

Almacenes Éxito S.A.

Consolidated Financial Results

For the second quarter and six-month period
ended June 30, **2014**



Viva Caucasia
Shopping Mall

BVC (The Colombian Stock Exchange): "ÉXITO"
ADR Program: "ALAXL"
Medellín, Colombia - July 22, 2014 - Almacenes Éxito S.A. ("Éxito" or "the Company"), the largest retail company in Colombia, today announced its consolidated financial results for the period ended June 30, 2014. All figures are expressed in COP -Colombian pesos.

Exchange rate: 1 USD = COP\$1,881.19 at June 30, 2014



Almacenes Éxito S.A. Cordially invites you to participate in its **Second Quarter 2014 Results Conference Call**

Date: Wednesday, July 23 at 10:00 a.m. Colombian time

To participate, please dial:

U.S. Toll Free: 877 809 8690

UK Toll Free: 0800 028 8438

France Toll Free: 0800 909 322

Colombia Toll Free: 01800 518 0165

International (outside U.S. dial): +706 634 6560

Conference ID Number: 68294141

2Q14 results will be accompanied by a webcast presentation and audio webcast that will be available on the company's website at www.grupoexito.com.co under "Investors" or <http://services.choruscall.com/links/exito140723.html>

Second Quarter 2014 Financial & Operating Highlights

2014

Note: Consolidated figures include both Grupo Exito's results in Colombia and the financial results of Spice Investment, Uruguay since October 1, 2011 of which financial results include the consolidation of 62.49% of Disco and 100% of Devoto Companies.

- **Net Revenues** increased 9.7% to COP\$2,754,545 million in the second quarter 2014.
- **Selling and Administrative Expenses** registered COP\$585,606 million. As a percentage of Net Revenues, SG&A represented 21.3%
- **Operating Income** increased 13.8% for a total of COP\$100,957 million. As a percentage of Net Revenues, Operating Income margin reached 3.7%.
- **EBITDA** grew 7.1% for a total of COP\$200,150 million to EBITDA margin of 7.3%.
- **Net Income** increased 1.8% to COP\$81,389 million to a Net Income margin of 3.0%.
- **Working Capital** reached a favorable position of COP\$727,597 million with a freed up of COP\$37,582 million.



Expansion in Colombia

Grupo Éxito opened five new stores in the second quarter:

3 Surtimax stores opened in the cities of Bogotá, Itagüí and Caucasia, and 2 Carulla stores opened in Cartagena and in the city of La Calera near Bogotá.

With these additional locations, the Company reached 528 stores as of June 30, 2014. Geographically this represents 474 stores in Colombia and 54 stores in Uruguay.

In the second quarter of 2014, the real estate business created nearly 20,000 square meters of gross leasable areas in Viva Fontibón and Viva Caucasia, two recently-opened shopping malls in Bogotá and Antioquia. 30,000 square meters of gross leasable areas were created as of the first half 2014.



Employees celebrating new openings

New Carulla Stores:

San Martín in Cartagena and La Calera near Bogotá.

New Surtimax Stores:

Calatrava in Itagüí, Caucasia in Caucasia and Usme Calle 136 in Bogotá.

The Company completed a total of **528** stores

Commercial Events

“Aniversario Éxito” promotional event in the Éxito stores across Colombia, outperformed the results obtained at the event last year. Grupo Éxito also held special “Mother’s Day and Father’s Day” events in both Colombia and Uruguay.

Ninth annual wine event, “Expovinos” from June 18 to the 21st, hosted in Éxito and Carulla stores in Bogotá to almost 30 thousand visitors, selling thousands of bottles of wine, featured expert presentations and other wine-related promotional activities.

Innovative initiatives

Éxito was chosen by FIFA as the official **World Cup Brazil 2014** store and carried more than 150 products related to this important football event. Moreover, for the enjoyment of the games, Exito invited customers to its “Festa do Gol” event at selected stores.

Grupo Éxito held the exclusive launch of the second part of Carlos Vives’ album “Más Corazón Profundo” throughout the Carulla and Éxito stores.

Recent Transactions

Grupo Éxito created a new company to manage transportation and logistics, in order to strengthen the Company’s omni-channel activities and to provide support for the e-commerce business.

In addition, the Company took further its joint venture with Casino Enterprise in order to manage the e-commerce business. After obtaining the approval of the Board of Directors, Grupo Éxito joined Cnova, a major global e-commerce player created by the consolidation of the Cdiscount and Nova on-line businesses from France, Brazil, Thailand, Vietnam and Colombia. Thus, Grupo Éxito will continue to develop the on-line business in Colombia and the region with a 49% stake in Cdiscount Colombia, 30% of Cdiscount Latam and 0.16% in Cnova.

Commercial Events



Aniversario Éxito promo event



Major Global e-commerce business.



World Cup products



Consolidated Financial Statements as of June 30, 2014

Consolidated Income Statement for the Second Quarter 2014

2014

	Second Quarter 2014		Second Quarter 2013		% Var
	Millions of COP	% Net Revenues	Millions of COP	% Net Revenues	
Net revenues	2,754,545	100.0	2,510,463	100.0	9.7
Cost of sales	-2,067,982	-75.1	-1,852,953	-73.8	11.6
Gross profit	686,563	24.9	657,510	26.2	4.4
Selling, general and administrative expense	-585,606	-21.3	-568,800	-22.7	3.0
Operating income	100,957	3.7	88,710	3.5	13.8
Financial income	40,467	1.5	62,386	2.5	-35.1
Financial expense	-18,848	-0.7	-34,814	-1.4	-45.9
Other non-operating income and expense	-13,458	-0.5	-7,584	-0.3	77.5
Minority interest	-108	0.0	-179	0.0	-39.7
Income before taxes	109,010	4.0	108,519	4.3	0.5
Income taxes	-27,621	-1.0	-28,604	-1.1	-3.4
Net income	81,389	3.0	79,915	3.2	1.8
EBITDA	200,150	7.3	186,911	7.4	7.1

Consolidated Income Statement for the six-month period ended June 30, 2014

	Six months ended June 30, 2014		Six months ended June 30, 2013		% Var
	Millions of COP	% Net Revenues	Millions of COP	% Net Revenues	
Net revenues	5,392,512	100.0	5,114,926	100.0	5.4
Cost of sales	-4,012,063	-74.4	-3,793,629	-74.2	5.8
Gross profit	1,380,449	25.6	1,321,297	25.8	4.5
Selling, general and administrative expense	-1,168,598	-21.7	-1,125,487	-22.0	3.8
Operating income	211,851	3.9	195,810	3.8	8.2
Financial income	81,314	1.5	95,804	1.9	-15.1
Financial expense	-34,572	-0.6	-51,531	-1.0	-32.9
Other non-operating income and expense	-27,337	-0.5	-14,244	-0.3	91.9
Minority interest	-439	0.0	-570	0.0	-23.0
Income before taxes	230,817	4.3	225,269	4.4	2.5
Income taxes	-50,488	-0.9	-56,022	-1.1	-9.9
Net income	180,329	3.3	169,247	3.3	6.5
EBITDA	409,376	7.6	390,778	7.6	4.8

Consolidated Balance Sheet

(In Millions of Colombian Pesos)

	June 2014	June 2013	% Var
Assets	10,347,639	10,077,631	2.7
Current Assets	4,025,489	3,811,022	5.6
Cash	1,425,806	1,077,066	32.4
Marketable Securities	948,115	1,227,681	-22.8
Inventories	1,159,419	1,132,768	2.4
Others	492,149	373,507	31.8
Non-current assets	6,322,150	6,266,609	0.9
Liabilities	2,611,839	2,539,132	2.9
Current Liabilities	2,533,581	2,275,862	11.3
Financial Obligations short term	154,416	4,408	N/A
Suppliers	1,486,934	1,441,562	3.1
Others	892,231	829,892	7.5
Non-current liabilities	78,258	263,270	-70.3
Financial Obligations long term	0	150,000	-100.0
Others	78,258	113,270	-30.9
Minority interest	13,254	14,094	-6.0
Shareholders' equity	7,722,546	7,524,405	2.6

ROA and ROE

	June 2013	June 2014
ROA	4.6%	4.3%
ROE	6.2%	5.8%

Historic Value*	June 2013	June 2014
ROA	5.7%	5.3%
ROE	8.1%	7.6%

*Historic value does not include valuations and inflation adjustments.



Expovinos event

Second Quarter 2014 Financial Highlights

2014

- **Net Revenues** increased 9.7% in the second quarter 2014 to a total of COP\$2,754,545 million versus the COP\$2,510,463 million reported in the same quarter 2013. In second quarter 2014, Net Revenues benefitted from improved sales levels in Uruguay, the diversification of the increased share of Complementary Businesses, the growth of categories related to the World Cup and the strong performance of the promotional Aniversario Exitó event.

Accordingly, same store sales rose by 7.8% in Colombia and the outcome was positively influenced by a 6% calendar effect derived from most of the annual Aniversario Éxito promo event taking place during this quarter; in Uruguay, same store sales levels in local currency were 10.4%.

Net Revenues in the first half of 2014 rose 5.4% and represented an 8.0% increase in same store sales in Uruguay in local currency and a 2.2% increase in Colombia for a consolidated 1.9% like-for-like growth during the first half of the year.

- **Gross Profit** grew 4.4% from COP\$657,510 million in the second quarter 2013 to COP\$686,563 million in the same period this year. As a percentage of Net Revenues reached 24.9% in 2Q14. The overall sales mix reflected a major share of non food products in Colombia driven by the growth of the Electro category which is usually very competitive in prices while impacting overall gross margins.

During the first half, Gross Profit grew 4.5% compared to 2013, reaching a margin of 25.6%, reflecting the effectiveness of the Company's strategies through targeted price investments in order to face competition, the overall sales mix performance and the increasing share of complementary businesses in Net Revenues.

- **Selling and Administrative Expenses** reached COP\$585,606 million in second quarter 2014 compared to COP\$568,800 million in the same period 2013. As percentage of Net Revenues they went down from 22.7% to 21.3% showing a decrease of 140 basis points versus the same period in 2013. In the first half of 2014 SG&A's also went from 22% to 21.7% as percentage of Net Revenues.

The company continues the investment in omni-channel activities and executing its expansion plan in both retail and

real estate, which require increased personnel and other expenses that were mainly offset mainly by operational efficiencies gained from the centralization of activities and productivity gains.

- **Operating Income** increased 13.8% to COP\$100,957 million in the second quarter 2014 compared to COP\$88,710 million in the same period 2013 and went from 3.5% to 3.7% as a percentage of Net Revenues.

Operating Income increased 8.2% in the first half 2014 and the margin went from 3.8% to 3.9%, driven by improved results from the strengthening of the marginal contribution of complementary business and increased productivity.

- **EBITDA** grew 7.1% in the second quarter of 2014 to COP\$200,150 million compared to the COP\$186,911 million in the same period of 2013. As a percentage of Net Revenues, EBITDA margin was 7.3%.

In the first half of 2014 the EBITDA increased 4.8% to COP\$409,376 million from COP\$390,778 million in the same period last year. The EBITDA margin was 7.6% mainly explained by the contribution of complementary activities and strict expense controls.

- **Net Financial Revenues** during the second quarter of 2014 shows a Net Financial Income of COP\$21,619 million compared to a Net Financial Income of COP\$27,572 million reported in the same period last year. This result was negatively affected by the impact of the exchange rate of the Uruguayan peso versus dollar.

- **Other Non-Operating Income and Expenses** registered an expense of COP\$13,458 million in the second quarter 2014 from an expense of COP\$7,584 million in the same quarter of 2013. This result derived from the earnings obtained in the second quarter 2013 through asset sales.

- **Income Tax** decreased 3.4% due to lower tax provisions. The effective tax rate was 25.3% compared to the 26.3% reported in the same period of last year.

- **Net Income** grew 1.8% in second quarter 2014 to COP\$81,389 million compared to COP\$79,915 million obtained in the same quarter last year. As a percentage of Net Revenues, Net Income margin registered 3.0%. This result was negatively affected by the exchange rate effect of the Uruguayan peso versus the dollar while in 2013 the trend was the opposite.

Other Operating Information as of June 30, 2014

Number of Stores and Selling Area

Brand	Stores	Selling area (sq m)
Éxito	236	605,105
Carulla	86	74,222
Surtimax	150	77,560
Others	2	3,242
Total Colombia	474	760,129
Devoto	24	33,183
Disco	28	30,400
Geant	2	16,021
Total Uruguay	54	79,604
Total Grupo Éxito	528	839,733

Number of Stores, Selling Area (Owned/Leased)

COLOMBIA	Stores		Area	
	Stores	%	Area (sq m)	%
Own	150	32	429,846	57
Leased	324	68	330,283	43
Total	474	100	760,129	100
URUGUAY	Stores		Area	
	Stores	%	Area (sq m)	%
Own	14	25	26,575	34
Leased	40	75	53,029	66
Total	54	100	79,604	100

Openings, Closings and Conversions for the six-month period ended June 30, 2014

Brand	Openings	Closings
Éxito	2	3
Carulla	2	1
Surtimax	7	3
Other: Homemart		
Disco		
Devoto		
Geant		
Total	11	7

Same Store Sales Growth Colombia

	% 2014	% 2013
1Q	-3.2	+0.4
2Q	+7.8	-1.0
1H	+2.2	-0.3

Uruguay (in local currency)

	% 2014	% 2013
1Q	+5.9	+9.6
2Q	+10.4	+7.4
1H	+8.0	+8.5

Sales Mix Evolution

2Q14

	Colombia	Uruguay	Grupo Éxito	
			2Q14	1H14
Food	69%	86%	71%	72%
Non Food	31%	14%	29%	28%

New Carulla
La Calera in Bogotá



Contact Information:

Almacenes Éxito Investor Relations

Phone: (574) 339 65 60

E-mail: exitoinvestor.relations@grupo-exito.com

www.grupoexito.com.co

Note on Forward Looking Statements

This press release may contain forward-looking statements regarding expected developments and expectations about future events. These statements are subject to economic, political, governmental and market conditions, risks and uncertainties, both domestically and globally, which may affect the performance of the economy, the retail industry and the Company overall. Factors such as variations in interest rates, inflation rates, exchange rate volatility and tax rates, among others, may cause actual results, performance and achievements of the Company to differ from the estimates provided at any time. For that reason, the Company does not accept responsibility for any variations or for the information provided by official sources.

