do not carry preferential rights and were placed in its entirety with the remaining shareholders.

Also and pursuant to the Amended and Restated Exit Rights Agreement signed by the company and the remaining shareholders in 2007, Almacenes Éxito S.A. acquired the total 7.969.390 preferred shares held by the remaining shareholders in Carulla Vivero S.A. this representing 22.5% of the company's share capital. With this, Almacenes Éxito S.A., acquired a 99.8% stake in Carulla Vivero S.A.

Financial Indicators

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009

	2010	2009
1. LIQUIDITY RATIOS		
Current ratio	1.04	0.94
Net Working Capital / Operating Revenues	1.14	(1.59)
Acid test ratio - inventories	0.63	0.50
Suppliers/ Inventories	1.37	1.35
2. INDEBTEDNESS RATIOS (%)		
Total indebtedness	33.48	34.86
Concentration of short-term borrowings	86.50	79.85
Financial indebtedness	9.22	9.71
Financial leverage	13.86	14.90
Short-term indebtedness	63.31	37.35
Total mid- to long-term indebtedness	36.69	62.65
Total indebtedness in foreign currency	58.35	81.11
Total indebtedness in local currency	41.65	18.89
Net Financial Expense / EBITDA	6.89	28.79
Gross Indebtedness / EBITDA (times)	1.02	1.59
Operating income / net financial expense (times)	7.58	1.29
Operating income / total financial obligations (times)	12.26	11.24
3. PROFITABILITY RATIOS (%)		
Margin before non-operating revenue and expense	4.19	2.07
Net margin	3.39	2.11
Return on assets	3.84	2.30
Return on Equity	5.77	3.54
EBITDA Margin (*)	8.02	5.58
Gross profit / Total net revenues	24.62	24.58
4. OPERATING EFFICIENCY AND TENDENCY RATIOS (TIMES)		
Total asset turnover	1.13	1.09
Inventory turnover	7.20	6.30
Supplier turnover	5.29	5.24
Gross profit / selling expense coverage	1.42	1.24
Fixed asset turnover	3.66	3.89
Administrative expense / gross profit (%)	12.32	11.02
Selling expense / gross profit (%)	70.64	80.54
Personnel expense / net revenues	7.27	6.55

(*) Profit before interest, tax, amortization, depreciation and adjustments for inflation.

The Parent Company does cash sale, so the financial ratio calculation “Accounts receivable turnover” does not apply.

grupo éxito

Analysis of the financial indicators

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

Liquidity ratios

The Parent Company's Working capital at December 31, 2010 came to $96,263 (2009 $150,049). This decrease was due to having paid off US$72 million of a syndicated loan taken out in 2007 to purchase Carulla Vivero S.A. and the sale of the investment held in Cativén S.A. for US$90.5 million.

The Parent Company has a total of $1.10 to cover its short-term borrowings and the supplier-inventory ratio rose to 1.33 compared to the 1.24 recorded for 2009, clearly showing an improvement in the Company's negotiating capacity with suppliers.

Indebtedness ratio

The Parent Company's total debt fell by 0.68% for 2010 going from 34.19% to 33.51%, having paid off US$72 million in the syndicated loan acquired in 2007 for the purchase of Carulla Vivero S.A. and the sale Forward operation for US$36 million to cover the payment of the syndicated loan.

The proportion of debt financed with financial obligations comes to 9.22%.

The indebtedness concentration ratio for 2010 shows a short-term portion of 86.52%, given the upcoming maturing of a syndicated loan of US$72 million acquired in 2007 to purchase Carulla Vivero S.A. and the maturing of bonds for $30 million.

Mid- to long-term indebtedness with the financial sector included a syndicated loan for US$72 million, disbursed in January, 2007, in order to purchase Carulla Vivero S.A.

The Net financial expense/EBITDA decreased 14.06% passing from 20.89% to 6.83%, this due to the payment of the syndicated loan of US$72 million.

Profitability indicators

The Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin shows the Parent Company's capacity to generate cash from its operations which in 2010 came to 8.13%.

The profit margin over the assets and equity increased from 1.51 to 2.23 respectively when comparing 2010 and 2009.

The Parent Company in 2010 produced a net margin of 3.39%, upon comparing this with a margin obtained before non-operating revenue and expense of 4.24% showing that non-operating items represent 0.85% of the Organization's operating revenue.

Operating efficiency and tendency ratios

Each peso that the Parent Company invested last year in assets provided additional revenue of 0.3% which shows that the Company's total asset turnover improved from 1.10 in 2009 to 1.13 in 2010.

The Parent Company's purchases remain on average 51 days in inventory whereas payment terms average out at 66 days.

SUPPLEMENTARY INFORMATION

FOR YEARS ENDING DECEMBER 31, 2010 AND DECEMBER 31, 2009
(In millions of Colombian pesos)

	2010	2009
Total assets (excluding valuations)	5,519,250	5,626,878
Liabilities	2,223,116	2,228,360
Net sales	7,151,445	6,634,144
Ordinary monthly dividend (*)	60	60
Equity value per share (+)	13,246	12,495
SHARES		
Nominal value (*)	10	10
Average trading price (*)	19,778.66	13,829.89
Maximum trading price (*)	25,000	19,900
Minimum trading price (*)	16,020	9,000
Closing trading price (*)	23,360	19,500
Number of shares issued by the Company	333.969.467	333.809.839
Number of repurchased own shares	635.835	635.835
Number of shares outstanding	333.333.632	333.174.004
BALANCE SHEET		
Current receivables	355,327	223,284
Goods for sale	807,193	778,522
Current assets	2,008,368	1,668,416
Property, plant and equipment , net	2,050,850	1,793,714
Valuations	1,121,088	764,605
Financial obligations	357,294	515,382
Current liabilities	1,923,084	1,779,355
Labor liabilities	50,063	34,972
Shareholders equity	4,417,222	4,163,123
Memorandum accounts, debtor and creditor	4,577,106	5,154,641
SHARE CAPITAL		
Authorized	4,000	4,000
Subscribed and paid-in	3,340	3,338
Share placement premium	2,289,589	2,328,500
JOBS		
Employees	28.018	24.640
DIVIDENDS		
Payment date	5 business days as of the 1st day at the beginning of each quarter	5 business days as of the 1st day at the beginning of each quarter
Total cash per share (*)	240	240

	2010	2009
TAXES		
Income tax payable (receivable)	(51,483)	(54,492)
Sales tax payable	35,607	39,624
Land and Industry and Commerce tax payable	24,148	20,754
Deferred income tax - movement for the year	(17,688)	(17,834)
Income tax expense	29,972	9,883
OPERATIONS		
Cost of sales	5,658,967	5,257,311
Salaries and employment benefits	700,426	456,522
Depreciation and amortization expense	124,544	244,590
Other general, administrative and sales expense	545,570	867,613
Financial expense	287,280	158,742
Financial revenue	83,026	46,697
RESERVES		
Mandatory	16,597	16,598
Occasional	413,304	345,963
EARNINGS		
Gross	1,848,165	1,713,355
Operating	314,889	144,630
EBITDA (1)	602,169	538,486
Profits before income tax	284,806	157,185

(*) In Colombian pesos.

(1) Earnings before interest, tax, depreciation, amortization and adjustments for inflation.

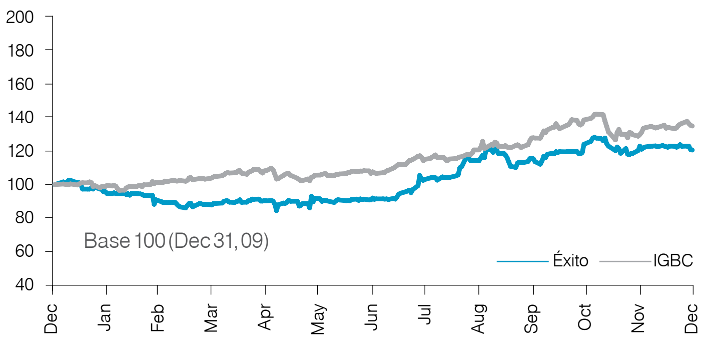
Stock performance

(Colombia Stock Exchange : EXITO)

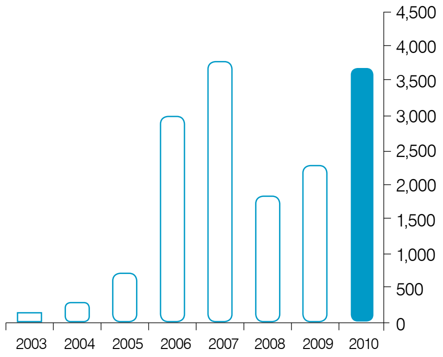
Stock price performance Colombia Stock Exchange, BVC

Year	2003	2004	2005	2006	2007	2008	2009	**2010**
Maximum trading price (*)	2,660	6,080	8,110	16,060	19,020	17,100	19,900	25,000
Minimun trading price (*)	2,950	3,399	4,400	7,510	13,420	7,360	9,000	16,020
Closing trading price (*)	3,400	4,650	7,610	15,920	17,100	10,160	19,500	23,360
Average trading price (*)	3,266	4,354	6,504	11,000	15,507	11,394	13,830	19,779
Average Vol ($$millions)	148	282	786	3,332	4,192	1,997	2,535	4,147
Market Capitalization ($ millions)	688,697	961,403	1,590,495	3,327,290	4,850,025	2,881,652	6,496,893	7,786,674

Price performance Éxito vs IGBC



Average daily volume ($ millions)



Ordinary Share Information

Year	2003	2004	2005	2006	2007	2008	2009	**2010**
Ordinary dividend ($) (*)	23.0	25.0	25.0	25.0	25.0	60.0	60.0	60.0
Ordinary Shares ($mill)	202.6	209.0	209.0	209.0	283.6	283.6	333.2	333.3

(*) The dividend payment was quarterly based in 2010, 2009 and 2008, from 2003 to 2007 was monthly liquidated.

"This is a Colombian business and it will remain Colombian, as the stores we build and the employment we generate stays in Colombia."

Gonzalo Restrepo López