

Almacenes Éxito S.A.

Interim consolidated financial statements

At September 30, 2016

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

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Almacenes Éxito S.A.
Interim consolidated statements of financial position
At September 30, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	Notes	September 30, 2016	December 31, 2015 (1)	December 31, 2015 (2)
Current assets				
Cash and cash equivalents	7	3,684,758	10,068,717	10,068,717
Trade receivables and other accounts receivable	8	4,209,696	3,326,474	3,334,595
Prepaid expenses	9	256,188	166,892	174,091
Accounts receivable from related parties	10	7,273	63,251	248,058
Inventories	11	8,608,349	8,704,328	8,685,221
Tax assets	23	1,615,760	1,100,323	1,081,383
Other financial assets	12	215,995	445,365	446,957
Non-current assets held for trading	35	3,956,137	21,698	22,078
Total current assets		22,554,156	23,897,048	24,061,100
Non-current assets				
Property, plant and equipment, net	13	13,546,412	12,055,301	12,469,894
Investment property, net	14	1,425,269	979,336	1,126,410
Goodwill	15	5,635,779	6,522,208	5,775,593
Intangible assets other than goodwill, net	16	8,811,736	3,706,065	9,657,536
Investments accounted for using the equity method, net	17	413,694	304,102	304,102
Trade receivables and other accounts receivable	8	1,006,638	591,960	831,578
Prepaid expenses	9	61,239	57,576	50,377
Accounts receivable from related parties	10	14,296	245,987	14,308
Deferred tax assets	23	1,689,424	524,828	399,048
Tax assets	23	2,007,709	1,941,626	1,963,916
Other financial assets	12	1,237,935	1,134,331	1,151,844
Other non-financial assets		398	398	398
Total non-current assets		35,850,529	28,063,718	33,745,004
Total assets		58,404,685	51,960,766	57,806,104
Current liabilities				
Financial liabilities	19	7,224,370	3,922,558	3,922,558
Employee benefit provisions	20	4,489	4,141	4,141
Other provisions	21	40,548	65,230	81,796
Trade payables and other accounts payable	22	12,389,118	18,368,670	18,599,008
Accounts payable to related parties	10	270,508	688,637	713,610
Tax liabilities	23	692,980	805,992	805,992
Other financial liabilities	24	1,015,474	395,971	395,971
Other non-financial liabilities		438,396	547,507	547,483
Non-current assets held for trading	35	3,305,016	-	-
Total current liabilities		25,380,899	24,798,706	25,070,559
Non-current liabilities				
Financial liabilities	19	4,740,614	6,707,561	6,707,561
Employee benefit provisions	20	25,387	41,231	41,231
Other provisions	21	3,312,216	1,124,682	2,638,274
Trade payables and other accounts payable	22	57,185	34,189	30,229
Accounts payable to related parties	10	12,452	12,704	12,704
Deferred tax liabilities	23	3,840,977	1,206,422	2,903,260
Tax liabilities	23	486,961	455,355	455,355
Other financial liabilities	24	870,729	714,079	733,185
Other non-financial liabilities		1,076,992	1,036,782	1,036,782
Total non-current liabilities		14,423,513	11,333,005	14,558,581
Total liabilities		39,804,412	36,131,711	39,629,140
Shareholders' equity, see attached statement		18,600,273	15,829,055	18,176,964
Total liabilities and shareholders' equity		58,404,685	51,960,766	57,806,104

(1) For comparison to 2016, these financial statements include certain minor reclassifications to accounts payable; other provisions; other financial liabilities; other non-financial liabilities; inventories; property, plant and equipment; investment properties, and tax liabilities.

(2) Amounts restated to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control of "Companhia Brasileira de Distribuição - CBD" and of Libertad S.A., pursuant to IFRS 3 - Business combinations. See Note 6.1.

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

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Almacenes Éxito S.A.

Interim consolidated statements of income

For the nine-month and three-month periods ended September 30, 2016 and September 30, 2015

(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to September 30, 2016 (1)	January 1 to September 30, 2015 (2) (1)	July 1 to September 30, 2016 (1)	July 1 to September 30, 2015 (2) (1)
Continuing operations					
Revenue from ordinary activities	30	50,757,803	13,026,347	17,405,905	6,982,852
Cost of sales	11	(37,741,847)	(9,633,399)	(12,969,004)	(5,132,871)
Gross profit		13,015,956	3,392,948	4,436,901	1,849,981
Distribution expenses	31	(5,869,981)	(1,411,363)	(1,995,672)	(768,798)
Administration and sales expenses	31	(786,137)	(190,420)	(280,412)	(106,963)
Employee benefit expenses	32	(4,967,293)	(1,182,239)	(1,699,332)	(640,736)
Other operating revenue	33	12,866	33,306	10,885	4,736
Other operating expenses	33	(525,646)	(136,363)	(98,355)	(66,890)
Other (loss) profit, net	33	(25,502)	65,062	(14,218)	(6,648)
Profit from operating activities		854,263	570,931	359,797	264,682
Financial revenue	34	641,044	691,040	125,365	596,987
Financial expenses	34	(2,138,376)	(573,221)	(689,820)	(520,764)
Share of profits in associates and joint ventures accounted for using the equity method		70,073	(3,764)	18,647	3,859
(Loss) profit before income tax from continuing operations		(572,996)	684,986	(186,011)	344,764
Tax (expense)	23	(132,353)	(204,810)	(75,999)	(118,456)
Net period (loss) profit from continuing operations		(705,349)	480,176	(262,010)	226,308
Net period (loss) profit from discontinued operations	35	(128,417)	4,934	(80,448)	4,934
Net (loss) profit		(833,766)	485,110	(342,458)	231,242
Profit attributable to:					
(Loss) profit attributable to shareholders of the controlling entity		(147,971)	375,818	(100,304)	147,146
(Loss) profit attributable to non-controlling interests		(685,795)	109,292	(242,154)	84,096
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share from continuing operations		(330.58)	839.62	(224.09)	328.74
Earnings (loss) per basic share from discontinued operations		(286.90)	-	(179.73)	-
Earnings per diluted share (*):					
Diluted (loss) earnings per share from continuing operations		(330.58)	839.62	(224.09)	328.74
Diluted (loss) earnings per share from discontinued operations		(286.90)	-	(179.73)	-

(*) Amounts expressed in Colombian pesos.

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

(2) Amounts restated to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. See Note 6.1.

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

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Interim consolidated statements of comprehensive income

For the nine-month and three-month periods ended September 30, 2016 and September 30, 2015

(Amounts expressed in millions of Colombian pesos)

	January 1 to September 30, 2016 (1)	January 1 to September 30, 2015 (2) (1)	July 1 to September 30, 2016 (1)	July 1 to September 30, 2015 (2) (1)
Net period (loss) profit	(833,766)	485,110	(342,458)	231,242
Other comprehensive income for the period				
Components of other comprehensive income that will not be reclassified to period results, net of taxes				
Gain (loss) from investments in equity instruments	-	-	-	(749)
Profit (loss) from new measurements of defined benefit plans	-	349	-	349
Total other comprehensive income that will not be reclassified to period results, net of taxes	-	349	-	(400)
Components of other comprehensive income that will be reclassified to period results, net of taxes				
Gain (loss) from translation exchange differences	1,502,923	(1,009,977)	(121,380)	(960,678)
Gain (loss) from investment hedging in foreign businesses	(2)	1,350	(2)	1,350
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	39,548	(30,914)	(8,158)	(30,856)
Total other comprehensive income that will be reclassified to period results, net of taxes	1,542,469	(1,039,541)	(129,540)	(990,184)
Total other comprehensive income	1,542,469	(1,039,192)	(129,540)	(990,584)
Total comprehensive income	708,703	(554,082)	(471,998)	(759,342)
Profit (loss), attributable to:				
Profit (loss) attributable to shareholders of the controlling entity	199,408	136,208	(27,044)	(55,364)
Profit (loss) attributable to non-controlling interests	509,295	(690,290)	(444,954)	(703,978)
Earnings per share (*)				
Earnings per basic share (*):				
Earnings (loss) per basic share in total comprehensive income	445.50	304.30	(60.42)	(123.69)
Earnings per diluted share (*):				
Earnings (loss) per diluted share in total comprehensive income	445.50	304.30	(60.42)	(123.69)

(*) Amounts expressed in Colombian pesos.

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

(2) Amounts restated to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. See Note 6.1.

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Almacenes Éxito S.A.
Interim consolidated statements of cash flows

For the nine-month periods ended September 30, 2016 and September 30, 2015

(Amounts expressed in millions of Colombian pesos)

	January 1 to September 30, 2016	January 1 to September 30, 2015 (1)	January 1 to September 30, 2015 (2)
Cash flows from operating activities			
Net period (loss) profit	(833,766)	493,023	485,110
Period profit reconciliation adjustments			
Income tax	132,353	208,282	204,810
Financial costs	1,131,956	30,571	69,110
Financial revenue	(6,848)	(40,073)	(38,973)
Decrease (increase) in inventories	16,364	(170,195)	(157,891)
(Increase) decrease in trade receivables	(1,011,002)	1,172,832	1,186,405
(Increase) decrease in other accounts receivable from operating activities	(894,414)	94,037	159,975
(Decrease) in trade payables	(5,012,680)	513,502	503,857
(Decrease) in deposits and other deposits receivable through legal proceedings	(159,179)	(26,288)	(26,244)
(Decrease) increase in other accounts payable from operating activities	(488,335)	(100,075)	81,411
Depreciation and amortization of fixed assets and intangible assets	927,061	279,127	278,582
Provisions	373,251	122,056	133,269
Net unrealized loss from exchange difference	(17,788)	(41,174)	(85,860)
Share-based payments	16,437	3,349	3,546
(Gain) from reappraisal at fair value	(2,935)	(28,679)	(28,789)
Undistributed (profit) loss from the application of the equity method	(70,073)	3,820	3,764
Other adjustment from items other than cash	(34,312)	(28,546)	(142,856)
Loss (gain) from the disposal of non-current assets	35,574	(96,918)	(83,024)
Other profit reconciliation adjustments	(72,336)	-	178
Total period profit reconciliation adjustments	(5,136,906)	1,895,628	2,061,270
Net cash flows (used in) provided by operating activities	(5,970,672)	2,388,651	2,546,380
Income tax paid	(366,223)	(215,309)	(360,936)
Net cash flows (used in) provided by operating activities	(6,336,895)	2,173,342	2,185,444
Cash flows from investment activities			
Cash flows from the loss of control of subsidiaries or other businesses	77,282	34,478	34,478
Cash flows (used) to gain control of subsidiaries or other businesses	-	(5,536,742)	(5,537,632)
Other disbursement to acquire equity or debt instruments from other entities	-	(891)	-
Proceeds from the sale of property, plant and equipment	64,596	25,174	25,328
Acquisition of property, plant and equipment	(1,187,999)	(507,046)	(506,132)
Proceeds from the sale of intangible assets	-	85,434	85,434
Acquisition of intangible assets	(229,315)	(446,740)	(438,682)
Proceeds from the sale of other long-term assets	-	7,017	6,944
Acquisition of other long-term assets	(10,917)	-	-
Interest received	18,563	47,108	46,008
Other cash inflows	-	1,659,834	1,651,735
Net cash flows from (used in) investment activities	(1,267,790)	(4,632,374)	(4,632,519)
Cash flows from financing activities			
Borrowings	5,894,865	5,039,549	5,038,879
(Repayment) of financial liabilities	(3,803,717)	(495,927)	(407,664)
(Repayment) of finance lease liabilities	(3,084)	(3,329)	(157)
Dividends (paid)	(292,356)	(189,327)	(208,618)
Interest (paid)	(791,343)	(12,437)	(103,236)
Other cash (outflows)	(67,978)	-	(510)
Net cash flows from financing activities	936,387	4,338,529	4,318,694
Net (decrease) increase in cash and cash equivalents, before the effects of changes in exchange rates	(6,668,298)	1,879,497	1,871,619
Effects of the variation in the exchange rates on cash and cash equivalents	865,578	131,906	131,946
Net (decrease) increase in cash and cash equivalents	(5,802,720)	2,011,403	2,003,565
Cash and cash equivalents at the beginning of period	10,068,717	2,953,938	2,953,938
Less cash at the end of period from non-current assets held for trading (Note 35)	(581,239)	-	-
Cash and cash equivalents at the end of period (*)	3,684,758	4,965,341	4,957,410

(1) Some 2015 amounts included in these financial statements have been reclassified for comparison purposes.

(2) Amounts restated to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. See Note 6.1.

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Interim consolidated statements of changes in shareholders' equity

For the nine-month period ended September 30, 2015

(Amounts expressed in millions of Colombian pesos)

The balance at September 30, 2015 has not been restated to reflect the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
Balance at December 31, 2014	4,482	4,843,466	(2,734)	7,857	1,189,296	22,000	1,419	1,220,572	63,486	1,576,747	(1,012)	7,705,007	274,759	7,979,766
Cash dividend declared										(260,022)		(260,022)	(24,741)	(284,763)
Net yearly period profit										378,136		378,136	114,887	493,023
Other comprehensive income									(251,696)			(251,696)	(782,673)	(1,034,369)
Appropriation for reserves										(198,844)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control					168,844		30,000	198,844			(35,042)	(35,042)	(13,679)	(48,721)
Increase from other contributions of non-controlling interests													14,617	14,617
(Decrease) from other distributions to non-controlling interests													(2,288)	(2,288)
Adjustment from business combinations													9,161,787	9,161,787
Measurement of the <i>Put option</i> at fair value													(298,392)	(298,392)
Other developments in shareholders' equity									2,681	(1,898)		783	2,404	3,187
Balance at September 30, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	1,419,416	(185,529)	1,494,119	(36,054)	7,537,166	8,446,681	15,983,847

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The balance at September 30, 2015 has been restated to reflect the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
Balance at December 31, 2014	4,482	4,843,466	(2,734)	7,857	1,189,296	22,000	1,419	1,220,572	63,486	1,576,747	(1,012)	7,705,007	274,759	7,979,766
Cash dividend declared										(260,022)		(260,022)	(24,741)	(284,763)
Net yearly period profit										375,818		375,818	109,292	485,110
Other comprehensive income									(239,610)			(239,610)	(799,582)	(1,039,192)
Appropriation for reserves										(198,844)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control					168,844		30,000	198,844			(35,042)	(35,042)	(13,679)	(48,721)
Increase from other contributions of non-controlling interests													14,617	14,617
(Decrease) from other distributions to non-controlling interests													(2,288)	(2,288)
Adjustment from business combinations									14,996	(16,419)	1,080	(343)	11,408,134	11,407,791
Measurement of the <i>Put option</i> at fair value													(298,392)	(298,392)
Other developments in shareholders' equity									2,681	347		3,028	2,592	5,620
Balance at September 30, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	1,419,416	(158,447)	1,477,627	(34,974)	7,548,836	10,670,712	18,219,548

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For the nine-month period ended September 30, 2016

(Amounts expressed in millions of Colombian pesos)

The balance at December 31, 2015 has not been restated to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Donations reserve	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
Balance at December 31, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	-	-	1,419,416	(385,303)	1,690,171	(41,016)	7,528,482	8,300,573	15,829,055
Cash dividend declared							(15,709)			(15,709)		(286,748)		(302,457)	(72,001)	(374,458)
Net yearly period profit												(147,971)		(147,971)	(685,795)	(833,766)
Other comprehensive income											347,379			347,379	1,195,090	1,542,469
Appropriation for reserves					279,937			6,810		286,747		(286,747)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control															48,208	48,208
Decrease from other distributions to non-controlling interests															(3,279)	(3,279)
Increase from other contributions of non-controlling interests															10,601	10,601
Measurement of the <i>Put option</i> at fair value															28,444	28,444
Adjustments from the restatement of business combinations									895	895		(15,612)	183	(14,534)	2,356,591	2,342,057
Other developments in shareholders' equity									3,085	3,085			(8,272)	(5,187)	16,129	10,942
Balance at September 30, 2016	4,482	4,843,466	(2,734)	7,857	1,638,077	22,000	15,710	6,810	3,980	1,694,434	(37,924)	953,093	(49,105)	7,405,712	11,194,561	18,600,273

Carlos Mario Giraldo Moreno
Legal Representative

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

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

Almacenes Éxito S.A.

Interim consolidated statements of changes in shareholders' equity

For the nine-month period ended September 30, 2016

(Amounts expressed in millions of Colombian pesos)

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

	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Donations reserve	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
Balance at December 31, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	-	895	1,420,311	(380,143)	1,674,551	(41,026)	7,518,907	10,658,057	18,176,964
Cash dividend declared							(15,709)			(15,709)		(286,748)		(302,457)	(72,001)	(374,458)
Net yearly period profit												(147,971)		(147,971)	(685,795)	(833,766)
Other comprehensive income											347,379			347,379	1,195,090	1,542,469
Appropriation for reserves					279,937			6,810		286,747		(286,747)				-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control															48,208	48,208
Decrease from other distributions to non-controlling interests															(3,279)	(3,279)
Increase from other contributions of non-controlling interests															10,601	10,601
Adjustments from the restatement of business combinations											(5,160)	8	193	(4,959)	(893)	(5,852)
Measurement of the <i>Put option</i> at fair value															28,444	28,444
Other developments in shareholders' equity									3,085	3,085			(8,272)	(5,187)	16,129	10,942
Balance at September 30, 2016	4,482	4,843,466	(2,734)	7,857	1,638,077	22,000	15,710	6,810	3,980	1,694,434	(37,924)	953,093	(49,105)	7,405,712	11,194,561	18,600,273

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Note 1. General information

Almacenes Éxito S.A., the Parent company (hereinafter the Parent), was incorporated pursuant to Colombian laws on March 24, 1950; its main place of business is at Carrera 48 No. 32B Sur - 139, Municipality of Envigado in the department of Antioquia. The life span of the Parent goes to December 31, 2050.

Almacenes Éxito S.A. is listed on the Colombia Stock Exchange (BVC) since 1994; in addition, it is under the control of the Colombian Financial Superintendence.

Its main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding thereof, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide supplementary services, namely grant credit facilities for the acquisition of goods, grant insurance coverage, carry out money transfers and remittances, provide mobile phone services, trade tourist package trips and tickets, repair and maintain furnishings, complete paperwork.
- Give or receive in lease trade premises, receive or give in lease or under occupancy, spaces or points of sale or commerce within its trade establishments intended for the exploitation of businesses of distribution of goods or products, and the provision of ancillary services.
- Incorporate, fund or promote with other individuals or legal entities, enterprises or businesses intended for the manufacturing of objects, goods, articles or the provision of services related with the exploitation of trade establishments.
- Acquire property, build commercial premises intended for establishing stores, malls or other locations suitable for the distribution of goods, without prejudice to the possibility of disposing of entire floors or commercial premises, give them in lease or use them in any convenient manner with a rational exploitation of land approach, as well as invest in property, promote and develop all kinds of real estate projects.
- Invest resources to acquire shares, bonds, trade papers and other securities of free movement in the market to take advantage of tax incentives established by law, as well as make temporary investments in highly liquid securities with a purpose of short-term productive exploitation; enter into firm *factoring* agreements using its own resources; encumber its chattels or property and enter into financial transactions that enable it to acquire funds or other assets.
- In the capacity as wholesaler and retailer, distribute oil-based liquid fuels, through automotive service stations, alcohols, biofuels, natural gas for vehicles and any other fuels used in the automotive, industrial, fluvial, maritime and air transport sectors, of all kinds.

The Parent's ultimate controlling entity is Casino Guichard Perrachon S.A. (France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At September 30, 2016, the controlling entity had a 55.30% interest in the share capital of the Parent.

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

Subsidiary information

Below is a detail of the ownership interest in subsidiaries:

Name	Segment	Country	Functional currency functional	Stock ownership 2016			Stock ownership 2015		
				Direct	Indirect	Total	Direct	Indirect	Total
Distribuidora de Textiles y Confecciones S.A.	Colombia	Colombia	Colombian peso	94.00%	3.75%	97.75%	94.00%	3.75%	97.75%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gemex O & W S.A.S.	Colombia	Colombia	Colombian peso	85.00%	0.00%	85.00%	85.00%	0.00%	85.00%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	US Dollar	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Malls	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	0.00%	0.00%	0.00%
Patrimonio Autónomo Viva Laureles	Colombia	Colombia	Colombian peso	80.00%	0.00%	80.00%	80.00%	0.00%	80.00%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Centro Comercial	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Iwana	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Barranquilla	Colombia	Colombia	Colombian peso	91.27%	0.00%	91.27%	92.52%	0.00%	92.52%
Patrimonio Autónomo Viva Palmas	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Fideicomiso Girardot plot of land	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Wajira	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Local 108 (Vizcaya) (a)	Colombia	Colombia	Colombian peso	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Spice Investment Mercosur S.A.	Uruguay	Uruguay	Uruguayan peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Larenco S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Inversiones S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Larin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lublo S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Grupo Disco del Uruguay S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Supermercados Disco del Uruguay S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Maostar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%
Ameluz S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Fandale S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Odaler S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
La Cabaña S.R.L. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ludi S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Semin S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Randicor S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ducellmar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Actimar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Hiper Ahorro S.R.L. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%

Name	Segment	Country	Functional currency functional	Stock ownership 2016			Stock ownership 2015		
				Direct	Indirect	Total	Direct	Indirect	Total
Ciudad del Ferrol S.C. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	61.24%	61.24%	0.00%	61.24%	61.24%
Maraluz S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Setara S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Mablicor S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Vía Artika S. A.	Argentina	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Spice España de Valores Americanos S.L.	Argentina	Spain	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Argentina S. A.	Argentina	Argentina	Argentinian peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Gelase S. A.	Argentina	Belgium	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Libertad S.A.	Argentina	Argentina	Argentinian peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Ceibotel S.A.	Argentina	Argentina	Argentinian peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Onper Investment 2015 S.L.	Brazil	Spain	Euro	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Ségisor S.A.	Brazil	France	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Oregon LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Pincher LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Bengal LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Wilkes Participações S.A.	Brazil	Brazil	Brazilian real	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Companhia Brasileira de Distribuição CBD (c)	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
Novasoc Comercial Ltda. (d)	Brazil	Brazil	Brazilian real	0.00%	1.88%	1.88%	0.00%	1.88%	1.88%
Sendas Distribuidora S.A. (e)	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
Xantocarpa Participações Ltda. (e)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Bellamar Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
GPA Malls & Proprieties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P")	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
CBD Holland B.V.	Brazil	Holland	Euro	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
CBD Panamá Trading Corp.	Brazil	Panama	US Dollar	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
GPA 2 Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
GPA Logística e Transporte Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	18.76%	18.76%
Barcelona Comércio Varejista e Atacadista S.A. (f)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Posto Ciara Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Império Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Salim Maluf Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Santo André Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Lapa Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Luxco- Marneylectro S.A.R.L. (h)	Brazil	Luxembourg	Euro	0.00%	0.00%	0.00%	0.00%	13.55%	13.55%
Dutchco - Marneylectro B.V. (h)	Brazil	Holland	Euro	0.00%	0.00%	0.00%	0.00%	13.55%	13.55%
Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L. (h)	Brazil	Luxembourg	Euro	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Via Varejo Luxembourg Holding S.A.R.L. (h)	Brazil	Luxembourg	Euro	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
Companhia Brasileira de Distribuição Netherlands Holding B.V. (h)	Brazil	Holland	Euro	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Via Varejo Netherlands Holding B.V. (h)	Brazil	Holland	Euro	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
VVPart Participações S.A. (h)	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
Cnova N.V.	Brazil	Holland	Euro	0.15%	6.77%	6.92%	0.15%	6.77%	6.92%
CNova Comércio Eletrônico S.A.	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
E-Hub Consult. Particip. e Com. S.A.	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Nova Experiência PontoCom S.A.	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Cdiscount S.A.	Brazil	France	Euro	0.00%	6.89%	6.89%	0.00%	6.88%	6.88%
Cdiscount Voyages S.A.S.	Brazil	France	Euro	0.00%	6.89%	6.89%	0.00%	6.88%	6.88%
Cnova Finança B.V.	Brazil	Holland	Brazilian real	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Financière MSR S.A.S.	Brazil	Brazil	Brazilian real	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
Cdiscount Afrique S.A.S.	Brazil	France	Euro	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
CD Africa S.A.S.	Brazil	France	Euro	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Cdiscount International B.V.	Brazil	Holland	Euro	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
C-Distribution Asia Pte. Ltd. (i)	Brazil	Singapore	Euro	0.00%	0.00%	0.00%	0.00%	4.14%	4.14%
C Distribution Thailand Ltd. (i)	Brazil	Thailand	Thai bath	0.00%	0.00%	0.00%	0.00%	2.90%	2.90%
E-Cavi Ltd. (i)	Brazil	Hong Kong	US Dollar	0.00%	0.00%	0.00%	0.00%	3.32%	3.32%
Cdiscount Vietnam Co Ltd. (i)	Brazil	Vietnam	Vietnamese dong	0.00%	0.00%	0.00%	0.00%	3.32%	3.32%
CLatam S.A.	Brazil	Uruguay	Uruguayan peso	0.00%	34.84%	34.84%	0.00%	34.84%	34.84%
Cdiscount Colombia S.A.S.	Brazil	Colombia	Colombian peso	48.97%	3.53%	52.50%	48.97%	3.53%	52.50%
Cnova France S.A.S.	Brazil	France	Euro	0.00%	6.92%	6.92%	0.00%	6.92%	6.92%
Cdiscount Group	Brazil	France	Euro	0.00%	6.91%	6.91%	0.00%	6.91%	6.91%
Cdiscount Côte d'Ivoire S.A.S.	Brazil	Ivory Coast	West Africa CFA franc	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Cdiscount Sénégal S.A.S.	Brazil	Senegal	West Africa CFA franc	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Cdiscount Panamá S.A.	Brazil	Panama	US Dollar	0.00%	34.84%	34.84%	0.00%	34.84%	34.84%
Cdiscount Cameroun S.A.S.	Brazil	Cameroun	West Africa CFA franc	0.00%	5.87%	5.87%	0.00%	5.87%	5.87%
Ecdiscoc Comercializadora S.A.	Brazil	Ecuador	US Dollar	0.00%	34.84%	34.84%	0.00%	34.83%	34.83%
Cdiscount Uruguay S.A.	Brazil	Uruguay	Uruguayan peso	0.00%	34.84%	34.84%	0.00%	34.84%	34.84%
Monconerdec.com S.A.S.	Brazil	France	Euro	0.00%	5.22%	5.22%	0.00%	5.22%	5.22%
Moncorner	Brazil	France	Euro	0.00%	6.89%	6.89%	0.00%	6.88%	6.88%
3W S.A.S.	Brazil	France	Euro	0.00%	6.89%	6.89%	0.00%	6.88%	6.88%
3W Santé S.A.S.	Brazil	France	Euro	0.00%	6.89%	6.89%	0.00%	6.37%	6.37%
Via Varejo S.A.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%

Name	Segment	Country	Functional currency functional	Stock ownership 2016			Stock ownership 2015		
				Direct	Indirect	Total	Direct	Indirect	Total
Indústria de Móveis Bartira Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
VVLOG Logística Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
Globex Adm e Serviços Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
Lake Niassa Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%
Globex Adm. Consórcio Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	8.13%	8.13%

- (a) Patrimônio Autônomo Local 108 (Vizcaya), which owned a plot of land as main underlying asset, was liquidated on March 31, 2016. The Patrimônio was liquidated seeking operating efficiency and given that no project development had been foreseen on the land. Upon liquidation, the land was again booked to the Parent's financial statements as property, plant and equipment.
- (b) By means of Shareholders' Agreement executed on April 27, 2015 with non-controlling interests of Grupo Disco del Uruguay, the Parent was granted voting rights of more than 75% of the share capital of such company. Control over such participation was obtained and the global consolidation of financial statements begun as of January 1, 2015.
- (c) In compliance with the share purchase-sale agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição (CBD), a company with domicile in Brazil.
- (d) The interest of Companhia Brasileira de Distribuição -CBD in Novasoc represents 10% of its shares; however, it has control with 99.98% of the voting rights, pursuant to the shareholders agreement. Novasoc Comercial Ltda. bylaws state that its net income not necessarily is to be allocated in proportion to the percentage interest in this company, thus 99.98% goes to Companhia Brasileira de Distribuição - CBD.
- (e) Companhia Brasileira de Distribuição - CBD directly owns 100% of Sendas Distribuidora S.A. The businesses of Sé Supermercados were merged into this company on December 22, 2015. Xantocarpa Participações Ltda. was merged into Sendas Distribuidora S.A, on August 27, 2016.
- (f) All of the net assets of subsidiary Barcelona Comércio Varejista e Atacadista S.A. were merged into subsidiary Sendas Distribuidora S.A. as result of a company reorganization during the first half of 2016. Following the merger, subsidiary Sendas Distribuidora S.A. was partially spun-off and merged into Companhia Brasileira de Distribuição - CBD.
- (g) On January 31, 2016, subsidiary Companhia Brasileira de Distribuição - CBD completed the sale of the operations in Auto Posto Império Ltda., Auto Posto Duque Salim Maluf Ltda., Auto Posto Duque Santo André Ltda. and Auto Posto Duque Lapa Ltda., pursuant to an agreement previously executed on December 1, 2015. No gain or loss was obtained from the transaction. The balances of such transactions are not consolidated in the interim financial statements at September 30, 2016.
- (h) As part of the e-commerce operation reorganization process, on July 24, 2016, subsidiaries Luxco Marneylectro S.A.R.L. Dutchco Marneylectro B.V. were spun-off among Companhia Brasileira de Distribuição Luxemburgo Holding S.A.R.L., Via Varejo Luxembourg Holding S.A.R.L., Companhia Brasileira de Distribuição Netherlands Holding B.V., VVPart Participações S.A. and Via Varejo Netherlands Holding B.V., seeking to maintain the same participation as held by Companhia Brasileira de Distribuição - CBD y Via Varejo S.A. Such transaction did not result in changes in ownership and had no effects on the consolidated financial statements.
- (i) During the first quarter of 2016, subsidiaries Cdiscount Vietnam Co Ltd., C Distribution Thailand Ltd., C-Distribution Asia Pte. Ltd. and E-Cavi Ltd. were sold. No significant results arise from such transaction

Below is a detail of Colombian operating subsidiaries, and the most important operating subsidiaries abroad.

Distribuidora de Textiles y Confecciones S.A.

It was incorporated by means of public deed 1138 granted on July 13, 1976 before the Notary 7th of Medellín. Its corporate purpose is mainly to acquire, store, transform, manufacture and sell, and in general distribute in whatever form all kinds of locally-produced or imported textiles, and acquire, give or take under lease agreements property intended for establishing stores, shopping malls or other places suitable for the distribution of merchandise and the sale of goods or services. The life span of the company goes to July 13, 2026.

Almacenes Éxito Inversiones S.A.S.

It was incorporated by private document on September 27, 2010, and its life span is indefinite.

Its main corporate purpose is:

- Incorporate, fund, promote, invest on its own or with other individuals or legal entities in the incorporation of companies, enterprises or businesses which core activity is the manufacture or trading of goods, things, merchandise, articles or elements, or the provision of services related to the exploitation of commercial establishments, and participate in such companies as associate, through contributions in cash, in kind or in services.
- Promote, invest on its own or with other individuals or legal entities in the provision of telecommunication networks, services and value chain, particularly in all activities legally permitted in Colombia or abroad, related with telecommunications, mobile telephone and added-value services.

At September 30, 2016, the subsidiary accrued losses amounting to \$13,889 (\$16,889 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016

Éxito Viajes y Turismo S.A.S.

It was incorporated on May 30, 2013, under Colombian laws. Its main corporate purpose is the exploitation of tourism-related activities, as well as the representation of the

tourism industry and the opening of travel agencies whatever its nature and the promotion of domestic and international tourism. The life span of the company is indefinite.

Gemex O & W S.A.S.

It was incorporated on March 12, 2008. Its corporate purpose is the trading of all kinds of goods and services through alternative sales channels, such as, without limitation, direct sales or mail sales, web sites or e-commerce, through vending machines, and in general using all technology-based channels or special methods to trade goods and services.

At September 30, 2016, the subsidiary accrued losses amounting to \$8,231 (\$3,737 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. During 2015, subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016

Logística, Transporte y Servicios Asociados S.A.S.

It was incorporated on May 23, 2014, under Colombian laws. Its main corporate purpose is the provision of air, land, maritime, fluvial, railway and multimodal domestic and international freight services for all kinds of goods in general. The life span of the company is indefinite.

At September 30, 2016, the subsidiary accrued losses amounting to \$3,692 (\$2,271 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. During 2015, subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment, during the meeting held on March 10, 2016, the General Meeting of Shareholders approved a capitalization in amount of \$3,922 million, to increase subscribed and paid-in capital from \$616 million to \$4,538 million, thus overcoming the grounds for dissolution. However, as result of the accumulated losses generated during the nine-month period ended September 30, 2016, equity again decreased below 50% of the capital, and the company again is under the special grounds for dissolution. Pursuant to legal regulations in force, the subsidiary management has a term until June 2017 to overcome the grounds for dissolution

Cdiscount Colombia S.A.S.

It was incorporated by private document on June 26, 2014.

Its main corporate purpose is:

- Launch and operate e-commerce activities in Colombia;
- Enter into all types of contracts, including, without limitation, lease, distribution, operation, association, sale-purchase, technical assistance, supply, inspection, control and service agreements, aiming at the proper development of the corporate purpose;
- Provide all types of services, including, without limitation, management, advisory, consultancy, technical and representation agreements, aiming at the proper development of the corporate purpose; and
- Carry out any and all lawful activities.

At December 31, 2015, the subsidiary accrued losses amounting to \$42,229 that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. During 2015, subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment, during the meeting held on March 16, 2016, the General Meeting of Shareholders approved a capitalization in amount of \$51,000, to increase subscribed and paid-in capital (including a premium on the placement of shares) from \$32,150 to \$83,150, increasing shareholders' equity to \$33,852, thus overcoming the grounds for dissolution. At September 30, 2016, the subsidiary has accumulated losses of \$61,435; however, given the capitalization, shareholders' equity is not below 50% of capital.

Patrimonio Autónomo Viva Malls

It was created on July 15, 2016 by means of public deed 679 granted before the Notary 31 of Medellín as a special trust deposit pursuant to the law, through Fiduciaria Helm. Its business purpose is to operate the shopping malls that make such trust fund, including maintaining legal title to the buildings; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof.

Patrimonio Autónomo Viva Laureles

It was created on May 31, 2012 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Viva Laureles shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Medellín, Colombia, at Carrera 81 No. 37 - 100.

Patrimonio Autónomo Viva Sincelejo

It was created on March 8, 2013 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Viva Sincelejo shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Sincelejo, Colombia, at Carrera 25 No. 23 - 49.

Patrimonio Autónomo Viva Villavicencio

It was created on April 1, 2013 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Viva Villavicencio shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Villavicencio, Colombia, at Calle 7A No. 45 - 185.

Patrimonio Autónomo San Pedro Etapa I

It was created on June 30, 2005 as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate San Pedro Plaza shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by trustors to the real estate administrator retained; it also includes to manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Neiva, Colombia, at Carrera 8 between Calles 38 and 48.

Patrimonio Autónomo Centro Comercial

It was created on December 1, 2010, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate San Pedro Etapa II shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by trustors to the real estate administrator retained; it also includes to manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Neiva, Colombia, at Carrera 8 between Calles 38 and 48.

Patrimonio Autónomo Iwana

It was created on December 22, 2011, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to operate Iwana shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barrancabermeja, Colombia, at Carrera 11 No. 50 - 19.

Patrimonio Autónomo Centro Comercial Viva Barranquilla

It was created on December 23, 2014, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as Trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barranquilla, Colombia, at Carrera 51 B No. 87 - 50.

Patrimonio Autónomo Centro Comercial Viva Palmas

It was created on April 17, 2015, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as Trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. Its main place of business is located in rural area of the municipality of Envigado, Colombia, with an extension of approximately 35,335.80 square meters.

Patrimonio Autónomo Centro Comercial Viva Wajira

It was created on November 4, 2015, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as Trustor may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Riohacha, Colombia, at Calle 15 No. 18 - 274.

Companhia Brasileira de Distribuição - CBD

A company with domicile in Brazil. Its main corporate purpose is the sale of finished and semi-finished products or Brazilian and foreign raw materials of any kind, nature or quality, provided the sale thereof is not forbidden by law. The life span of the company is indefinite.

Directly or through its subsidiaries (GPA Group), it is engaged in the retailing of food, clothes, domestic appliances, technology and other products at its chain of hypermarkets, supermarkets, specialty shops and department stores, mainly under the brands "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Super", "Minimercado Extra", "Assai", "Ponto Frio" and "Casas Bahia", as well as the e-commerce sites "CasasBahia.com", "Extra.com", "Pontofrio.com", "Barateiro.com", "Partiuviagens.com" and "Cdiscount.com" and the neighborhood mall banner "Conviva".

The parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the share capital and 49.97% of the voting rights of Companhia Brasileira de Distribuição - CBD.

On October 1, 2015, at a meeting of the board of C-latam S.A., a subsidiary of the Grupo Companhia Brasileira de Distribuição – CBD, decision was made to cease activities, wind up and liquidate the company, sell the shares or undertake all related activities, given its development and profitability. Such company's results were not classified as a discontinued operation, given that it is not deemed significant to the Parent

Libertad S.A.

A company with domicile in Argentina. It was incorporated on July 8, 1994, under registration number 618 with the Direction for Inspection of Legal Entities (DIPJ) in the Argentine Republic. Its main corporate purpose is the exploitation of supermarkets and wholesale stores, carrying out all kinds of ancillary transactions related with its core business. The life span of the company goes to July 8, 2084. The Parent acquired 100% of such company through its subsidiary Onper Investments 2015 S.L.

Supermercados Disco del Uruguay S.A.

Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Devoto Hermanos S.A.

Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado (Uruguay).

Mercados Devoto S.A.

Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo and Maldonado (Uruguay).

Listing in public registries

Almacenes Éxito S.A. is listed on the Colombian Stock Exchange (BVC) since 1994.

The stock of subsidiary Companhia Brasileira de Distribuição – CBD are listed on the São Paulo Stock Exchange ("BM&FBovespa") at "Corporate Governance Level 1" under the symbol "PCAR4" and on the New York Stock Exchange (ADR Level III), under the symbol "CBD".

Subsidiary Via Varejo S.A. is a joint stock corporation subsidiary of Companhia Brasileira de Distribuição - CBD, admitted to the so-called "Corporate Governance Level 2" of the special offer segment of the Sao Paulo Stock Exchange - "BM&FBovespa", subject to the Regulations for Issuers Quote and Admission to the Trading of Securities.

Subsidiary Cnova NV is a public limited liability company of the Netherlands incorporated on May 30, 2014, under the laws of the Netherlands. Its common shares were listed on the NASDAQ - Global Select Market in November 2014, and on January 23, 2015, its common shares were listed on Euronext Paris.

Note 2. Basis for preparation

The financial statements for the nine-month periods ended September 30, 2016 and September 30, 2015, and for the year ended December 31, 2015, have been prepared in accordance with accounting and financial reporting principles accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Sole Regulatory Decree on accounting, financial reporting and reporting assurance standards", amended on December 23, 2015 by Regulatory Decree 2496 without applying any of the exceptions to the IFRS therein contained.

Regulatory Decrees 2420 and 2496 of 2015 rule the preparation of financial statements based on International Financial Reporting Standards (IFRS/IAS), Interpretations (IFRIC and SIC) and Conceptual Framework issued until December 31, 2014, published by the *International Accounting Standards Board - IASB* in 2015. Application of such regulatory framework is mandatory in Colombia as of January 1, 2017, regardless that the conceptual framework for financial reporting is mandatory as of January 1, 2016; earlier application of both regulations is permitted. The Parent has decided for the earlier implementation of such regulation, in order to present financial information incorporating the amendments to the regulations that reflect the requirements of the various information users.

Financial statements herein presented

The accompanying interim consolidated financial statements are made of the statements of financial position at September 30, 2016 and December 31, 2015; the statements of income for the nine-month and three-month periods ended September 30, 2016 and September 30, 2015; the statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the nine-month periods ended September 30, 2016 and September 30, 2015. These financial statements are presented based on interim financial reporting requirements under IAS 34, and do not include all reporting disclosures required for annual financial statements under IAS 1

Statement of accountability

Parent's management are responsible for the information contained in these financial statements. Preparing such financial statements pursuant to accounting and financial reporting principles accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, and without applying any of the exceptions to the IFRS therein contained, requires management's judgement to apply accounting policies.

Estimates and accounting judgement

The Parent's estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the attached financial statements. Basically, such estimations refer to:

- The hypotheses used to estimate the fair value of financial instruments,

- The appraisal of financial assets to identify actual impairment losses,
- The useful lives of property, plant and equipment, investment properties and intangible assets,
- Variables used to assess and determine the impairment of non-financial assets,
- Actuarial assumptions used to estimate retirement benefits and long-term employee benefit liabilities, such as inflation rate, death rate, discount rate, and the possibility of future salary increases,
- The probability of occurrence and the value of liabilities that serve as a basis to recognize provisions related to lawsuits and business reorganizations,
- The assumptions used to recognize liabilities arising from the customer loyalty program,
- The probability of making future profits to recognize deferred tax assets,
- The valuation technique applied to determine the fair values of elements in business combinations.

Such estimations are based on the best information available regarding the facts analyzed as at the date of preparation of the attached financial statements, which may give rise to future changes by virtue of potential situations that may occur and would result in prospective recognition thereof; this situation would be treated as a change in accounting estimations in future financial statements.

Distinction between current and non-current items

The Parent and its subsidiaries presents their current and non-current assets, as well as their current and non-current liabilities, as separate categories in their statement of financial position. For this purpose, current assets are understood as those amounts that will be realized or will become available in a term not to exceed one year, and current liabilities are those amounts that will be enforceable or payable also in a term not to exceed one year.

Functional currency

The Parent and each subsidiary define their functional currency and their transactions are measured in such currency. The Parent's functional currency is the Colombian peso, and the functional currencies of subsidiaries are disclosed in Note 1 - General Information, under the subsidiary information subsection.

Functional currencies used by the Parent and by each of its subsidiaries are not part of highly inflationary economies, and consequently the financial statements are not adjusted for inflation.

Foreign currency transactions

Transactions in foreign currency are those denominated in a currency other than the functional currency. During the reporting periods, the exchange differences arising from the translation of such transactions, between the historical exchange rate when recognized and the exchange rate in force on the date of collection or payment, are accounted for as exchange gains or losses and shown as part of the net financial result in the statement of income.

Monetary balances at period closing expressed in a currency other than the functional currency, are updated based on the exchange rate at the closing of the reporting year or period, and the resulting exchange differences are recognized as part of the net financial result in the statement of income. For this purpose, monetary balances are translated into the functional currency using the market representative exchange rate (*).

Non-monetary items are not translated at the closing exchange rate but are measured at historical cost (at the exchange rates in force on the date of each transaction), except for non-monetary items measured at fair value such as forwards and swaps, which are translated using the exchange rates in force on the date of measurement of their fair value.

(*) Market Representative Exchange Rate means the average of all market rates negotiated during the closing day (closing exchange rate), equivalent to the international "spot rate", as also defined by IAS 21 - Effects of changes in foreign exchange rates, as spot exchange rate in force at the closing of the reporting period.

Translation to the presentation currency

These consolidated financial statements are expressed in Colombian pesos, functional currency of the Parent, which is the currency used in the prime economic environment where it rules. The amounts shown have been adjusted to millions of Colombian pesos.

Subsidiaries' financial statements carried in a functional currency other than the Colombian peso have been translated to Colombian pesos. Transactions and balances are translated as follows:

- Assets and liabilities are translated to Colombian pesos at period closing exchange rate;
- Income-related items are translated to Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated to Colombian pesos at the exchange rate in force on the date of each transaction.

Exchange differences arising from the translation are directly recognized in a separate component of equity and are reclassified to the statement of income upon sale of the investment in a subsidiary.

Accounting accrual basis

The consolidated financial statements have been prepared on the accounting accrual basis, except for information on cash flows.

Materiality

Economic events are recognized and presented in accordance with materiality thereof. An economic event is material wherever awareness or unawareness thereof, given its nature or value and considering the circumstances, may have a significant impact on the economic decisions to be made by the users of the information.

When preparing the financial statements, including the notes thereto, the materiality for presentation purposes was defined on a 5% basis applied to current and non-current assets, current and non-current liabilities, shareholders' equity, period results and to each individual account at a general ledger level for the reporting period.

Offsetting of balances and transactions

Assets and liabilities are offset and reported net in the financial statements, if and only if there is an enforceable legal right on the closing date that makes it mandatory to receive or pay recognized amounts at its net value, and wherever there is an intention to offset on a net basis towards realizing assets and settling liabilities simultaneously.

Classification as liability or equity

Debt and equity instruments are classified as financial liabilities or as equity, following the substance of the relevant legal agreement.

Measurement of the fair value

The fair value is the price to be received upon the sale of an asset, or paid out upon transferring a liability under a transaction carried out by market participants on the date of measurement.

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used in determining measurements.

- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Parent's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Basis for consolidation

For the purpose of consolidating the financial statements of Spice Investments Mercosur S.A., a company with domicile in Uruguay, which in turn is the parent of all other subsidiaries domiciled in Uruguay except Vía Artika S.A., the accounting policies and principles adopted by the Parent were standardized in accordance with accounting and financial reporting standards accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2450 of 2015, "Sole Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496 without applying any of the exceptions to the IFRS therein contained.

As regards Companhia Brasileira de Distribuição – CBD, which in turn is the parent of CNova and all other subsidiaries domiciled in Brazil, and Libertad S.A., an Argentine company, it is worth mentioning that since prior to the acquisition by the Parent such subsidiaries were owned by and consolidated their financial statements with the Grupo Casino in France, such companies comply with uniform accounting policies standardized by the Parent.

Subsidiaries' assets and liabilities, revenue and expenses, as well as the Parent's revenue and expenses in foreign currency, have been translated into Colombian pesos at the exchange rates in force on each closing date and at period average, as follows:

	Closing rates		Average rates	
	September 30, 2016	December 31, 2015	September 30, 2016	September 30, 2015
US Dollar	2,879.95	3,149.47	3,062.90	2,637.04
Uruguayan peso	101.06	105.16	99.82	106.40
Brazilian real	893.50	796.07	865.10	786.41
Argentinian peso	188.77	243.30	211.12	327.50
Euro	3,236.49	3,421.22	3,416.86	3,442.42

Consolidated financial statements include the financial statements of the Parent and all subsidiaries, as follows:

- Subsidiaries (including special-purpose entities) are entities over which the Parent has direct or indirect control.
- Stand-alone trust funds (SPV) of the Parent, relate to organizations set up with a defined purpose or limited term.

"Control" is the power to rule outstanding activities, such as the financial and operating policies of the controlled entity. Control is reached when the Parent has power over a controlled company, is exposed to variable benefits from its involvement and has the capability of influencing such benefits. Power arises from rights, generally along with the holding of 50% or more of voting rights, even though it sometimes is more complex and results from one or more contracts, reason why there may be entities not having such interest percentage but which activities are understood to be carried out to the benefit of the Parent and the Parent is exposed to all risks and benefits attached to the controlled company.

Wherever there is control, the consolidation method applied is that of global integration method. Under this method all of subsidiaries' assets, liabilities, shareholders' equity and income are incorporated into the Parent's financial statements, after elimination at the Parent of equity investments in such subsidiaries and balances of intercompany accounts.

All significant transactions and balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented in third parties' ownership percentage held in the subsidiaries has been recognized and separately included in the Parent's equity.

At the time of assessing whether the Parent has control over a subsidiary, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as of the date on which control is transferred to the Group and excluded from consolidation upon termination of control.

All controlled entities are consolidated into the Parent's financial statements, regardless the ownership interest percentage.

Transactions involving a change in the Parent's ownership interest percentage without loss of control are recognized in shareholders' equity, given that there is no change of control over the economic entity. Cash flows from ownership interest changes not resulting in a loss of control are classified as financing activities in the statement of cash flows.

In transactions involving a loss of control, the entire ownership interest in the subsidiary is written-off, any retained interest is recognized at fair value and the gain or loss arising from the transaction is recognized in period income, including the relevant items of other comprehensive income. Cash flows from the acquisition or loss of control of a subsidiary are classified in the statement of cash flows as investment activities.

Period income and each component in other comprehensive income are attributed to the owners of the controlling entity and to non-controlling ownership interests.

Note 4. Significant accounting policies

The attached interim consolidated financial statements have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 2015, pursuant to accounting and financial reporting standards accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Sole Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496 and without applying any of the exceptions to the IFRS therein contained, requires management's judgement to apply the accounting policies.

The following accounting policies were used in preparing the attached consolidated financial statements, a summary of which was included in the consolidated financial statements for the period ended December 31, 2015:

- Investments in associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Put options *granted to the holders of non-controlling ownership interests*
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading and discontinued operations
- Leases
- Finance leases
 - * When acting as the lessee
 - * When acting as the lessor
- Operating leases
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
 - * Financial assets measured at fair value through income
 - * Financial assets measured at amortized cost
 - * Financial assets at fair value through other comprehensive income
 - * Derecognition
 - * Effective interest method
 - * Impairment of financial assets
 - * Loans and accounts receivable
 - * Cash and cash equivalents
- Financial liabilities
 - * Financial liabilities measured at fair value through income
 - * Financial liabilities measured at amortized cost
 - * Derecognition
 - * Effective interest method
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
 - * Cash flow hedges
 - * Fair value hedges
 - * Foreign net investment hedges
- Share-based payments
- Employee benefits
 - * Defined contribution plans
 - * Defined post-employment benefit plans
 - * Long-term employee benefits
 - * Short-term employee benefits
 - * Employee termination benefits

- Provisions, contingent assets and liabilities
- Taxes
 - * Colombia
 - . Income tax
 - . Income tax for equality - CREE
 - . Value added tax (VAT)
 - . National excise tax
 - . Tax on wealth and tax standardization
 - . Real property tax
 - . Industry and trade tax
 - * Brazil
 - . Financial Contribution to Social Security (COFINS)
 - . Social Security Tax (PIS)
 - . Corporate Income Tax (IRPJ)
 - . VAT on Sales and Services (ICMS)
 - . Tax on Services (ISS)
 - . Tax on Property (IPTU)
 - . Social Contribution on Net Income (CSLL)
 - . Imposto de Renda de Pessoa Jurídica (IRRF)
 - * Argentina
 - . Value Added Tax
 - . Income tax
 - . Province taxes
 - . Tax on personal property - substitute responsible party
 - . Municipal trade and industry tax
 - * Uruguay
 - . Income tax (IRIC),
 - . Value added tax (VAT),
 - . Tax on equity,
 - . Real property tax,
 - . Industry and trade tax
 - . ICOSA tax.
- Current income tax
- Deferred income tax
- Shareholders' contributed capital
- Ordinary revenue
- Loyalty programs
- Costs and expenses
- Operation segments
- Earnings per share

Note 5. New and modified standards and interpretations

Note 5.1. Standards not yet in force, issued during the nine-month period ended September 30, 2016

No Regulatory Decrees enabling the application of the new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the nine-month period ended September 30, 2016.

During the nine-month period ended September 30, 2016, the International Accounting Standards Board IASB issued the following new standards and amendments, which are not in force at September 30, 2016:

- IFRS 16 - Leases, in force as of January 2019.
- Amendment to IAS 12, in force as of January 2017.
- Amendment to IAS 7, in force as of January 2017.
- Amendment to IFRS 2, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.

IFRS 16 - Leases (January 2016)

The standard sets out the principles for recognition, measurement, presentation and disclosure of leases, applicable to lessors and lessees. It deletes the dual accounting model for lessees, which makes a distinction between finance lease agreements that are carried in the balance sheet and operating leases for which recognition of future lease instalments is not required. Instead, a single model is developed, in the balance sheet, similar to the current finance lease.

IFRS 16 supersedes IAS 17 "Leases" and relevant interpretations, and is applicable to periods commencing on or after January 1, 2019; earlier application is permitted, if IFRS 15 "Revenue from contracts with customers" has been applied.

Amendment to IAS 12 "Income tax" (January 2016)

The amendment clarifies how to account for deferred tax assets related with debt instruments measured at fair value.

IAS 12 sets out the requirements for recognition and measurement of current or deferred tax assets or liabilities. The amendments clarify the requirements for recognition of deferred tax assets arising from unrealized losses, to address diversity in the accounting practice.

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

Amendment to IAS 7 "Disclosure initiative" (January 2016)

The amendment clarifies IAS 7 to improve the information provided to the users of the financial statements regarding the entity's financing activities.

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

Amendment to IFRS 2 "Share-based payments" (June 2016)

The amendment relates to the following aspects:

- Addresses the effects of vesting and non-vesting consolidation conditions on the measurement of the fair value of liabilities incurred from cash-settled share-based payments.
- Classifies share-based payment transactions that include net settlement features for tax purposes.
- Defines the accounting of share-based payments when the transaction changes from cash-settled to equity-settled.

The amendments will become effective for periods commencing on or after January 1, 2018. Earlier application is permitted.

Amendment to IFRS 4 "Insurance contracts" (September 2016).

The amendment allows entities mainly developing insurance activities an option to continue carrying its accounts under current IFRS and delay the application of IFRS 9 "Financial instruments" until the application of the new insurance standard or the periods commencing on or after January 1, 2021, whichever is earlier. Further, the amendment grants all entities having insurance contracts an option, following the full adoption of IFRS 9, to present in other comprehensive income and not in profit or loss the changes in the fair value of designated financial assets that meet the requirements.

The amendments will become effective for periods commencing on or after January 1, 2018.

Note 5.2. Standards not yet in force, issued as at December 31, 2015

IFRS 15 - Revenue from contracts with customers (May 2014)

The standard sets forth a unique comprehensive accounting model for ordinary revenue arising from contracts with customers. IFRS 15 will supersede the guidelines on recognition of ordinary revenue included in IAS 18 - Revenue, IAS 11 - Construction Contracts and related interpretations, once applicable.

The core principle of IFRS 15 is that an entity recognizes the revenue from ordinary activities to describe the transfer of goods or services promised to customers, in exchange for a sum that reflect the consideration the entity expects to be entitled to in exchange for such goods or services.

An entity recognizes revenue from ordinary activities pursuant to such basic principle, by applying the following stages:

- Stage 1: Identify customer contract.
- Stage 2: Identify the performance obligations under the contract.
- Stage 3: Define the consideration for the transaction.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize the revenue from ordinary activities when (or in as much as) the entity fulfills a performance obligation.

Pursuant to IFRS 15, revenue is recognized upon fulfillment of a performance obligation. The standard also includes guidance on specific aspects related with the recognition of revenue, and requires a higher level of disclosure.

The standard will become effective for periods commencing on or after January 1, 2017. Company management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set forth by the standard.

The Parent and its subsidiaries do not consider earlier application since Decree 2496 of December 23, 2015, expressly forbids earlier application during the current year.

Note 5.3. Standards adopted earlier as at September 30, 2016

During the nine-month period ended September 30, 2016, and based on section 5.1, no Standards have been adopted earlier.

Note 5.4. Standards applied earlier as at December 31, 2015

IFRIC 21 - Levies (May 2013)

The interpretation includes the recognition of outflows of resources mandated by the Government (government agencies and similar bodies), pursuant to the laws and/or regulations, other than the income tax, fines and penalties for breaches of the legislation and amounts gathered by the entities on behalf of governments.

It sets forth that the triggering event of the liability is the activity that results in payment of the levy, and mentions that the date of payment thereof does not affect the time when the liability is recognized.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. The impact of application thereof during 2015 on the separate statement of income, line item other operating revenue and expenses and other profits, amounted to \$57,772 due to the recognition of the expense arising from the tax on equity enacted by the National Government through Law 1739 of December 23, 2014.

Also, this interpretation was applied to the recognition of the real estate tax in force in Colombia, with an impact on interim periods but not on the period ended December 31, 2015.

Amendment to IAS 27 "Equity participation method in Separate Financial Statements" (August 2014)

The amendment gives entities the option of recognizing their investments in subsidiaries, joint ventures and associates at cost, pursuant to IFRS 9 "Financial Instruments" or using the equity method as described in IAS 28 "Investments in Associates and Joint Ventures".

The Parent elected the early application of this amendment, incorporating its effects as from the preparation of its opening statement of financial position on January 1, 2014. Revenue under the equity method recognized on investments, associates and joint ventures for the period ended 2015 amounted to \$144,415.

IFRS 9 - "Financial Instruments" (July 2014)

IFRS 9 introduced new requirements for the classification, measurement and derecognition of financial assets and liabilities, as well as new requirements for hedge accounting and impairment of financial assets.

The Company started to apply this standard as from January 1, 2014, without significant effects from implementation thereof.

Amendment to IAS 36 - Information to be disclosed on the recoverable value of non-financial assets (May 2013)

This amendment includes the requirements of information to be disclosed on the recoverable value of non-monetary assets for which an impairment loss had been recorded or reversed. In these events there is a requirement to disclose whether the recoverable value of assets was estimated from its fair value less costs of disposal or its value in use. Should fair values be used, it is required to disclose the value hierarchy used as set out in IFRS 13 - Fair Value Measurement.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 11 -Joint Arrangements - Accounting for the acquisition of an interest in a Joint Operation (May 2014)

The amendment sets forth that a joint operator should account for the acquisition of an interest in a joint operation, where the activity associated to the joint operation constitutes a business, using the principles related to business combinations contained in IFRS 3 "Business combinations" and other standards.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IAS 16 and IAS 38 Acceptable methods of depreciation and amortization (May 2014)

The amendments make it clear that revenue-based amortization methods are unacceptable since they do not reflect the expected consumption pattern of future economic benefits embodied in an asset. Such general rule might be refuted for intangible assets if the intangible asset is expressed as a function of revenue and it can be proved that the revenue and consumption of the economic benefits embodied in intangible assets are closely correlated.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 10 and IAS 28 and IAS 27 Sales or contribution of assets between an investor and its Associate or Joint Venture (September 2014)

The amendments refer to a well-known inconsistency between the requirements under IFRS 10 and IAS 28 (2011), in the treatment of sales or contribution of assets between an investor and its associate or joint venture.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Annual improvement to IFRS Cycle 2012-2014 (September 2014)

Annual improvements to IFRS for the 2012-2014 cycle include:

- IFRS 5 "Non-current assets held for trading and discontinued operations", wherein it is made clear that wherever an asset (or group for disposal) is reclassified from "held for trading" to "held for distribution", or vice versa, this situation does not represent a change to the sales or distribution plan. This means that an asset (or group for disposal) does not need to be reinstated as if it had never been classified as "held for trading" or "held for distribution".
- IFRS 7 - "Financial instruments: Disclosures", includes two amendments for the purpose of analyzing disclosure requirements regarding financial instruments: (a) Provides guidance to help Company management to determine whether the terms of a certain arrangement to provide financial asset management services make a continuing involvement and (b) Makes it clear that additional information to be disclosed on the set-off of financial assets and financial liabilities is not specific for all interim periods.
- IAS 19 "Employee benefits" clarifies that to determine the discount rate for liabilities arising from post-employment benefits, what matters is the currency of liabilities and not the country where they are triggered. Likewise, where there is no broad market for high-quality corporate bonds in such currency, government bonds are to be used in the relevant currency.
- IAS 34 "Interim financial information" requires cross-reference of interim financial statements to the location of such information.

The Parent started to apply this interpretation as of January 1, 2014, without significant effects from implementation thereof.

Amendment to IFRS 10, IFRS 12 and IAS 28 Consolidation exception for investment entities and its subsidiaries (December 2014)

The amendments to IFRS 10 make it clear that an investment entity should consolidate a subsidiary that is not an investment entity and that supports the entity's investment activities, in such a way that it acts as an extension of the investment entity.

The Parent started to apply this amendment as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Note 6. Business combinations

Note 6.1. Business combinations during the nine-month period ended September 30, 2016

No business combinations were completed during the nine-month period ended September 30, 2016

Control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.

With the advisory of an independent third party, on August 31, 2016 the Parent completed the Purchase Price Allocation process started in 2015 and related with the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

The following table summarizes the consideration paid for these interests, the goodwill generated from the acquisition and the fair value of assets acquired and liabilities taken on as of the date of gaining control, taken from the books and business combination adjustments identified at August 31, 2016, which are detailed as adjustments to the measurement period.

	Provisional fair values August 31, 2015 (*)			Adjustments during measurement period			Fair values at August 31, 2015 (**)		
	Brazil	Argentina	Total	Brazil	Argentina	Total	Brazil	Argentina	Total
Assets									
Cash and cash equivalents	1,460,170	76,012	1,536,182	(11,070)	3,044	(8,026)	1,449,100	79,056	1,528,156
Trade accounts receivable	6,121,468	126,934	6,248,402	(129,112)	(5,929)	(135,041)	5,992,356	121,005	6,113,361
Prepaid expenses	-	-	-	276,715	5,930	282,645	276,715	5,930	282,645
Inventories	7,189,300	235,424	7,424,724	(88,058)	-	(88,058)	7,101,242	235,424	7,336,666
Current tax assets	3,230,960	6,141	3,237,101	(5,783)	-	(5,783)	3,225,177	6,141	3,231,318
Assets classified as held for trading	13,208	-	13,208	405	-	405	13,613	-	13,613
Property, plant and equipment	8,623,140	109,858	8,732,998	155,084	333,318	488,402	8,778,224	443,176	9,221,400
Investment property	21,608	63,594	85,202	-	203,231	203,231	21,608	266,825	288,433
Intangible assets other than goodwill	3,718,046	14	3,718,060	6,212,612	67,712	6,280,324	9,930,658	67,726	9,998,384
Investments accounted for using the equity method	400,714	-	400,714	-	-	-	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029	(102,367)	-	(102,367)	456,917	9,745	466,662
Other non-current financial assets	831,297	-	831,297	-	-	-	831,297	-	831,297
Total identifiable assets	32,169,195	627,722	32,796,917	6,308,426	607,306	6,915,732	38,477,621	1,235,028	39,712,649
Liabilities									
Current financial liabilities	3,614,591	-	3,614,591	(1,118,275)	-	(1,118,275)	2,496,316	-	2,496,316
Non-current employee benefit provisions	10,916	-	10,916	-	-	-	10,916	-	10,916
Other current provisions	20,551	1,562	22,113	19,657	-	19,657	40,208	1,562	41,770
Accounts payable	10,276,713	350,148	10,626,861	333,971	49	334,020	10,610,684	350,197	10,960,881
Current tax liabilities	763,424	26,319	789,743	5,718	302	6,020	769,142	26,621	795,763
Other current financial liabilities	-	-	-	1,118,275	-	1,118,275	1,118,275	-	1,118,275
Other current non-financial liabilities	651,097	6,975	658,072	(1,277)	-	(1,277)	649,820	6,975	656,795
Non-current financial liabilities	3,415,787	-	3,415,787	(763,681)	-	(763,681)	2,652,106	-	2,652,106
Other non-current provisions	1,159,034	7,438	1,166,472	1,624,149	-	1,624,149	2,783,183	7,438	2,790,621
Non-current accounts payable	65,171	-	65,171	-	-	-	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624	1,555,582	211,491	1,767,073	2,631,206	211,491	2,842,697
Non-current tax liabilities	524,749	-	524,749	-	-	-	524,749	-	524,749
Other non-current financial liabilities	-	-	-	763,681	-	763,681	763,681	-	763,681
Other non-current non-financial liabilities	569,392	-	569,392	-	-	-	569,392	-	569,392
Total liabilities taken on	22,147,049	392,442	22,539,491	3,537,800	211,842	3,749,642	25,684,849	604,284	26,289,133
100% identifiable net assets and liabilities	10,022,146	235,280	10,257,426	2,770,626	395,464	3,166,090	12,792,772	630,744	13,423,516
Non-controlling interest	3,091,745	-	3,091,745	(20,718)	-	645,817	3,071,027	-	3,071,027
Net identifiable assets	6,930,401	235,280	7,165,681	2,791,344	395,464	3,186,808	9,721,745	630,744	10,352,489
Segisor S.A.'s net identifiable assets	21,443	-	21,443	(11,071)	-	(11,071)	10,372	-	10,372
Ownership									
Argentina	-	100.00%	100.00%	0.00%	100%	100.00%	-	100.00%	100.00%
Segisor S.A.	50.00%	-	50.00%	50.00%	0%	50.00%	50.00%	-	50.00%
Companhia Brasileira de Distribuição - CBD	18.76%	-	18.76%	18.76%	0%	18.76%	18.76%	-	18.76%
Net identifiable assets and liabilities after application of the ownership percentage	1,307,065	235,280	1,542,345	520,287	395,464	915,751	1,827,353	630,744	2,458,097
Consideration transferred	4,650,802	885,925	5,536,727	-	-	-	4,650,802	885,925	5,536,727
Fair value of the previous interest in Cnova N.V. less net assets	9,189	-	9,189	1,723	-	1,723	10,912	-	10,912
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)	(520,287)	(395,464)	(915,751)	(1,827,352)	(630,744)	(2,458,096)
Goodwill from the acquisition	3,352,926	650,645	4,003,571	(518,564)	(395,464)	(914,028)	2,834,362	255,181	3,089,543
Decrease from the loss of control over a subsidiary							(17,630)	-	(17,630)
Reclassification to non-current assets held for trading							(369,481)	-	(369,481)
Increase (decrease) from exchange differences, net							138,124	(110,912)	27,212
Goodwill at September 30, 2016							2,585,375	144,269	2,729,644

(*) Relates to provisional fair values at August 31, 2015 as informed by management in its quarterly report at September 30, 2015.

(**) Relates to provisional fair values at August 31, 2015, after application of the business combinations adjustments identified during the measurement period ended August 31, 2016.

At December 31, 2015, (restated) the provisional goodwill (as at the date of the business combination, August 31, 2015) amounted to \$2,762,689, of which \$2,576,753 represented operations in Brazil and \$185,936 represented operations in Argentina. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax. At September 30, 2016, the goodwill amounts to \$2,678,374, of which \$2,534,105 come from the operations in Brazil and \$144,269 from the operations in Argentina.

For presentation purposes, the following is a detail of consolidated assets and liabilities, after the retrospective adjustments resulting from the Purchase Price Allocation, i.e. as if the adjustments had been applied at the time of acquisition of control over the operations:

	December 31, 2015 (1)	Adjustments		December 31, 2015 (2)
Current assets				
Cash and cash equivalents	10,068,717	-		10,068,717
Trade receivables and other accounts receivable	3,326,474	8,121	(a)	3,334,595
Prepaid expenses	166,892	7,199		174,091
Accounts receivable from related parties	63,251	184,807	(b)	248,058
Inventories	8,704,328	(19,107)	(c)	8,685,221
Tax assets	1,100,323	(18,940)	(d)	1,081,383
Other financial assets	445,365	1,592	(e)	446,957
Non-current assets held for trading	21,698	380		22,078
Total current assets	23,897,048	164,052		24,061,100
Non-current assets				
Property, plant and equipment, net	12,055,301	414,593	(f)	12,469,894
Investment property, net	979,336	147,074	(g)	1,126,410
Goodwill	6,522,208	(746,615)	(h)	5,775,593
Intangible assets other than goodwill, net	3,706,065	5,951,471	(i)	9,657,536
Investments accounted for using the equity method, net	304,102	-		304,102
Trade receivables and other accounts receivable	591,960	239,618	(j)	831,578
Prepaid expenses	57,576	(7,199)		50,377
Accounts receivable from related parties	245,987	(231,679)	(k)	14,308
Deferred tax assets	524,828	(125,780)	(l)	399,048
Tax assets	1,941,626	22,290	(m)	1,963,916
Other financial assets	1,134,331	17,513	(e)	1,151,844
Other non-financial assets	398	-		398
Total non-current assets	28,063,718	5,681,286		33,745,004
Total assets	51,960,766	5,845,338		57,806,104
Current liabilities				
Financial liabilities	3,922,558	-		3,922,558
Employee benefit provisions	4,141	-		4,141
Other provisions	65,230	16,566	(n)	81,796
Trade payables and other accounts payable	18,368,670	230,338	(ñ)	18,599,008
Accounts payable to related parties	688,637	24,973	(o)	713,610
Tax liabilities	805,992	-		805,992
Other financial liabilities	395,971	-		395,971
Other non-financial liabilities	547,507	(24)		547,483
Total current liabilities	24,798,706	271,853		25,070,559
Non-current liabilities				
Financial liabilities	6,707,561	-		6,707,561
Employee benefit provisions	41,231	-		41,231
Other provisions	1,124,682	1,513,592	(p)	2,638,274
Trade payables and other accounts payable	34,189	(3,960)		30,229
Accounts payable to related parties	12,704	-		12,704
Deferred tax liabilities	1,206,422	1,696,838	(l)	2,903,260
Tax liabilities	455,355	-		455,355
Other financial liabilities	714,079	19,106	(e)	733,185
Other non-financial liabilities	1,036,782	-		1,036,782
Total non-current liabilities	11,333,005	3,225,576		14,558,581
Total liabilities	36,131,711	3,497,429		39,629,140
Shareholders' equity, see attached statement	15,829,055	2,347,909		18,176,964
Total liabilities and shareholders' equity	51,960,766	5,845,338		57,806,104

(1) Consolidated assets and liabilities as reported in the financial statements at December 31, 2015. These financial statements include certain minor reclassifications to accounts payable; other provisions; other financial liabilities; other non-financial liabilities; inventories; property, plant and equipment; investment properties, and tax liabilities, introduced for comparison with 2016 financial statements.

(2) Assets and liabilities restated to reflect the effect of the adjustments arising from the *Purchase Price Allocation* process relevant to the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations

Adjustments mainly refer to:

- (a) Recognition from the sale of non-current assets in amount of \$12,215; impairment of accounts receivable in amount of (\$2,467); adjustment relevant to the effects of the investigation on Cnova N.V., in amount of \$6,369; reclassification to prepaid expenses in amount of (\$7,199), and other adjustments amounting to (\$797).
- (b) Refers to the recognition of an account receivable from Casino Guichard-Perrachon S.A. relevant to the indemnification in favor of Onper Investment 2015 S.L. arising from the arbitration award related with the request for arbitration filed by Morzan Empreendimentos e Partipações Ltda.
- (c) Relates to an adjustment relevant to the effects of the investigation on Cnova N.V.
- (d) Refers to an adjustment related with the effects of the investigation on Cnova N.D. in amount of (\$17,514) and to other adjustments in amount of (\$1,426).
- (e) Refers to the reclassification of derivative financial instruments liabilities from other current financial assets in amount of \$1,592 and non-current in amount of \$17,513 to other non-current financial liabilities for total \$19,106.
- (f) Relates to:
- Fair value of land and buildings of Companhia Brasileira de Distribuição - CBD in amount of \$258,406, of which \$209,208 refer to land and \$49,198 refer to buildings;
 - Fair value of land and buildings owned by Libertad S.A. in amount of \$242,019, of which \$137,989 refer to land and \$104,030 refer to buildings.
 - Adjustment relevant to the effects of the investigation on Cnova N.V. in amount of (\$16,718);
 - Adjustment to the fair value of intangible assets sold during the measurement period in amount of (\$68,876).
 - Other adjustments amounting to (\$238).
- (g) Relates to the fair value of land and buildings owned by Ceibotel S.A., classified as investment property on the date of the business combination, amounting to \$147,074, of which \$20,645 relate to land and \$126,429 relate to buildings.
- (h) Impact on goodwill from the application of the adjustments at the time of acquisition of Companhia Brasileira de Distribuição - CBD y Libertad S.A. identified during the measurement period ended August 31, 2016.
- (i) Refers to the recognition and adjustments to the measurement of intangible assets relevant to trademarks, in amount of \$4,642,310; trade rights in amount of \$1,301,582; other customer-related intangibles in amount of \$72,682; adjustment to the fair value of intangible assets sold during the reporting period (\$12,563) and adjustment arising from the effects of the investigation on Cnova N.V. in amount of (\$52,540).
- (j) Relates to the reclassification of the account receivable from Casas Bahía Comercial Ltda., from related parties to other accounts receivable in amount of \$231,658, and other minor adjustments in amount of \$7,960.
- (k) Relates to the reclassification of the account receivable from Casas Bahía Comercial Ltda., trade receivables and other accounts receivable in amount of (\$231,658), and other minor adjustments in amount of (\$21).
- (l) Effect on the deferred tax arising from the reversal of temporary differences from the measurement at fair value of all assets and liabilities.
- (m) Refers to an adjustment related with the effects of the investigation on Cnova N.D. in amount of \$17,514 and to other adjustments in amount of \$4,776.
- (n) Recognition of contingent liabilities in amount of \$14,789 relevant to the hiring of external counsel to represent Companhia Brasileira de Distribuição - CBD in tax proceedings, whose legal fees are contingent upon a percentage to be applied to final successful outcome. Such amount may vary depending on each claim's quantitative and qualitative factors. Additionally, and adjustment from the recognition of customer-related lawsuit liabilities is included in amount of \$1,777.
- (ñ) Relates to:
- Adjustment from the recognition of the liability at the date of acquisition in amount of \$184,807, payable by subsidiary Wilkes Partipações S.A., arising from the request for arbitration filed by Morzan Empreendimentos e Partipações Ltda. and legal fees payable and interest thereon amounting to \$7,841;
 - Adjustment relevant to the effects of the investigation on Cnova N.V. in amount of \$35,027;
 - Adjustments from potential tax proceedings that materialized during the measurement period, in amount of \$3,323.
 - Other minor adjustments in amount of (\$660).
- (o) Relates to the recognition of tax proceeding-related liabilities with potential evaluation that materialized during the measurement period ended August 31, 2016 in amount of \$24,176 and other adjustments in amount of \$797.
- p Recognition of contingent liabilities amounting to \$1,105,575 relevant to ICMS - tax on the movement of goods, social security national tax-related proceedings in amount of \$261,732 and other proceedings in amount of \$62,482. It also includes the recognition of contingent liabilities in amount of \$83,803 arising from to the hiring of external counsel to represent Companhia Brasileira de Distribuição - CBD in tax proceedings, whose legal fees are contingent upon a percentage to be applied to final successful outcome. Such amount may vary depending on each claim's quantitative and qualitative factors.

For presentation purposes, the following is shareholders' equity after the retrospective adjustments resulting from the progress of the Purchase Price Allocation, i.e. as if the adjustments had been applied at the time of acquisition of control over the operations:

	December 31, 2015 (1)	December 31, 2015 (2)
Issued share capital	4,482	4,482
Share premium	4,843,466	4,843,466
Treasury shares	(2,734)	(2,734)
Other comprehensive income	(385,303)	(380,143)
Other reserves	1,419,416	1,420,311

Period results	573,495	574,435
Retained earnings	1,116,676	1,100,116
Other equity interests	(41,016)	(41,026)
Equity attributable to shareholders of the controlling entity	7,528,482	7,518,907
Non-controlling interests	8,300,573	10,658,057
Total shareholders' equity	15,829,055	18,176,964

- (1) Consolidated shareholders' equity as reported in the financial statements at December 31, 2015.
- (2) Shareholders' equity restated to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control of "Companhia Brasileira de Distribuição - CBD" and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

Acquisition of control over Grupo Disco Uruguay S.A.

The *Purchase Price Allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations had been completed at December 31, 2015.

In addition, goodwill recognized upon business acquisition differs from the balance carried at September 30, 2016. Development is as follows:

	Spice Investments Mercosur S.A.	Grupo Disco Uruguay S.A.	Total
Goodwill at January 1, 2014	534,495	-	534,495
Goodwill from the acquisitions at January 1, 2015	-	876,325	876,325
Increase from business combinations (Hyper savings)	-	7,932	7,932
Effect of exchange differences	17,557	62,913	80,470
Balance at December 31, 2015	552,052	947,170	1,499,222
Effect of exchange differences	(10,291)	(36,891)	(47,181)
Balance at September 30, 2016	541,761	910,279	1,452,041

Statement of income at September 30, 2015

A reconciliation of the statement of income at September 30, 2016 and at September 30, 2015 is attached for the purposes of presentation of the financial statements at September 30, 2016, as if the purchase price adjustments had been recognized as of January 1, 2015:

	January 1 to September 30, 2015 (1)	"PPA" adjustments Brazil and Argentina (2)	"PPA" adjustments Uruguay (3)	Adjustments investigation on Cnova N.V. and reclassification of discontinued operations (4)	January 1 to September 30, 2015 (restated)
Continuing operations					
Revenue from ordinary activities	13,470,403			(444,056)	13,026,347
Cost of sales	(10,013,265)			379,866	(9,633,399)
Gross profit	3,457,138				3,392,948
Operating expenses	(2,873,978)	19,065	(2,273)	35,169	(2,822,017)
Profit from operating activities	583,160				570,931
Net financial result	118,145	40	(5,030)	900	114,055
Earnings before income tax from continuing operations	701,305				684,986
Tax (expense)	(208,282)	35	1,021	7,350	(199,876)
Net period profit from continuing operations	493,023				485,110

- (1) Relates to the statement of income presented on September 30, 2015.
- (2) Refers to adjustments related to assets and liabilities identified at the date of acquisition of the operations of Companhia Brasileira de Distribuição - CBD y Libertad S.A. for the period between September 1 and September 30, 2015.
- (3) Refers to adjustments related to assets and liabilities identified at the date of acquisition of Grupo Disco Uruguay S.A. for the nine-month period ended September 30, 2015.

- (4) Refers to adjustments related to the investigation on Cnova N.V. as announced by Companhia Brasileira de Distribuição – CBD, and additionally to the reclassifications of the results of the e-commerce segment operations relevant to Cnova N.V. and its subsidiaries, which are shown as discontinued operations.

Note 6.2. Business combinations achieved during 2015

The provisional values at the time of acquisition were taken as the starting point to consolidate subsidiaries acquired in Brazil and Argentina; such values will be subject to modification and adjustment, as required, in as much as the Purchase Price Allocation process be completed. The allocation of purchase price was in process and IFRS 3 - Business combinations allows adjusting provisional values until up to one year following the acquisition date for each subsidiary.

Acquisition of control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.

In performance of the share purchase and sale agreements entered into with Casino Guichard Perrachon, on August 20, 2015, the Parent, through the Spanish company Onper Investment 2015 S.L., acquired the following operations:

- 100% of Libertad S.A., which operates the Libertad and Mini Libertad chains in Argentina; and
- 18.76% of the share capital and 49.97% of the voting rights in Companhia Brasileira de Distribuição – CBD, which owns the chains operating under the banners Pão de Açúcar, Extra, Assaí, Casas Bahia and Ponto Frio in Brazil, and the e-commerce operation through CNova.

The effective date of the business combinations for accounting purposes was August 31, 2015.

As result of the acquisition, the Parent seeks to consolidate as the leading retailer in South America, and become the largest company in Colombia in terms of annual consolidated sales. The price paid for the operations in Brazil and Argentina was USD \$1,536 million and USD \$292.6 million, respectively.

Provisional goodwill (as at the date of the business combination, August 31, 2015) amounted to \$4,027,480, of which \$3,379,484 represent operations in Brazil and \$647,996 operations in Argentina. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax. At December 31, 2015, the goodwill amounts to \$3,568,892, of which \$3,096,735 come from the operations in Brazil and \$472,157 from the operations in Argentina.

The method used to measure the fair value of the interest previously held by the Parent in Cnova NV was the listed-price-of-the-share approach. Non-controlling interests were measured taking as starting point the provisional values of these companies' assets and liabilities on the date of acquisition.

Revenue and net loss shown in the consolidated statement of income between September 1, 2015 and December 31, 2015 amounted to \$19,980,619 and \$25,575, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income amounted to \$637,482 and \$19,002, respectively, both after elimination of intercompany transactions.

Should operations had been included as of January 1, 2015, revenue and net loss would have been \$57,165,643 and \$3,189, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income would have been \$1,606,690 and \$30,936, respectively.

Transaction costs related with the acquisition of the invested companies amounted to \$50,333 and were recognized as other operating expenses in the consolidated statement of income for the period ended December 31, 2015.

At December 31, 2015, the Parent is conducting the *Purchase Price Allocation* process pursuant to IFRS 3 Business combinations, with an independent advisor. The following table summarizes the consideration paid for these interests, the goodwill generated from the acquisition and the provisional fair value of assets acquired and liabilities taken on as of the date of gaining control, taken from the books and business combination adjustments identified so far, which are detailed as measurement period adjustments.

	Provisional fair values August 31, 2015 (*)			Adjustments during measurement period			Provisional fair values At August 31, 2015 (*)		
	Brazil	Argentina	Total	Brazil	Argentina	Total	Brazil	Argentina	Total
Assets									
Cash and cash equivalents	1,460,170	76,012	1,536,182	(11,070)	3,044	(8,026)	1,449,100	79,056	1,528,156
Trade accounts receivable	6,121,468	126,934	6,248,402	(261,178)	(5,519)	(266,697)	5,860,290	121,415	5,981,705
Prepaid expenses	-	-	-	229,701	5,930	235,631	229,701	5,930	235,631
Inventories	7,189,300	235,424	7,424,724	(73,269)	-	(73,269)	7,116,031	235,424	7,351,455
Current tax assets	3,230,960	6,141	3,237,101	-	-	-	3,230,960	6,141	3,237,101
Assets classified as held for trading	13,208	-	13,208	-	-	-	13,208	-	13,208
Property, plant and equipment	8,623,140	109,858	8,732,998	(31,187)	-	(31,187)	8,591,953	109,858	8,701,811
Investment property	21,608	63,594	85,202	-	-	-	21,608	63,594	85,202
Intangible assets other than goodwill	3,718,046	14	3,718,060	(17,009)	-	(17,009)	3,701,037	14	3,701,051
Investments accounted for using the equity method	400,714	-	400,714	-	-	-	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029	(23,706)	-	(23,706)	535,578	9,745	545,323
Other non-current financial assets	831,297	-	831,297	-	-	-	831,297	-	831,297
Total identifiable assets	32,169,195	627,722	32,796,917	(187,718)	3,455	(184,263)	31,981,477	631,177	32,612,654
Liabilities									
Current financial liabilities	3,614,591	-	3,614,591	-	-	-	3,614,591	-	3,614,591
Non-current employee benefit provisions	10,916	-	10,916	-	-	-	10,916	-	10,916
Other current provisions	20,551	1,562	22,113	1,938	-	1,938	22,489	1,562	24,051
Accounts payable	10,276,713	350,148	10,626,861	63,126	503	63,629	10,339,839	350,651	10,690,490
Current tax liabilities	763,424	26,319	789,743	(17,300)	303	(16,997)	746,124	26,622	772,746
Other current non-financial liabilities	651,097	6,975	658,072	-	-	-	651,097	6,975	658,072
Non-current financial liabilities	3,415,787	-	3,415,787	-	-	-	3,415,787	-	3,415,787
Other non-current provisions	1,159,034	7,438	1,166,472	47	-	47	1,159,081	7,438	1,166,519
Non-current accounts payable	65,171	-	65,171	-	-	-	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624	19	-	19	1,075,643	-	1,075,643
Non-current tax liabilities	524,749	-	524,749	-	-	-	524,749	-	524,749
Other non-current non-financial liabilities	569,392	-	569,392	-	-	-	569,392	-	569,392
Total liabilities taken on	22,147,049	392,442	22,539,491	47,830	806	48,636	22,194,879	393,248	22,588,127
100% identifiable net assets and liabilities	10,022,146	235,280	10,257,426	(235,548)	2,649	(232,899)	9,786,598	237,929	10,024,527
Non-controlling interest	3,091,745	-	3,091,745	(126,498)	-	(126,498)	2,965,247	-	2,965,247
Net identifiable assets	6,930,401	235,280	7,165,681	(109,050)	2,649	(106,401)	6,821,351	237,929	7,059,280
Segisor S.A.'s net identifiable assets	21,443	-	21,443	(11,070)	-	(11,070)	10,373	-	10,373
Ownership									
Argentina	-	100.00%	100.00%	-	100.00%	100.00%	-	100.00%	100.00%
Segisor S.A.	50.00%	-	50.00%	50.00%	-	50.00%	50.00%	-	50.00%
Companhia Brasileira de Distribuição - CBD	18.76%	-	18.76%	18.76%	-	18.76%	18.76%	-	18.76%
Net identifiable assets and liabilities after application of the ownership percentage	1,307,065	235,280	1,542,345	(23,920)	2,649	(21,271)	1,283,145	237,929	1,521,074
Consideration transferred	4,650,802	885,925	5,536,727	-	-	-	4,650,802	885,925	5,536,727
Fair value of the previous interest in Cnova N.V.	9,189	-	9,189	2,638	-	2,638	11,827	-	11,827
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)	23,920	(2,649)	21,271	(1,283,145)	(237,929)	(1,521,074)
Goodwill from the acquisition	3,352,926	650,645	4,003,571	26,558	(2,649)	23,909	3,379,484	647,996	4,027,480
Decrease from the loss of control over a subsidiary							(63,055)	-	(63,055)
Decrease from exchange difference, net							(219,694)	(175,839)	(395,533)
Goodwill at December 31, 2015							3,096,735	472,157	3,568,892

(*) Relates to provisional fair values at August 31, 2015 as informed by management in its quarterly report at September 30, 2015.

Acquisition of control over Grupo Disco Uruguay S.A.

As at September 2011, the Parent had acquired a share interest of 62.49% in Grupo Disco Uruguay S.A. under a situation of joint control arising from the capital structure and the various kinds of share capital, which was accounted for using the equity method until December 31, 2014.

On April 27, 2015, the Parent entered into a Shareholder Agreement with non-controlling interests of Grupo Disco Uruguay S.A., which granted it the voting rights of more than 75% of the share capital of Grupo Disco Uruguay S.A. during an initial term of two years as of January 1, 2015 (effective date for accounting purposes, for no consideration). Resulting from such agreement, the Parent ensures the exercise of effective control over Grupo Disco Uruguay S.A. and global consolidation thereof into the financial statements.

On the date of execution of the agreement, Grupo Disco Uruguay S.A. had 28 establishments of the Disco and Geant chains, which, added to the Devoto operation acquired in 2011 and wherein currently the Parent has 100% of the share capital, represent the largest retail operation in Uruguay.

The fair value of the Parent's previous interest in Grupo Disco Uruguay S.A. amounted to \$1,067,037. The valuation method used to measure such fair value was mainly the discounted cash flow method and the effect thereof was recognized in period income in amount of \$29,681 at December 31, 2014 under other revenue.

Non-controlling interest in Grupo Disco Uruguay S.A. was measured at fair value and amounted to \$448,347. The valuation method used to measure such fair value was the discounted cash flow method, which considers a discount in value arising from the lack of control and the restriction associated to the sale of securities.

Below is a summary of the fair value of net assets acquired at the date of the business combinations and at the closing of the measurement period, based on the purchase price allocation survey:

	Provisional fair values at January 1, 2015	Measurement period adjustments	Final fair values at January 1, 2015
Assets			
Cash and cash equivalents	132,858	-	132,858
Current trade receivables and other receivables	80,439	-	80,439
Prepaid expenses	3,624	-	3,624
Current accounts receivable from related parties and associates	3,947	-	3,947
Current inventories	106,831	-	106,831
Current tax assets, current portion	44,189	-	44,189
Other current financial assets	7,200	-	7,200
Property, plant and equipment	240,721	188,007	428,728
Investment property	19,466	60,191	79,657
Intangible assets other than goodwill	732	103,968	104,700
Non-current trade receivables and other receivables	4,399	-	4,399
Deferred tax assets	30,130	-	30,130
Other non-current financial assets	4,475	4,825	9,300
Total identifiable assets	679,011	356,991	1,036,002
Liabilities			
Current financial liabilities	4,117	-	4,117
Current trade payables and other accounts payable	250,204	7,315	257,519
Current accounts payable to related parties and associates	3,961	-	3,961
Current tax liabilities, current portion	49,616	-	49,616
Other current non-financial liabilities	10,347	1,292	11,639
Other non-current provisions	843	-	843
Deferred tax liabilities	-	56,463	56,463
Other non-current non-financial liabilities	12,785	-	12,785
Total liabilities taken on	331,873	65,070	396,943
Net assets and liabilities measured at fair value	347,138	291,921	639,059
Fair value of interests previously held in the acquiree	1,067,037	-	1,067,037
Non-controlling interest measured at fair value	448,347	-	448,347
Less fair value of identifiable net assets	(347,138)	(291,921)	(639,059)
Goodwill from the acquisition	1,168,246	(291,921)	876,325
Increase from combinations and from exchange differences, net			88,402
Goodwill at December 31, 2015			964,727

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of the stores acquired in this country. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax.

The consolidation of Grupo Disco Uruguay S.A. since January 1, 2015 resulted in revenue from ordinary activities in amount of \$1,339,700 and generated a gain of \$75,372 after elimination of intercompany transactions at Group level.

Transaction costs related with the acquisition of the invested company were not significant and they were recognized as other operating expenses in the consolidated statement of income for the period.

Agreement between the Parent and Caja de Compensación Familiar - CAFAM

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

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

- The acquisition by the Parent of the stores owned by Cafam, which had been operated by the Parent since September 2010, date on which the inventories were purchased for \$33,506 and property, plant and equipment associated to such stores were acquired for \$21,200.
- Since it is deemed a business combination completed in various stages, the consideration transferred of \$127,267 includes \$5,048 on account of the measurement at fair value on the date of the business combination, of property, plant and equipment previously acquired by the Parent. The amount recognized as goodwill amounts to \$122,219, based on the purchase price allocation survey, which is expected to be tax-deductible.
- The sale to Cafam of the drugstores owned by the Parent, some of which had been operated by Cafam since September 2010, resulted in a net gain of \$74,515, recognized in period results under "Other revenue";
- The termination of the cooperation agreement executed by and between the parties in September 2010.

The conditions precedent under the agreement, including approval by the relevant authorities, were completed on May 27, 2015.

Expenses associated with the acquisition of such stores were not material.

Exercise of the purchase option to acquire Super Inter stores.

On April 15, 2015, the Parent exercised the purchase option with Comercializadora Giraldo y Cia. S.A. granted on the acquisition of 29 trade establishments, which had been operated since October 2014, and on the Super Inter trademark. Previously, the Parent had acquired the inventories associated with such establishments in amount of \$29,833 under a separate transaction.

The price of acquisition amounted to \$343,920, out of which \$284,173 were disbursed at the closing of December 31, 2015.

Below is a summary of the fair values of identifiable assets and liabilities of the business acquired, as of the date of acquisition and at the closing of the measurement period, based on the purchase price allocation survey:

	Provisional fair values at April 1, 2015	Period measurement adjustments (1)	Final fair values at April 1, 2015
Super Inter Banner	95,121	(31,417)	63,704
Property, plant and equipment	18,169	-	18,169
Total identifiable assets	113,290	(31,417)	81,873
Total liabilities taken on	-	-	-
Net assets and liabilities measured at fair value	113,290	(31,417)	81,873

Goodwill arising from the operation amounts to:

	Provisional fair values at April 1, 2015	Period measurement adjustments (1)	Final fair values at April 1, 2015
Consideration transferred	343,920	-	343,920
Less fair value of identifiable net assets	(113,290)	31,417	(81,873)
Goodwill from the acquisition	230,630	31,417	262,047

The goodwill in amount of \$262,047 is attributable to economies of scale expected from the integration of the operations of the stores acquired and the Parent's stores, which is expected to be tax-deductible.

Expenses associated with the acquisition of such stores were not material.

- (1) Relates to the fair value measurement adjustment of the Super Inter trademark, resulting from the review of the variables applied during the initial provisional appraisal.

Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	September 30, 2016	December 31, 2015
Local currency		
Cash in hand	323,716	301,339
Banks	137,545	474,331
Fiduciary rights (1)	74,319	76,085
Pooled income funds	558	-

	September 30, 2016	December 31, 2015
Total local currency	536,138	851,755

	September 30, 2016	December 31, 2015
Foreign currency		
Deposits (2)	2,814,141	8,338,881
Banks	188,263	712,190
Cash in hand	143,308	34,699
Pooled income funds	2,908	86,974
Other deposits	-	36,477
Bonds	-	7,741
Total foreign currency	3,148,620	9,216,962
Total cash and cash equivalents	3,684,758	10,068,717

- (1) For 2015, the Parent shows restricted cash equivalents in local currency in amount of \$3,907, related to the profits from the film "Colombia Magia Salvaje", with the specific destination of a donation to Fundación Éxito.

On May 4, 2016, the Parent paid \$4,032 to Fundación Éxito as donation of the profits obtained from the film "Colombia Magia Salvaje", as approved by the General Meeting of Shareholders held on March 30, 2016.

- (2) Includes fixed-term deposits with yields of 14.18% E.A.R. (2015 - 14.13%) equivalent to 100.38% if the IDC - Interbanking Deposit Certificate. They mature in less than 90 days of negotiation date.

At September 30, 2016, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 8. Trade receivables and other accounts receivable

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

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Trade accounts receivable (8.1)	3,981,182	2,994,796	2,944,501
Other accounts receivable (8.2)	1,235,152	923,638	1,221,672
Total trade receivable and other receivables	5,216,334	3,918,434	4,166,173
Current (8.3)	4,209,696	3,326,474	3,334,595
Non-current (8.3)	1,006,638	591,960	831,578

Note 8.1. Trade accounts receivable

The balance of trade receivables is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Foreign customers (1)	2,029,193	-	1,148,962
Consumer financing - CDCI (2)	1,747,699	1,582,596	1,582,596
Extended warranty	140,281	167,972	167,972
Accounts receivable from suppliers (3)	116,156	130,556	147,274
Rentals and dealers	96,268	-	94,200
Domestic customers	63,433	-	86,348
Compañía de Financiamiento Tuya S.A. (4)	51,759	19,212	19,212
Other trade accounts receivable	48,317	-	23,159
Employee funds	2,020	52,833	4,777
Sales on credit cards and other	-	1,365,257	-
Impairment loss (5)	(313,944)	(323,630)	(329,999)
Total trade receivables	3,981,182	2,994,796	2,944,501

- (1) Includes trade receivables of Companhia Brasileira de Distribuição - CBD, relevant to sales under payment terms other than financing (direct credit to consumer with intervention DCCI). It additionally includes accounts receivable of Companhia Brasileira de Distribuição - CBD from financial entities or banks, arising from sales on credit cards "Administradoras de cartões de crédito", where Companhia Brasileira de Distribuição - CBD receives cash in as much as customers pay to the bank the instalments agreed upon.

- (2) Refers to Via Varejo S.A. sales financed through consumer direct credit under intervention (CDCI), that may be paid in up to 24 months; however, the term most used is less than 12 months. Via Varejo S.A. has entered into agreements with financial institutions, which act as intermediaries in these transactions.

- (3) Refer to accounts receivable from suppliers of Companhia Brasileira de Distribuição – CBD relevant to the suppliers' contribution arising from purchase volume, price protection and agreements defining the supplier's participation in advertising-related expenses.
- (4) Includes items related with the operation of Tarjeta Éxito, such as royalties and reimbursement of shared expenses and collections from recovery of coupons, to be paid in the short term.
- (5) The impairment of receivables is independently analyzed for large customers and jointly analyzed for those customers whose balances are not material taken separately. Impairment of receivables is estimated on a case-by-case basis, and recognized as net expenses in period results based on accounts overdue exceeding the behavior of the historic of payments; however, even if impaired, the Parent deems such amounts as recoverable given the extensive credit risk analysis conducted on customers, including credit ratings where available in credit databases recognized by the market. At September 30, 2016 the net expense amounts to \$16,055 (2015 \$319,198). The development of the impairment of receivables during the period is as follows:

The movement of the impairment of receivables during the period is as follows:

Balance at December 31, 2015	323,630
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.1)	6,369
Restated balance at December 31, 2015	329,999
Recognized impairment loss	390,499
Reversal of impairment loss	(5,069)
Receivables written-off	(366,536)
Effect of exchange differences	23,013
Reclassifications to Assets as held for trading	(57,962)
Balance at September 30, 2016	313,944

Note 36, Policies on financial risk management, includes the considerations on the credit risk for trade debtors.

Note 8.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Accounts Receivable - Paes Mendonça (1)	475,345	423,512	423,512
Account receivable - Casas Bahia Comercial Ltda. (2)	293,964	-	231,658
Employee funds	61,299	-	48,056
Accounts receivable from the sale of companies (3)	55,397	41,396	83,588
Sale of property, plant and equipment, intangible assets and other assets.	37,416	-	30,497
Business agreements	26,139	44,436	44,436
Reimbursement of freight expenses	23,231	-	35,027
Accounts receivable from insurance companies	10,722	-	13,533
Money transfer services	1,495	26,587	26,587
Tax claims	1,405	2,442	2,442
Shipments	1,177	6,283	6,283
Securities receivable	-	120,207	-
Rent instalments receivable	-	85,977	-
Distributors	-	8,223	-
Promotional coupons	-	10,267	-
Supplier contribution	-	16,718	-
Other	247,562	137,590	276,053
Total other accounts receivable	1,235,152	923,638	1,221,672

- (1) Since 1999, certain stores owned by Paes Mendonça S.A. (a supermarket network in Brazil) were leased through subsidiary Novasoc Comercial Ltda. Novasoc Comercial Ltda. paid certain of Paes Mendonça S.A.'s liabilities, and even though the later has made partial payments, Companhia Brasileira de Distribuição - CBD still shows a receivable from the transaction. Pursuant to payment agreements entered into between the parties, balances receivable are updated from a monetary point of view by the IGP-M (Market Price General Index) and are secured with some stores operated by Novasoc Comercial Ltda. We are not aware of objective evidence showing impairment of such accounts receivable. Maturity of these accounts receivable is related to lease agreements under the same conditions originally agreed upon; they are deemed non-current assets given the possibility of turning such accounts into trade rights on the leased stores.
- (2) Refers to accounts receivable by subsidiary Via Varejo S.A. from Casas Bahia Comercial Ltda. relevant to the "First amendment to the association agreement" entered into by and between Via Varejo S.A., Companhia Brasileira de Distribuição - CBD and Casas Bahia Comercial Ltda., which ensures the right of Casas Bahia Comercial Ltda. to be reimbursed for certain contingencies recognized prior to June 30, 2010, date of the agreement. At December 31, 2015 such balance was shown as an amount receivable from related parties; it was reclassified to other accounts receivable on June 30, 2016.
- (3) Relates to accounts receivable arising from the exercise of the purchase option of certain fuel stations sold by subsidiary Companhia Brasileira de Distribuição - CBD. The amount of the account receivable is updated from a monetary point of view since the execution of the agreement on May 28, 2012, by 110% of the IDC (interbanking deposit certificate), with payment foreseen in 240 monthly instalments.

Note 8.3. Trade receivables and other accounts receivable classified as current and non-current

The balance of trade receivables and other accounts receivable classified as current and non-current is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Current			
Foreign customers	2,009,536	1,365,257	1,148,963
Consumer financing - DCCI	1,619,927	1,494,232	1,494,232
Extended warranty	140,281	167,972	167,972
Accounts receivable from suppliers	116,156	130,556	147,274
Rentals and dealers	96,268	-	94,200
Domestic customers	63,433	-	86,348
Account receivable from the sale of companies	55,397	-	83,588
Compañía de Financiamiento Tuya S.A.	51,759	19,212	19,212
Employee funds	46,462	34,214	34,214
Sale of property, plant and equipment, intangible assets and other assets.	37,416	-	30,497
Business agreements	26,139	44,436	44,436
Reimbursement of freight expenses	23,231	-	35,027
Accounts receivable from insurance companies	10,722	-	13,533
Money transfer services	1,495	26,587	26,587
Tax claims	1,405	2,442	2,442
Money transfers	1,177	6,283	6,283
Sales on credit cards and other	-	-	-
Securities receivable	-	116,227	-
Rent instalments receivable	-	85,977	-
Supplier contribution	-	16,718	-
Promotional coupons	-	10,267	-
Distributors	-	8,223	-
Other trade accounts receivable	48,317	-	23,158
Other	158,436	111,152	196,279
Impairment loss	(297,861)	(313,281)	(319,650)
Total current accounts receivable	4,209,696	3,326,474	3,334,595
Non-current			
Accounts Receivable - Paes Mendonça	475,345	423,512	423,512
Account receivable Casas Bahia Comercial Ltda.	293,964	-	231,658
Consumer financing - DCCI	127,771	88,364	88,364
Foreign customers	19,657	-	-
Employee funds	16,857	18,619	18,619
Account receivable from the sale of companies	-	41,396	-
Securities receivable	-	3,980	-
Other	89,127	26,438	79,774
Impairment loss	(16,083)	(10,349)	(10,349)
Total accounts receivable	1,006,638	591,960	831,578

Note 8.4. Trade receivables and other accounts receivable by age

The aging of trade receivables and other receivables, irrespective of impairment, for each period reported is as follows:

Period	Total	Not due	Overdue			
			< 30 days	31 - 60 days	61 - 90 days	> 90 days
September 30, 2016	5,530,278	5,349,311	105,088	9,842	18,976	47,061
December 31, 2015	4,242,064	3,491,673	217,477	119,036	107,287	306,591
December 31, 2015, restated	4,496,172	4,357,989	47,331	15,676	20,624	54,552

Note 9. Prepaid expenses

The balance of prepaid expenses was comprised of:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Leases	87,635	80,823	80,823
Advertising	70,920	9,870	9,870
Taxes	41,995	1,592	1,592
Insurance	40,072	28,469	28,469
Bank expenses	27,699	15,125	15,125
Employee benefits	11,616	26,270	26,270
Maintenance	11,196	8,325	8,325
Services	9,829	17,514	17,514
Licenses in use	4,468	796	796
Store expansion	894	796	796
Sales commissions	-	5,573	5,573
Other	11,103	29,315	29,315
Total prepaid expenses	317,427	224,468	224,468
Current	256,188	166,892	174,091
Non-current	61,239	57,576	50,377

Note 10. Accounts receivable from and accounts payable to related parties

The balance of accounts receivable from and accounts payable to related parties is as follows:

	Accounts receivable			Accounts payable		
	September 30, 2016	December 31, 2015	December 31, 2015 (restated)	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Controlling entity (1)	894	35,006	194,339	136,495	188,465	164,583
Associates (2)	13,403	7,961	7,961	5,361	9,553	9,553
Key management personnel	31	78	78	-	-	-
Members of the Board	-	-	-	24	1	1
Grupo Casino companies (3)	6,348	28,002	53,304	140,901	497,587	547,868
Other related parties (4)	893	238,191	6,684	179	5,735	4,309
Total	21,569	309,238	262,366	282,960	701,341	726,314
Current portion	7,273	63,251	248,058	270,508	688,637	713,610
Non-current portion	14,296	245,987	14,308	12,452	12,704	12,704

(1) Relate to accounts receivable and accounts payable arising from the following agreements:

- Technical Assistance Agreement entered into by and between Companhia Brasileira de Distribuição - CDB and Grupo Casino on July 21, 2005. This agreement was authorized by the Extraordinary Meeting of Shareholders on August 16, 2005 and terminated on August 1, 2014.
- Cost sharing agreement entered into by and between Companhia Brasileira de Distribuição - CDB and Grupo Casino on August 10, 2014, which purpose is the reimbursement of expenses incurred by professionals and companies of Grupo Casino for the benefit of this subsidiary. This agreement was authorized by the Board of Directors on July 22, 2014.
- Reimbursement of expenses agreement entered into by and between Companhia Brasileira de Distribuição - CBD and Grupo Casino, regarding the Global Sourcing contract.
- Loan in American dollars known as "Triple S" with HSBC repaid by Grupo Casino to HSBC on behalf of Libertad S.A. In addition, there is a debt of subsidiary Libertad S.A. arising from expat personnel services.

The remaining of the Parent's companies have carried out technical assistance, insurance and administration support transactions with the controlling entity.

- Refers to accounts receivable from and accounts payable to FIC Promotora de Vendas Ltda. mainly arising from the infrastructure contract executed with this Brazilian associate (See Note 25.2 Transactions with related parties).
- For 2015, refers to loans payable to Casino Finance International S.A. for cash-centralization services; costs payable to Big C- Thailand for the purchase of products; costs and expenses payable to C'est Chez Vous for delivery services, and costs payable to EMC for product procurement centralization services, and to Easydis for logistic services.

Up to June 30, 2016, refers to loans payable to Casino Finance International S.A. for cash-centralization services; costs payable to Big C- Thailand for the purchase of products; costs and expenses payable to C'est Chez Vous for delivery services, and costs payable to EMC Distribution Société par Actions Simplifiée for product procurement centralization services, and accounts payable to Easydis Société par Actions Simplifiée for logistic services. At September 30, 2016, such balances are shown in the statement of financial position under non-current assets held for trading.

- (4) At December 31, 2015, refers to accounts receivable by subsidiary Via Varejo S.A. from Casas Bahia Comercial Ltda. relevant to the "First amendment to the association agreement" entered into by and between Via Varejo S.A., Companhia Brasileira de Distribuição - CBD and Casas Bahia Comercial Ltda., which ensures the right of the subsidiary to be reimbursed by Casas Bahia Comercial Ltda. for certain contingencies recognized prior to June 30, 2010, date of the agreement. At September 30, 2016, it was reclassified to other accounts receivable.

Note 11. Inventories

The detail of the balance of inventories is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Inventories available for trading	8,496,126	8,660,779	8,525,493
Inventories of property under construction (1)	79,103	133,249	133,249
Inventories in transit	47,123	27,542	27,693
Materials, small spares, accessories and packaging material	17,604	17,546	17,546
Product in process	7,311	9,192	9,192
Raw materials	5,718	5,336	5,336
Inventory impairment (2)	(44,636)	(149,316)	(33,288)
Total inventories	8,608,349	8,704,328	8,685,221

- (1) The inventory of construction in progress mainly includes the Thera Faria Lima Pinheiros ("Thera"), Figue, Classic and Carpe Diem projects, and a store built on the first floor of the Thera project, related with Grupo Companhia Brasileira de Distribuição - CBD and its subsidiaries. The construction and incorporation is carried out by Cyrela Polinésia Empreendimentos Imobiliários Ltda., Pitangueiras Desenvolvimento Imobiliário SPE Ltda. and Hesa Investimentos Imobiliários Ltda. The Figue project started in February 2015, and delivery of the Thera, Classic and Carpe Diem projects is foreseen for 2016.
- (2) The development of the provision during the period is as follows:

Balance at December 31, 2015	149,316
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	(116,028)
Restated balance at December 31, 2015	33,288
Impairment loss recognized during the period	11,005
Reversal of impairment losses	(1,489)
Effect of exchange differences	23
Reclassifications	1,809
Balance at September 30, 2016	44,636

Inventories are not subject to limitation or liens that restrict negotiability or realization thereof, and have been duly insured against all risks.

The following is the information related with the cost of sales, impairment and reversals of impairment recognized in inventories:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Cost of goods sold not impaired	37,732,331	9,631,356	12,965,625	5,130,828
Impairment loss recognized during the period	11,005	2,043	5,792	2,043
Reversal of impairment loss recognized during the period (1)	(1,489)	-	(2,413)	-
Total cost of goods sold	37,741,847	9,633,399	12,969,004	5,132,871

- (1) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage space at the distribution center, limiting the exposure of goods at the branches' warehouses. Likewise, as of 2015 general inventories are handled instead of revolving inventories, in addition to post-season critical controls, critical goods and other activities.

Note 12. Other financial assets

The balance of other financial assets is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Financial assets measured at fair value through income, foreign currency (1)	1,082,682	801,305	801,305
Derivative financial instruments designated as hedge instruments (2)	223,376	573,174	592,279
Financial assets measured at amortized cost (3)	145,772	136,179	136,179
Financial assets measured at fair value through other comprehensive income	1,046	1,046	1,046
Financial assets measured at fair value through income	1,054	965	965
Derivative financial instruments (4)	-	67,027	67,027
Total other financial assets	1,453,930	1,579,696	1,598,801
Current	215,995	445,365	446,957
Non-current	1,237,935	1,134,331	1,151,844

(1) Financial assets measured at fair value through income, foreign currency, relate to:

- (a) Balances of certain bank accounts regarding legal and tax deposits not available to subsidiary Companhia Brasileira de Distribuicao - CBD given that they are restricted to be used for payment under some legal proceedings filed against it. Balance thereof is monthly updated in the statement of income, using an interest rate.

	September 30, 2016	December 31, 2015
Deposit for tax proceedings	177,808	167,176
Deposit for labor proceedings	813,984	566,009
Deposit for civil proceedings	42,888	35,027
Deposit for regulatory proceedings	34,847	27,066
Total	1,069,527	795,278

(b) Legal deposits in amount of \$208 (2015 - \$203) relevant to subsidiary Libertad S.A.

(c) Investment in bonds in amount of \$12,947 (2015 - \$5,824) of Grupo Disco Uruguay S.A.

- (2) Derivatives designated as hedge instruments reflect the fair value of SWAP contracts for 100% of liabilities denominated in US Dollars at a fixed interest rate, of Companhia Brasileira de Distribuição – CBD, exception made of DCCI (Direct consumer credit through an intermediary), exchanging such obligations at a floating IDC interest rate. The term of these contracts equals that of the debt and hedge both principal and interests. At September 2016, the IDC annual average interest rate was 14.13% (12.58% at September 2015). Fair values of these instruments are determined using valuation models, commonly used by market participants. The detail of maturities of these instruments at September 30, 2016 is as follows:

	<u>Derivative</u>	<u>Less than 1</u> <u>year</u>	<u>More than 1</u> <u>year</u>	<u>Total</u>
September 30, 2016	Swap	184,062	39,314	223,376
December 31, 2015	Swap	379,728	193,446	573,174
December 31, 2015, restated	Swap	379,727	212,552	592,279

At December 31, 2015, both asset and liability swaps were shown under one single asset line item. At September 30, 2016, the asset portion is shown under the asset side and the liability portion under the liability side.

- (3) Financial assets measured at amortized cost include investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Parent has the intention and capability of maintaining until maturity. These investments are part of Tarjeta Éxito corporate collaboration agreement, with nominal value of \$139,000, at a term of 10 years and a yield of CPI + 2% for certain bonds and CPI + 6% for other bonds plus the share of profit under the agreement.
- (4) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Parent measures the derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2015 and September 30, 2016 relates to the reduction of closing valuation rates for forwards and swaps, which reached values under the average rates agreed upon with the various financial players.

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

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Current			
Derivative financial instruments	-	67,027	67,027
Derivative financial instruments designated as hedge instruments	184,062	378,135	379,727
Financial assets measured at amortized cost	31,724	-	-
Financial assets measured at fair value through income	209	203	203
Total current	215,995	445,365	446,957
Non-current			
Derivative financial instruments designated as hedge instruments	39,314	195,039	212,552
Financial assets measured at amortized cost	114,048	136,179	136,179
Financial assets measured at fair value through other comprehensive income	1,046	1,046	1,046
Financial assets measured at fair value through income	1,083,527	802,067	802,067
Total non-current	1,237,935	1,134,331	1,151,844

There are no restrictions or liens on other financial assets that restrict the negotiability or realization thereof, exception made of the Parent's investment in Tuya S.A.'s bonds, which were issued as part of Tarjeta Éxito's business collaboration agreement and legal deposits in amount of \$208 (2015 - \$203) relevant to subsidiary Libertad S.A. Additionally, during the reporting periods none of investments was impaired.

Note 13. Property, plant and equipment, net

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

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Land	2,557,585	2,229,171	2,575,213
Buildings	4,155,156	8,444,349	4,202,469
Machinery and equipment	3,804,572	3,420,586	3,379,095
Furniture and fixtures	1,666,080	1,465,874	1,458,109
Assets under construction	677,528	380,486	378,920
Premises	800,965	739,041	697,496
Improvements to third party properties	5,557,143	252,362	4,641,875
Vehicles	95,130	102,461	91,851
Computers	356,249	311,565	311,565
Other property, plant and equipment	197,438	195,340	179,289
Total property, plant and equipment	19,867,846	17,541,235	17,915,882
Accumulated depreciation	(6,321,434)	(5,485,934)	(5,445,988)
Total net property, plant and equipment	13,546,412	12,055,301	12,469,894

The development of property, plant and equipment during the reporting periods is as follows:

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other	Total
Balance at December 31, 2015	2,229,171	8,444,349	3,420,586	1,465,874	380,486	739,041	252,362	102,461	311,565	195,340	17,541,235
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	346,042	(4,241,880)	(41,491)	(7,765)	(1,566)	(41,545)	4,389,513	(10,610)	-	(16,051)	374,647
Restated balance at December 31, 2015	2,575,213	4,202,469	3,379,095	1,458,109	378,920	697,496	4,641,875	91,851	311,565	179,289	17,915,882
Additions	8,395	26,888	207,620	56,929	774,849	40,175	115,029	2,533	13,003	19,897	1,265,318
Increase (decrease) from transfers from (to) investment property.	(173,644)	(174,662)	-	-	(14,134)	-	2,904	-	-	-	(359,536)
Increase (decrease) from movements between property, plant and equipment accounts.	(3,796)	88,077	44,315	32,397	(210,179)	83	42,189	-	6,914	-	-
Increase (decrease) from transfers from (to) other balance sheet accounts	37,245	(291,380)	7,620	10,387	(260,588)	47,408	453,572	-	493	(5,191)	(434)
Decrease in assets classified as held for trading	-	-	(3,460)	(12,977)	(865)	(19,032)	-	-	-	-	(36,334)
Disposal of property, plant and equipment	(2,920)	(80,421)	(191,295)	(55,373)	(11,305)	(39,865)	(263,944)	(15,572)	-	(19,186)	(679,881)
Derecognition of property, plant and equipment	(3,715)	(4,362)	(487)	(1,450)	-	(34)	(9,148)	-	(389)	-	(19,585)
Effect of exchange differences	125,823	316,373	361,295	178,051	20,830	74,734	572,313	16,318	24,782	22,629	1,713,148
Other changes	(5,016)	72,174	(131)	7	-	-	2,353	-	(119)	-	69,268
Balance at September 30, 2016	2,557,585	4,155,156	3,804,572	1,666,080	677,528	800,965	5,557,143	95,130	356,249	197,438	19,867,846

Accumulated depreciation	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other	Total
Balance at December 31, 2015	-	2,442,446	1,625,718	645,429	-	356,700	74,497	36,926	200,809	103,409	5,485,934
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	-	(1,479,845)	(15,379)	(4,918)	-	(26,949)	1,491,048	(4,849)	-	946	(39,946)
Restated balance at December 31, 2015	-	962,601	1,610,339	640,511	-	329,751	1,565,545	32,077	200,809	104,355	5,445,988
Depreciation expense/cost	-	80,263	239,184	95,623	1,730	34,164	205,706	4,699	32,343	20,488	714,200
(Decrease) from transfers from (to) investment property.	-	(5,555)	-	-	-	-	-	-	-	-	(5,555)
Increase from transfers from other balance sheet accounts.	-	37,075	-	-	-	15,373	82,087	-	-	-	134,535
Disposal of property, plant and equipment	-	(70,939)	(171,292)	(51,906)	(1,730)	(35,488)	(231,848)	(7,786)	-	(15,572)	(586,561)
Derecognition of property, plant and equipment	-	-	(41)	-	-	(9)	2	-	(1)	-	(49)
Effect of exchange differences	-	157,894	183,812	111,768	-	35,756	181,245	3,941	23,553	12,806	710,775
Other changes	-	(80,169)	(530)	(1,409)	-	50	(9,446)	-	(395)	-	(91,899)
Balance at September 30, 2016	-	1,081,170	1,861,472	794,587	-	379,597	1,793,291	32,931	256,309	122,077	6,321,434

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

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

At September 30, 2016, Companhia Brasileira de Distribuição - CBD has assets delivered as collateral to third parties to secure lawsuits in amount of \$790,753 (2015 - \$ 673,769). Except for the above, there are no limitations or liens imposed on property, plant and equipment that limit realization or negotiability thereof.

During the nine-month period ended September 30, 2016, no compensations have been received from third parties related with assets damaged in accidents. 2015 includes revenue in amount of \$13,163 from the claim to Seguros Generales Suramericana S.A. as indemnification for the actual loss of property, plant and equipment resulting from the accident at Éxito Las Flores, owned by the Parent.

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

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

	September 30, 2016	December 31, 2015
Buildings	17,870	17,514
Machinery and equipment	9,574	11,056
Furniture and fixtures	5,361	4,776
Vehicles and transportation equipment	14,316	14,907
Computers	17,870	23,882
Other property, plant and equipment	894	796
Total	65,885	72,931

Note 14. Investment property, net

Investment properties are business premises and plots of land held to generate income from operating lease activities or future appreciation of the price thereof. The balance of investment properties is made as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Land	427,019	272,874	291,858
Buildings	1,066,069	783,207	918,614
Construction in progress	25,448	-	-
Total investment property	1,518,536	1,056,081	1,210,472
Accumulated depreciation	(93,267)	(76,745)	(84,062)
Total investment property, net	1,425,269	979,336	1,126,410

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

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2015	272,874	783,207	-	1,056,081
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.1)	18,984	135,407	-	154,391
Restated balance at December 31, 2015	291,858	918,614	-	1,210,472
Additions	-	19,363	14,292	33,655
Disposals	(56)	(222)	-	(278)
Transfers from property, plant and equipment (Note 13)	173,644	171,733	14,159	359,536
Effect of exchange differences	(5,893)	(43,779)	(3,003)	(52,675)
Other changes	(32,534)	360	-	(32,174)
Balance at September 30, 2016	427,019	1,066,069	25,448	1,518,536

Accumulated depreciation	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2015	-	76,745	-	76,745
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.1)	-	7,317	-	7,317
Restated balance at December 31, 2015	-	84,062	-	84,062
Depreciation expense	-	11,234	-	11,234
Disposals	-	(14)	-	(14)
Transfers from property, plant and equipment	-	5,555	-	5,555
Effect of exchange differences	-	(5,174)	-	(5,174)
Other changes	-	(2,396)	-	(2,396)
Balance at September 30, 2016	-	93,267	-	93,267

There are no limitations or liens imposed on investment property that restrict realization or tradability thereof. For the reporting periods included in these interim financial statements, there are no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties. Also, the Company has not received compensations from third parties arising from the damage or loss of investment properties, or impairment losses.

Note 15. Goodwill, net

The balance of goodwill refers to the following business combinations:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Companhia Brasileira de Distribuição – CBD (1)	2,585,375	3,096,735	2,636,341
Libertad S.A. (1)	144,269	472,157	185,936
Spice Investment Mercosur (Uruguay) S.A. (2)	1,452,041	1,499,222	1,499,222
Carulla Vivero S.A. (3)	827,420	827,420	827,420
Super Inter (4)	453,649	453,649	453,649
Cafam (5)	122,219	122,219	122,219
Other (6)	50,806	50,806	50,806
Total	5,635,779	6,522,208	5,775,593

(1) Refers to goodwill generated from the business combination completed in August 2015 for the acquisition of the operations of Companhia Brasileira de Distribuição – CBD in Brazil and Libertad S.A. in Argentina, through the Spanish company Onper Investments 2015 S.L.

(2) Refers to the business combination carried out in 2011 with the acquisition of the Uruguayan Spice Investments Mercosur S.A. The value represents the deemed cost in the opening balance sheet, in exercise of the exemption of not to restate business combinations.

Additionally, it includes the goodwill recognized by Spice Investments Mercosur in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1.

It also includes the goodwill from the business combination with Grupo Disco del Uruguay, resulting from the acquisition of control on January 1, 2015 (See Note 6 Business combinations).

(3) Refers to the business combination carried out in 2007 with the merger of Carulla Vivero S.A. The value represents the deemed cost in the opening balance sheet, in exercise of the exemption of not to restate business combinations.

(4) Represents the acquisition of 46 trade establishments under the banner Super Inter, of which 19 were acquired at the end of 2014 and the remaining 29 during April 2015. It also includes the acquisition of 7 trade establishments between February 23, 2015 and June 24, 2015, and the loss from the sale of two assets under condition acquired in the business combination in amount of \$1,714. (See Note 6 - Business combinations).

(5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that the Parent had been operating since 2010. (See Note 6 - Business combinations). The trade establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: \$80,134 to Éxito, \$29,075 to Carulla and \$13,010 to Surtimax.

(6) For 2015, refers to the non-significant acquisition of trade establishments that subsequently were turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: \$10,540 to Éxito, \$28,566 to Surtimax and \$10,683 to Súper Inter. The goodwill from the business combination with Gemex O&W S.A.S. in amount of \$1,017 is also included.

The following is the development of goodwill during the reported periods:

Balance at December 31, 2015	6,522,208
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.1)	(746,615)
Restated balance at December 31, 2015	5,775,593
Effect of exchange differences	233,534
Decrease from the loss of control over subsidiaries	(3,867)
Reclassification to non-current assets held for trading	(369,481)
Balance at September 30, 2016	5,635,779

Goodwill was not impaired during the reporting periods.

Note 16. Intangible assets other than goodwill

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

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Trademarks (1)	5,483,837	1,880,977	6,523,288
Rights (2)	2,550,859	957,725	2,256,635
Computer software	1,794,575	1,827,865	1,731,075
Customer-related intangible assets (3)	115,262	26,675	103,490
Other	1,522	67,929	65,550
Total intangible assets other than goodwill	9,946,055	4,761,171	10,680,038
Accumulated amortization	(1,134,319)	(1,055,106)	(1,022,502)
Total intangible assets other than goodwill, net	8,811,736	3,706,065	9,657,536

(1) Refers to the trademarks of:

Segment	Banner	Useful life	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Food	Extra (a)	Indefinite	1,602,951	-	1,428,158
Food	Pão de Açúcar (a)	Indefinite	931,034	-	829,510
Food	Assai (a)	Indefinite	665,662	31,047	593,076
Non Food	Casas Bahía (a)	Indefinite	1,558,275	1,322,280	1,388,354
Non Food	Ponto Frio (a)	Indefinite	499,470	318,430	445,006
E-Commerce	Cdiscount France (a)	Indefinite	-	-	1,580,626
E-Commerce	Other (a)	Indefinite	-	16,717	16,717
Argentina	Libertad	Indefinite	38,282	-	49,338
Uruguay	Sundries (b)	Indefinite	107,032	101,302	101,302
Discount	Surtimax (c)	Indefinite	17,427	17,427	17,427
Discount	Super Inter (d)	Indefinite	63,704	63,704	63,704
Sundries	Sundries	Indefinite	-	10,070	10,070
			5,483,837	1,880,977	6,523,288

(a) Refers to trademarks of Companhia Brasileira de Distribuição – CBD.

(b) Refers to certain trademarks of Grupo Disco del Uruguay S.A.

(c) Trademark received upon the merger with Carulla Vivero.

(d) Trademark acquired under the business combination carried out with Comercializadora Giraldo Gómez y Cía S.A.

(2) Includes the book value of the following rights:

a) \$2,045,236 of Companhia Brasileira de Distribuição - CBD, relevant to trade rights acquired as trade usage of paying a premium in order to obtain a rental contract in commercially attractive places; from a trade viewpoint, such rights have an undefined useful life. The distribution by segment is as follows:

- Non-food \$1,343,834 (2015 - \$63,686; 2015 restated - \$1,197,296)
- Food \$701,402 (2015 - \$507,099; 2015 restated - \$621,734)

- b) \$57,345 (2015 - \$55,725) relevant to favorable contracts on the properties of Casa Bahia Comercial Ltda., which include stores, distribution centers and constructions, which are the purpose of operating lease in advantageous conditions entered into by subsidiary Via Varejo S.A, a subsidiary of Companhia Brasileira de Distribuição - CBD. Measurement thereof was carried out based on market comparable transactions applying the Revenue Approach methodology. The asset was recognized under the business combination of Companhia Brasileira de Distribuição - CBD and the Parent.

The useful life of this asset was defined to be 10 years based on the association agreement. It was found that market conditions at the time of the contract were not impaired as compared to the current position, and consequently there are no signs of impairment loss.

- c) Contractual rights of Companhia Brasileira de Distribuição - CBD amounting to \$111,688 (2015 - \$117,819) and rights of Libertad S.A. \$15 (2015 - \$23).
- d) Contract executed on the acquisition of rights to exploit trade establishments acquired during September 2016, in amount of \$13,238.
- e) Contract entered into with Comercializadora Giraldo y Cia. S.A. regarding the use for no consideration of the Super Inter trademark between October 2014 and April 1, 2015, date on which the business combination of 29 trade establishments and the Super Inter trademark was completed (See Note 5 Business combinations) in amount of \$4,499. Such intangible asset has been fully amortized

- (3) Relates to non-contract relations with customers, an intangible recognized by Companhia Brasileira de Distribuição - CBD, which are amortized over an average of 9 years.

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

Cost:

	Trademarks (1)	Computer software (2)	Rights (3)	Customer- related intangible assets	Other	Total
Balance at December 31, 2015	1,880,977	1,827,865	957,725	26,675	67,929	4,761,171
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	4,642,311	(96,790)	1,298,910	76,815	(2,379)	5,918,867
Restated balance at December 31, 2015	6,523,288	1,731,075	2,256,635	103,490	65,550	10,680,038
Additions	-	36,337	13,238	-	53,955	103,530
Decrease in assets classified as held for trading	(1,423,461)	(131,515)	-	-	(49,740)	(1,604,716)
Effect of exchange differences	386,541	160,667	275,928	12,616	(5,499)	830,253
Transfers	843	391,573	5,058	(843)	(48,054)	348,577
Disposals and derecognition	(3,374)	(393,561)	-	-	(14,692)	(411,627)
Balance at September 30, 2016	5,483,837	1,794,576	2,550,859	115,263	1,520	9,946,055

Accumulated amortization:

	Trademarks (1)	Computer software (2)	Rights (3)	Customer- related intangible assets	Other	Total
Balance at December 31, 2015	-	746,401	266,709	26,675	15,321	1,055,106
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	-	(32,176)	(2,672)	4,132	(1,888)	(32,604)
Restated balance at December 31, 2015	-	714,225	264,037	30,807	13,433	1,022,502
Amortization expense/cost	-	175,495	30,353	7,017	-	212,865
Transfers	-	(204,014)	-	(843)	-	(204,857)
Effect of exchange differences	-	78,038	33,575	4,139	704	116,456
Disposals and derecognition	-	(1)	-	-	(12,646)	(12,647)
Balance at September 30, 2016	-	763,743	327,965	41,120	1,491	1,134,319

No limitations or liens have been imposed on the reported intangible assets that restrict realization or negotiability thereof. For the reported periods, the Parent and its subsidiaries have neither commitments to acquire or develop intangible assets, nor impairment losses.

Note 17. Investments accounted for using the equity method

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

Company	Classification	Ownership percentage	September 30, 2016	December 31, 2015
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	Associate	41.93%	395,823	286,588
Banco Investcred Unibanco S.A. (BINV)	Associate	21.67%	17,871	17,514
Total			413,694	304,102

The percentage of ownership is that directly owned by Companhia Brasileira de Distribuição – CBD in these investments

The investments recognized using the equity method have no restrictions or liens that limit realization or tradability thereof.

Note 18. Changes in the classification of financial assets

During the nine-month period ended September 30, 2016, there were no changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 19. Financial liabilities

Book balances are made as follows:

	September 30, 2016	December 31, 2015
Local currency		
Bank loans (1)	1,147,891	216,207
Finance leases	141	41
Total current financial liabilities in local currency	1,148,032	216,248
Non-current		
Bank loans (1)	2,170,868	2,486,352
Finance leases	232	1,149
Total non-current financial liabilities in local currency	2,171,100	2,487,501
Total financial liabilities in local currency	3,319,132	2,703,749
Foreign currency		
Current		
Bank loans (1)	5,697,331	3,346,850
Put option (2)	297,819	310,323
Finance leases	54,199	37,227
Sale of receivables	16,083	3,184
Letters of credit	10,906	8,726
Total current financial liabilities in foreign currency	6,076,338	3,706,310
Non-current		
Bank loans (1)	2,323,990	4,024,868
Finance leases	245,524	195,192
Total non-current financial liabilities in foreign currency	2,569,514	4,220,060
Total financial liabilities in foreign currency	8,645,852	7,926,370
Total financial liabilities	11,964,984	10,630,119
Current	7,224,370	3,922,558
Non-current	4,740,614	6,707,561

- (1) In August 2015, the Parent entered into credit agreements with local banks in amount of \$3.25 trillion and with foreign banks in amount of \$1.21 trillion (USD 400 million at the exchange rate of \$3,027.2 Colombian pesos) for the acquisition of the operations of Companhia Brasileira de Distribuição – CBD and Libertad S.A. through the Spanish company Onper Investment 2015 S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of \$14,332.

Under both agreements, the Parent commits to request approval from the banks if it requires to carry out the following transactions: encumber assets, enter into extraordinary agreements with any affiliated company, incur additional liabilities wherever the result is breach of the credit agreement and/or without prior authorization from creditors; creditors shall automatically grant authorization if the occurrence index is complied with, measured using the latest financial statements released by the Parent, among others.

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

In June 2016, subsidiary Devoto Hermanos S.A. entered into credit agreements with Uruguayan banks to pay dividends, for a three-month term at fixed interest rate.

It also includes short-term loans acquired by Companhia Brasileira de Distribuição - CBD for working capital purposes, in amount of \$5.6 trillion (2015 - \$3.2 trillion), and long-term loans in amount of \$0.9 trillion (2015 - \$2.5 trillion).

- (2) The Parent was a party to the put option contract entered into with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option was based on a previously determined formula and the option could be exercised at any time. Such option was measured at fair value and amounted to \$310,323. On June 30, 2016, the Parent transferred the put option contract to subsidiary Spice Investments Mercosur S.A. This transaction generated a revenue of \$3,460 (USD \$1.2 million), recorded under other operating revenue.

Below is a detail of annual maturity dates for non-current bank loans and finance leases discounted at present value, for the periods ended September 30, 2016 and December 31, 2015:

At September 30, 2016

Year	Total
2018	1,091,881
2019	2,172,344
2020 and 2021	845,215
>2022	631,174
Total	4,740,614

At December 31, 2015

Year	Total
2017	2,686,800
2018	2,225,965
2019	550,462
>2020	1,244,334
Total	6,707,561

Note 19.1. Commitments undertaken under credit contracts (financial liabilities)

The purpose of commitments undertaken under credit contracts is to ensure compliance with the financial clauses applicable to debt and loans obtained in August 2015 that define the capital structure requirements (covenants) and other debtor obligations. Failure to comply with such financial clauses would result in the bank's promptly claiming repayment of debt and loans. No failure to comply with financial clauses has been reported regarding any interest-bearing debt or loan during the current period.

The Parent must pay in advance such obligations without accruing any prepayment commission or penalty, in the following events:

- (a) Sale of assets: When at any time during the term the Parent dispose of its own assets, in one single or several transactions, which in the aggregate exceed 20% of the assets included in (i) 2014 financial statements, or (ii) the latest available annual financial statements, whichever is higher, it shall prepay an amount equivalent to 40% or 80% of the net proceeds of such sales, except (i) arising from disposals in the ordinary course of business, or (ii) if the net cash proceeds of the sale are reinvested in other assets within 12 months of receipt.
- (b) Insurance compensation: When at any time, during the term, the Parent receive one or several insurance compensations as payment for one or several claims arising from the loss or damage of one or several of its assets, whose aggregate amount exceed 20% of the assets included in the latest available annual financial statements, the Parent shall prepay an amount equivalent to 40% or 80% of the net payments received, in accordance with the time when the prepayment is to be made, except if reinvestment of such resources begins within 18 months of receipt of the net cash compensation.
- (c) Prepayments under bridge loan contract: Wherever the Parent intends to prepay bank credits in foreign currency, the Parent shall prepay the short-term trench in proportion to the amount prepaid of bank credits in foreign currency, and in proportion to each creditor.

Note 19.2. Obligations undertaken under credit contracts (financial liabilities)

- (a) Financial: The Parent is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio shall be measured annually on April 30th based on audited consolidated financial statements for each period.
- (b) Indebtedness: Refrain from: (i) Incurring new debts in the event of being in default of the financial liability and/or in the event that incurring the new debt would result in failure to comply with an existing financial liability, and (ii) incurring additional debt without the authorization of creditors.

In the event that the Parent intends to incur additional debt, it shall require the prior authorization of creditors, which shall be deemed automatically granted if the Parent complies with the occurrence indicator, which shall be measured based on the latest separate financial statements submitted to the National Register of Securities and Issuers.

Note 20. Employee benefit provisions

The balance of employee benefit provisions is:

	September 30, 2016	December 31, 2015
Defined benefit plans (20.1)	27,046	34,109
Long-term benefits (20.2)	2,830	11,263
Total	29,876	45,372
Current	4,489	4,141
Non-current	25,387	41,231

Note 20.1. Defined benefit plans and defined contribution plans

No significant changes were introduced to the defined benefit plans during the nine-month period ended September 30, 2016.

Note 20.2. Long-term benefits

The long-term benefit plan involves a time-of-service bonus payable to the employees of the Parent and of subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S.

Such benefits are estimated on an annual basis using the forecasted credit unit or wherever there are material changes. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Agreement was reached during 2015 and the first nine months of 2016 with several employees who voluntarily decided to replace the time-of-service bonus with a single one-time bonus.

Below are the main actuarial assumptions included in the latest valuation, as well as the reconciliation of movements:

Balance at December 31, 2015	11,263
Cost of present service	310
Interest expense	449
Actuarial loss from changes in experience	495
Actuarial loss from financial assumptions	23
Gain from settlements	(9,161)
Benefits directly paid by the Parent and its subsidiaries	(555)
Other changes	6
Balance at September 30, 2016	2,830

The main assumptions used to assess long-term benefit plans are:

	September 30, 2016	December 31, 2015
Discount rate	7.40%	7.30%
Annual salary increase rate	3.50%	3.25%
Future annuity increase rate	0%	0%
Annual inflation rate	3.50%	3.25%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disabilities and early retirement rates:

Years of service	Rates	
	September 30, 2016	December 31, 2015
From 0 to less than 5	29.98%	29.98%
From 5 to less than 10	14.60%	14.60%
From 10 to less than 15	8.59%	8.59%
From 15 to less than 20	6.41%	6.41%
From 20 to less than 25	4.92%	4.92%
25 and more	3.71%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the long-term benefit net liability:

Variation expressed in basis points	September 30, 2016	December 31, 2015
Discount rate + 25	(35)	(146)
Discount rate - 25	36	150
Discount rate + 50	(69)	(289)
Discount rate - 50	73	303
Discount rate + 100	(135)	(564)
Discount rate - 100	149	622
Annual salary increase rate + 25	37	156
Annual salary increase rate - 25	(36)	(152)
Annual salary increase rate + 50	75	314
Annual salary increase rate - 50	(72)	(302)
Annual salary increase rate + 100	154	643
Annual salary increase rate - 100	(141)	(591)

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

Year	September 30, 2016	December 31, 2015
2016	144	1,616
2017	296	1,614
2018	332	1,396
2019	429	1,379
>2019	3,001	11,864
Total	4,202	17,869

The average duration of the liability for long-term benefits at September 30, 2016 is 5.9 years (at December 31, 2015 was 5.6 years).

There are no specific assets devoted to guarantee payment of the time-of-service bonus.

Note 21. Other provisions

The balance of other provisions is made as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Legal proceedings (1)	1,016,397	731,720	731,720
Taxes other than income tax (2)	2,221,672	426,783	1,858,349
Restructuring (3)	10,381	13,072	13,072
Other (4)	104,314	18,337	116,929
Total other provisions	3,352,764	1,189,912	2,720,070
Current	40,548	65,230	81,796
Non-current	3,312,216	1,124,682	2,638,274

During the nine-month period ended September 30, 2016, the Parent reclassified to long-term certain provisions for legal proceedings and taxes other than income tax, in accordance with new information available provided by experts regarding such proceedings.

The Parent and its subsidiaries have not recognized provisions for the protection of contracts for consideration during the reporting periods.

The detail of provisions is as follows:

- (1) Provisions for lawsuits are recognized to cover estimated potential losses arising from lawsuits brought against the Parent and its subsidiaries, related with labor, civil, administrative and regulatory matters, which are assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of \$748,465 (2015 - \$496,888) for labor proceedings, \$226,068 (2015 - \$207,140) for civil proceedings, \$41,797 (2015 - \$27,605) for administrative and regulatory proceedings and \$67 (2015 - \$87) for other proceedings.

Labor provisions mainly refer to lawsuits brought against Companhia Brasileira de Distribuição CBD and its subsidiaries in amount of \$736,249 (2015 - \$475,257), which are updated pursuant to a chart provided by the TST ("Tribunal Superior do Trabalho") plus 1% monthly interest.

Civil provisions mainly refer to lawsuits brought against Companhia Brasileira de Distribuição CBD and its subsidiaries in amount of \$219,803 (2015 - \$197,426), among which we highlight:

- a) Legal actions seeking the revision of contracts and renewals on lease instalments agreed upon. A provision was recognized for the difference between amounts paid and amounts disputed by the counterparty in the legal action, when in the opinion of in-house and external counsels there is probability of adjustment to the

instalments paid. At September 30, 2016, the provisions to protect against such legal actions amounted to \$92,031 (2015 - \$35,823) for which there are no legal deposits covering said amount; should there be such deposits, they are recognized as other financial assets.

- b) Fines imposed by regulatory agencies, mainly Brazilian consumer defense agencies PROCONs and INMETRO, and local mayor's offices. At September 30, 2016, such provision amounted to \$41,101 (2015 - \$27,067).
 - c) Legal actions brought against subsidiary Via Varejo S.A. related to consumer rights and lawsuits on termination of supplier contracts. At September 30, 2016, such provision amounted to \$55,397 (2015 - \$50,949).
- (2) Tax provisions other than income tax provisions relate to tax lawsuits in which Companhia Brasileira de Distribuição CBD and its subsidiaries are a party, in amount of \$2,204,854 (2015 - \$411,571; 2015 restated - \$1,843,137), which by law are subject to monthly monetary indexation according to the official rates applied by each tax jurisdiction; and to lawsuits in which the Parent is a party, related to the Industry and Trade Tax in amount of \$4,963 (2015 - \$3,256) and the Parent's tax on real estate property in amount of \$5,571 (2015 - \$5,556), VAT in amount of \$534 (2015 - \$0) and others in amount of \$5,750 (2015 - \$6,400).

The most important tax lawsuits-related provisions refer to cases brought against Companhia Brasileira de Distribuição CBD and its subsidiaries, as follows:

- a) Social contribution to finance social security (Contribución social para Financiación a la Seguridad Social - COFINS) and Social integration program (Programa de integración social - PIS): Under the non-cumulative system to calculate PIS and COFINS, a request was filed claiming right to exclude the value of the Impuesto a la Circulación de Mercaderías y Servicios - ICMS (Tax on the Movement of Goods and Services) from the basis to assess these two contributions and other less relevant matters. The provision recognized at September 30, 2016 amounts to \$164,405 (2015 - \$81,996).
 - b) Tax on the Movement of Goods and Services (ICMS): Pursuant to a ruling dated October 16, 2014, the Higher Federal Court (STF) defined that ICMS taxpayers who trade basic basket products are not entitled to fully apply the credits arising from such tax; consequently, with the support of their external advisors, it was deemed appropriate to recognize a provision in amount of \$122,410 (2015 - \$101,898).
 - c) Complementary law No. 110/2001: The right of not to recognize the contributions set forth in Complementary Law No. 110/2001, established to support the costs of the Fundo de Garantia do Tempo de Serviço (FGTS) is being discussed through judicial action. The provision recognized at September 30, 2016 amounts to \$64,332 (2015 - \$49,357).
 - d) Tax provisions were recognized based on the business combination with Via Varejo in amount of \$78,629 (2015 - \$66,870), related to the offsetting of tax debits and credits on the export of coffee.
 - e) Other provisions relate to the following proceedings, in amount of \$209,081 (2015 - \$110,654):
 - (i) Proceedings referred to the purchase, industrialization and export of soy and derivative products (PIS, CONFIS and IRPJ);
 - (ii) Investigation regarding the failure to apply the Fator Acidentário de Prevenção (FAP) for 2011;
 - (iii) Investigation regarding the Fundo de Combate à Pobreza, implemented by the Rio de Janeiro State;
 - (iv) Investigations related with procurement from suppliers deemed disqualified from the registry with Secretaria da Fazenda Estadual, mistake in application of aliquot and ancillary obligations by state tax authorities; and
 - (v) Tax provisions of e-commerce companies abroad;
 - (vi) Provisions relevant to Bartira's business combination; and
 - (vii) Other less relevant matters.
 - f) Provisions were recognized for taxes other than income tax in amount of \$1,565,997 (2015 restated - \$1,431,566), relevant to the adjustment arising from the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. Provisions recognized relate to proceedings associated with the following taxes: Social contribution for the Funding of Social Security - COFINS in amount of \$177,458 (2015 - \$158,107), Provisional Contribution on Financial Movements - CPMF in amount of \$48,900 (2015 - \$43,567), Tax on the Movement of Goods and Services - ICMS in amount of \$1,240,886 (2015 - \$1,105,575), Industrial Products Tax - IPI in amount of \$67,407 (2015 - \$60,057), Brazilian tax on Property - IPTU in amount of \$30,790 (2015 - \$27,432) and other in amount of \$556 (2015 - \$36,828).
- (3) The restructuring provision relates to the reorganization processes announced to Parent's employees in amount of \$5,910 (2015 - \$8,295) and to the employees of subsidiary Companhia Brasileira de Distribuição CBD in amount of \$4,468 (2015 - \$4,777), and others in amount of \$3 (2015 - \$0) that will affect these companies' activities. The provision is estimated based on the cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation date are expected to be in 2016. The restructuring provision was recognized in the statement of income as other expenses.
- (4) Provisions were recognized in amount of \$98,210 (2015 restated - \$98,592) as a result of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A., covering external counsel fees related with the defense of tax proceedings, whose compensation is tied to a success fee upon the legal closing thereof. Such percentages may vary, in accordance with qualitative and quantitative factors of each proceeding.

The development of provisions during the period is as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2015	731,720	426,783	13,072	18,337	1,189,912
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	-	1,431,566	-	98,592	1,530,158
Restated balance at December 31, 2015	731,720	1,858,349	13,072	116,929	2,720,070
Increase	563,887	148,271	18,510	5,035	735,703
Uses	(363)	-	-	(82)	(445)
Payments	(213,436)	(25,088)	(21,756)	(15,468)	(275,748)
Reversals (not used)	(189,231)	(17,302)	-	(12,639)	(219,172)
Increase from the passing of time	77,859	36,334	-	0	114,193
Effect of exchange differences	84,797	226,653	555	11,058	323,063
Decrease from the classification as held for trading	(38,930)	(7,786)	-	-	(46,716)
Other changes	94	2,241	-	(519)	1,816
Balance at September 30, 2016	1,016,397	2,221,672	10,381	104,314	3,352,764

Note 21.1. Other provisions classified as current and non-current

The balance of other provisions, classified as current and non-current is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Current			
Legal proceedings	5,233	21,210	21,210
Taxes other than income tax	2,231	15,212	16,990
Restructuring	10,381	13,072	13,072
Other	22,703	15,736	30,524
Total other current provisions	40,548	65,230	81,796
Non-current			
Legal proceedings	1,011,164	710,510	710,510
Taxes other than income tax	2,219,441	411,571	1,841,359
Other	81,611	2,601	86,405
Total other non-current provisions	3,312,216	1,124,682	2,638,274
Total other provisions	3,352,764	1,189,912	2,720,070

Note 21.2. Forecasted payments of other provisions

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

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	5,233	2,231	10,381	22,703	40,548
From 1 to 5 years	787,787	1,852,210	-	67,736	2,707,733
5 years and more	223,377	367,231	-	13,875	604,483
Total estimated payments	1,016,397	2,221,672	10,381	104,314	3,352,764

Note 22. Trade payables and other accounts payable

The balance of trade payables and other accounts payable at September 30, 2016 is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Current			
Foreign suppliers	8,556,342	13,383,142	13,440,070
Domestic suppliers	1,401,701	1,847,224	2,165,035
Short-term employee benefits	1,221,224	1,048,738	1,006,483
Costs and expenses payable	550,053	998,134	819,763
Financing for the acquisition of property, plant and equipment	125,961	89,956	89,956
Dividends payable	86,388	1,090	32,724
Acquisition of companies	6,255	-	60,502
Other	441,194	1,000,386	984,475
Total current accounts payable	12,389,118	18,368,670	18,599,008
Non-current			
Acquisition of companies	-	-	22,290
Financing for the acquisition of property, plant and equipment	3,574	3,184	3,184
Other	53,611	31,005	4,755
Total non-current accounts payable	57,185	34,189	30,229
Total accounts payable	12,446,303	18,402,859	18,629,237

Note 23. Income tax

During the nine-month period ended September 30, 2016, no changes have been implemented regarding tax rules applied at the closing of the year ended December 31, 2015.

Note 23.1. Current and non-current tax assets and liabilities

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

Current tax assets

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Income tax and CREE tax withholdings for the current year, net of current income tax and CREE tax expense (1).	110,164	113,465	113,465
Income tax for equality CREE advance payments	23,097	19,617	19,617
Excess income tax from private assessment (2)	17,612	-	-
Excess income tax for equality CREE from private assessment (2)	279	109	109
Industry and trade tax advance payment and withholdings.	10,684	10,642	10,642
Receivable value added tax from imports	4,478	1,347	1,347
Tax on equity advance payment (foreign affiliates)	27,915	16,836	16,836
Current tax assets of foreign affiliates	1,421,531	938,307	919,367
Total current tax assets	1,615,760	1,100,323	1,081,383

(1) The balance is comprised of:

	September 30, 2016	December 31, 2015
Income tax withholdings	145,150	141,968
Tax discount to be requested	17,450	7,654
Subtotal	162,600	149,622
Less income tax expense (Note 23.2)	(25,323)	(36,157)
Less income tax for equality CREE expense (Note 23.2)	(27,113)	-
Total income tax paid in advance	110,164	113,465

(2) Relates to the balance receivable from 2015 income tax returns and income tax for equality CREE, of the Parent and its Colombian subsidiaries.

Non-current tax assets

The balance of \$2,007,709 (2015 - \$1,941,626; 2015 restated - \$1,963,916) relates to taxes receivable of foreign affiliates, basically the ICMS tax (Tax on the Movement of Goods and Services) and the Social Security National Tax.

Current tax liabilities

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Income tax for equality CREE payable (1)	-	7,018	7,018
Industry and trade tax payable	32,619	43,523	43,523
Other taxes payable	2,779	2,181	2,181
Current tax liabilities of foreign subsidiaries	657,582	753,270	753,270
Total current tax liabilities	692,980	805,992	805,992

(1) The balance is made as follows:

	December 31, 2015
Income tax for equality CREE payable	50,901
Less income tax for equality CREE withholdings	(43,883)
Income tax for equality CREE payable	7,018

Non-current tax liabilities

The balance of \$486,961 (2015 - \$455,355; 2015 restated - \$455,355) relates to federal taxes payable and payment by instalments incentives of foreign affiliates.

Note 23.2. Income tax expense

The following is the reconciliation of accounting income to taxable income, and the estimation of tax expense:

	January 1 to September 30, 2016	January 1 to September 30, 2015 (restated)	July 1 to September 30, 2016	July 1 to September 30, 2015 (restated)
(Loss) earnings before income tax	(572,996)	684,986	(188,990)	344,762
Add:				
Tax losses for the period	81,350	8,677	33,413	2,830
Tax on equity	52,459	59,336	-	-
Net income - recovery of depreciation of fixed assets sold	8,901	-	-	-
Tax on financial transactions	6,952	5,611	2,051	1,755
Taxes taken on and revaluation	4,828	10,336	2,417	(15)
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	4,624	-	-	-
Fines, penalties and litigation expenses	2,740	1,747	1,422	109
Receivables written-off	2,222	5,761	961	(166)
Non-deductible taxes	397	45	378	-
Non-deductible expenses	186	82	(233)	34
Presumptive Interests	55	5	18	2
Excess presumptive income	-	19	-	15
Less:				
40% deduction of investment in income-generating assets	(129,759)	(73,818)	(52,141)	(46,863)
Withdrawal of gain on sale of fixed assets deemed occasional gain	(19,711)	(86,546)	-	(1,821)
Goodwill tax deduction, in addition to the accounting deduction	(14,214)	(75,269)	-	(55,266)
Industry and trade tax from prior year paid during the period	(11,012)	-	3,399	-
Allowance for doubtful accounts	(6,281)	(6,877)	360	(6,877)
Recovery of provisions	(1,857)	(1,179)	(1)	(136)
Disabled employee deduction	(629)	(404)	(209)	(152)
IFRS adjustments with no tax effects	101,972	(129,806)	45,919	31,594
Affiliates effect	508,280	(147,630)	159,966	(103,749)
Net taxable income	18,507	255,076	8,730	166,056
Income tax rate	25%	25%	25%	25%
Subtotal income tax	4,627	63,769	2,182	41,514
Adjustment to effective rate	23,361	26,086	10,451	14,268
Occasional gains tax	888	6,258	-	-
Tax discounts	(3,553)	(26,386)	-	(26,386)
Total income tax expense	25,323	69,727	12,633	29,396
Income tax for equality CREE expense	17,383	30,500	8,308	17,267
Income tax for equality CREE surcharge expense	9,730	18,289	4,026	9,580
Current tax from previous year expense (recovery)	1,714	(1,625)	-	-
Foreign subsidiaries current tax expense	102,415	47,812	25,979	31,626
Total current income tax	156,565	164,703	50,946	87,869

The components of the income tax revenue (expense) recognized in the statement of income are:

	January 1 to September 30, 2016	January 1 to September 30, 2015 (restated)	July 1 to September 30, 2016	July 1 to September 30, 2015 (restated)
Current income tax (expense)	(156,565)	(164,703)	(50,946)	(87,869)
Deferred income tax revenue (expense)(Note 23.3)	24,212	(40,107)	(25,053)	(30,587)
Total income tax (expense)	(132,353)	(204,810)	(75,999)	(118,456)

Note 23.3. Deferred tax

The Company recognizes deferred taxes receivable or payable, arising from temporary differences representing a lower or higher payment of the current year income tax, estimated at the recovery rates expected (tax rates in force 2016 - 40%; 2017 - 42%; 2018 - 43% and 34% as of 2019), provided there is reasonable expectation that such differences will revert in future. Should there be any deferred tax asset, an analysis will be made of whether the Company will generate enough taxable income in future that allow offsetting the asset, in full or in part.

Deferred taxes recognized in the statement of financial position relate to the following items:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Investments at amortized cost	(1,083)	(76)	(76)
Equity investments	(95,463)	(50,068)	(50,068)
Accounts receivable	84	324,700	324,700
Inventories	42,546	41,318	41,318
Real estate for trading	(83)	-	-
Land	(38,218)	(38,704)	(38,704)
Tax consolidation and readjustment	19,733	19,926	19,926
Buildings	(61,013)	(129,037)	(129,037)
Non-operating commercial premises	103	40	40
Investment property	(16,354)	(8,261)	(8,261)
Construction in progress	(16,142)	(16,940)	(16,940)
Other fixed assets	(29,026)	(21,415)	(21,415)
Intangible assets	(110,242)	(542,248)	(542,248)
Deferred charges	12,034	12,885	12,885
Other assets	271,800	8,817	(116,963)
Financial liabilities	2,163	2,664	2,664
Other liabilities	(2,132,392)	(285,195)	(1,982,033)
Total net deferred tax assets (liabilities)	(2,151,553)	(681,594)	(2,504,212)

Deferred tax assets and liabilities are made as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Deferred tax assets	1,689,424	524,828	399,048
Deferred tax liabilities	(3,840,977)	(1,206,422)	(2,903,260)
Total net deferred tax (liabilities)	(2,151,553)	(681,594)	(2,504,212)

The effect of deferred tax on the statement of income is as follows:

	January 1 to September 30, 2016	January 1 to September 30, 2015 (restated)	July 1 to September 30, 2016	July 1 to September 30, 2015 (restated)
Deferred income tax 25%	13,394	(39,343)	(22,380)	(17,928)
Deferred CREE tax 9%	(12,952)	(26,402)	(15,392)	(9,623)
Deferred CREE tax surcharge 5%	8,120	8,860	703	(2,126)
Deferred occasional gains tax 10%	11,615	19,337	12,016	(46)
Deferred retained earnings Uruguay 7%	4,035	(2,559)	-	(864)
Total deferred tax revenue (expense)	24,212	(40,107)	(25,053)	(30,587)

Note 24. Other financial liabilities

The balance of other financial liabilities is as follows:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Bonds issued (1)	807,730	744,330	744,330
Trade papers (2)	457,475	-	-
Derivative financial instruments (3)	358,131	2,351	21,457
Collections received on behalf of third parties (4)	262,867	363,369	363,369
Total	1,886,203	1,110,050	1,129,156
Current	1,015,474	395,971	395,971
Non-current	870,729	714,079	733,185

(1) Companhia Brasileira de Distribuição – CBD uses the issuance of bonds to strengthen working capital, maintain its cash strategy, extend its debt profile and make investments. Bonds issued are not convertible, have no renegotiation clauses and are unsecured, exception made of the issue of bonds by subsidiaries, which are endorsed by the Company. Amortization of bonds varies in accordance with the issue

- (2) On August 1, 2016, Companhia Brasileira de Distribuição - CBD issued debt securities maturing on January 30, 2017 and interest of IDC x 108%, to strengthen its working capital.
- (3) Financial instruments reflect the variation of the fair value of forward and swap contracts designated to cover the fluctuation in the exchange rates of investments and liabilities. The fair values of these investments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. Derivative financial instruments (forward and swap) are measured at fair value in the statement of financial position, on each accounting closing date. At December 31, 2015, both asset and liability swaps were shown under one single asset line item. At September 30, 2016, the asset portion is shown under the asset side and the liability portion under the liability side.

The detail of maturities of these instruments at September 30, 2016 is as follows:

<u>Derivative</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
Forward	26,210	14,280	40,490
Swap	248,849	68,792	317,641
Total	275,059	83,072	358,131

The detail of maturities of these instruments at December 31, 2015 is as follows:

<u>Derivative</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
Forward	2,153	198	2,351
Total	2,153	198	2,351

The detail of maturities of these instruments at December 31, 2015, restated, is as follows:

<u>Derivative</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
Forward	2,153	198	2,351
Swap	-	19,106	19,106
Total	2,153	19,304	21,457

- (4) The balance of collections received on behalf of third parties is as follows:

	September 30, 2016	December 31, 2015
Monies collected by Companhia Brasileira de Distribuição – CBD (1)	223,377	316,837
Éxito Card collections	12,264	17,389
Viajes Éxito collections	12,173	657
Non-banking correspondent	7,627	23,373
Direct trading (Market Place)	2,651	762
Money transfer services	1,002	925
Other collections	3,773	3,426
Total	262,867	363,369

- (1) Relates to collections on account of insurance, extended warranty, telephone companies mobile line recharges and non-banking correspondent collections on behalf of Financiara Itaú CBD - FIC Promotora de Vendas Ltda.

Note 25. Transactions with related parties

Note 25.1. Key management personnel compensation

Transactions between the Parent and its subsidiaries and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered into between the parties.

Compensation of key management personnel recognized during the nine-month periods ended September 30, 2016 and 2015, is as follows:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Short-term employee benefits (1)	95,854	45,998	32,001	20,940
Long-term benefits	-	8	-	8
Post-employment benefits	2,213	970	719	318
Termination benefits	465	24	465	-
Share-based payment plans	6,056	786	2,683	786
Total	104,588	47,786	35,868	22,052

- (1) Includes compensation to key management personnel of Companhia Brasileira de Distribuição – CBD and Libertad S.A. between January 1 and September 30, 2016.

Note 25.2. Transactions with related parties

Transactions with related parties relate to revenue from the sale of goods and services, as well as to costs and expenses related to risk management and technical assistance support, and to the purchase of goods and services actually received. The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

	Revenue		Costs and expenses	
	January 1 to September 30, 2016	January 1 to September 30, 2015	January 1 to September 30, 2016	January 1 to September 30, 2015
Controlling entity (1)	3,631	-	57,323	23,237
Associates (2)	38,430	3,158	19,124	1,638
Members of the Board	-	-	4,512	753
Grupo Casino companies (3)	5,731	3,076	59,063	23,643
Other related parties (4)	-	462	12,745	17,391
Total	47,792	6,696	152,767	66,662

(1) Mainly refer to the reimbursement of expenses incurred by professionals and companies of Grupo Casino for the benefit of Companhia Brasileira de Distribuição - CBD under a "cost sharing agreement". Other costs incurred with the controlling entity and other companies under a technical assistance agreement are also included.

Revenues basically relate to the strategic direction agreement entered into with Casino Guichard Perrachon S.A.

- (2) Refer to transactions with FIC Promotora de Vendas Ltda., financing company of Companhia Brasileira de Distribuição - CBD. Revenue mainly comes from the reimbursement of expenses arising from the infrastructure contract entered into with this company, commissions on the sale of financial products and lease of property. Expenses mainly arise from financial expenses related with the discount of accounts receivable (called "cash discount"), and insurance.
- (3) Revenue mainly refers to sales of products to Distribution Casino France and to suppliers centralized negotiation with IRTS. Costs and expenses related with Grupo Casino companies mainly refer to expenses incurred by Euris Société par Actions Simplifiée and Helicco Participações Ltda under the "cost sharing agreement" and to costs arising from power efficiency services with Green Yellow.
- (4) Costs and expenses with other related parties mainly refer to transactions with companies where the shareholders are the beneficial owners of 10% or more of total outstanding shares, members of the Board, legal representatives and/or administrators having a direct or indirect interest equal to or higher than 10% of outstanding shares.

Note 26. Asset impairment

Note 26.1. Financial assets

During the nine-month period ended September 30, 2016, no significant losses were recognized from the impairment of financial assets. Note 8 contains information related to the impairment of trade receivables.

Note 26.2. Non-financial assets

At September 30, 2016 there is no objective evidence that, resulting from one or more events occurred after initial recognition, a part or total book value of non-financial assets may be non-recoverable. No losses from the impairment of assets were recognized during the nine-month period ended September 30, 2016. The existence of asset impairment losses will be analyzed for the period ended December 31, 2016.

Note 27. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities at September 30, 2016 and December 31, 2015 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose book values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	September 30, 2016		December 31, 2015		December 31, 2015 (restated)	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets						
Loans at amortized cost	21,099	18,206	22,091	19,359	22,091	19,359
Investments in private equity funds	1,054	1,054	965	965	965	965
Forward contracts measured at fair value through income	-	-	67,027	67,027	66,271	66,271
Swap contracts measured at fair value through income	-	-	-	-	756	756

Derivative swap contracts denominated as hedge instruments	223,376	223,376	573,174	573,174	592,279	592,279
Investment in bonds	12,947	12,947	5,824	5,824	5,824	5,824
Equity investments	1,046	1,046	1,046	1,046	1,046	1,046
Total	259,522	256,629	670,127	667,395	689,232	686,500

Financial liabilities

Financial liabilities and finance leases	11,517,612	11,442,433	10,319,796	10,253,184	10,319,796	10,329,607
Put option (1)	297,819	297,819	310,323	310,323	310,323	310,323
Bonds and trade papers issued	1,265,205	1,224,104	744,330	744,330	744,330	858,168
Swap contracts denominated as hedge instruments	298,431	298,431	-	-	19,106	19,106
Forward contracts measured at fair value through income	40,490	40,490	2,351	2,351	2,351	2,351
Swap contracts measured at fair value through income	19,210	19,210	-	-	-	-
Total	13,438,767	13,322,487	11,376,800	11,310,188	11,395,906	11,519,555

- (1) In June 2016 the Parent assigned the put option agreement entered into with the holders of non-controlling interest of subsidiary Grupo Disco del Uruguay S.A. to subsidiary Spice Investment Mercosur S.A. Such option is internally measured at fair value, by applying on a periodical basis three formulas previously agreed upon by the parties. The final result of the valuation is the highest value obtained from application of the three methods.

The development of the put option measurement during the period was:

Balance at December 31, 2015	310,323
Changes in fair value recognized in Investments (a)	(12,504)
Balance at September 30, 2016	297,819

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

The following methods and assumptions were used to estimate the fair values:

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the Fund unit is given by the pre-closing value for the day, divided by the total number of Fund units on the closing of operations for the day. The appraisal of assets is daily performed by the Fund administrator.	N/A
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The "forward" rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using the treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the net swap value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. CPI 12 months
Derivative swap contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using IDC curves and discounting them at present value, using swap IDC market rates, both as displayed by BM&FBovespa.	IDC Curve Swap IDC rate
Investment in bonds	Level 1	Market quote prices	Fair value of such investments is calculated as reference to quotes displayed in active markets for the relevant financial instrument.	N/A
Equity investments	Level 2	Deemed cost	Investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is not material and that measurement using a valuation technique commonly used by market participants may result in higher costs than benefits.	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Put option (1)	Level 3	Given formula	Fair value is measured using a given formula under an agreement entered into with non-controlling interests of Grupo Disco, using level 3 input data.	Net Income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015 Uruguayan peso-US Dollar exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A.
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basis points LIBOR rate + Negotiated basis points
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity dates.	CPI 12 months
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the forward agreed upon rate and the forward rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The "forward" rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the forward contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar forward market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the net swap value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. CPI 12 months

Not observable material data input and a valuation sensitivity analysis on the valuation of the "put option" refer to:

	Not observable significant input data	Range (weighted average)	Input data sensitivity on the calculation of the fair value
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015	69,798 - 96,802	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	EBITDA of Supermercados Disco del Uruguay S.A. consolidated over 24 months	123,594 - 127,784	
	Consumer price index Uruguay	8.90% - 9.44%	
	Net financial debt of Supermercados Disco del Uruguay consolidated over 6 months	(187,907) - (221,991)	
	Fixed contract price	402,720 - 440,409	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	28.437 - 29.873	
	US Dollar-Colombian peso exchange rate on the date of valuation	2,879.95 - 3,149.47	
	Total shares Supermercados Disco del Uruguay S.A.	443,071,594	

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

Note 28. Contingent assets and liabilities

Note 28.1. Contingent assets

At September 30, 2016 there are no material contingent assets.

Note 28.2. Contingent liabilities

Contingent liabilities relate to:

	September 30, 2016	December 31, 2015	December 31, 2015 (restated)
Legal proceedings (a)	369,018	326,391	326,391
Taxes (b)	7,321,093	8,942,306	6,928,457
Other contingent liabilities (c)	923,962	682,947	682,947
Total	8,614,073	9,951,644	7,937,795

(a) Legal proceeding-related contingent liabilities refer to a requirement by the National Social Security Institute of Brazil INSS to Companhia Brasileira de Distribuição CBD on the grounds of its failure to pay social contributions on benefits granted to its employees, among other matters. The requirements are being discussed in administrative and judicial proceedings.

(b) Tax-related contingent liabilities refer to the following proceedings:

- Imposto de Renda Pessoa Jurídica (IRPJ), Imposto de Renda Retido na Fonte (IRRF), Contribuição Social sobre o Lucro Líquido (CSLL), Imposto sobre operações financeiras (IOF), Imposto de renda sobre o lucro líquido (ILL): They refer to proceedings on the offsetting of taxes, rules on deductibility of provisions, tax differences, excess payments, fines arising from failure to comply with ancillary obligations, among other minor. Such proceedings are pending administrative and judicial ruling. Such proceedings include those regarding the collection of differences in the receipts of IRPJ for years 2007 to 2013, arising from the incorrect deduction of the amortization of goodwill paid on transactions between shareholders Casino and Abílio Diniz. Contingent liabilities amount to \$841,683 (2015 - \$1,579,412; 2015 restated - \$746,718).
- Tax proceedings resulting from the deduction of amortization expenses during 2012 and 2013, of the goodwill gained upon acquisition of the Ponto Frio trademark in 2009. The proceedings amount to \$68,800 (2015 - \$57,317).
- Sales tax, tax on purchases, tax on bank transactions and tax on industrial products (COFINS, PIS and CPMF and IPI): Refer to offsetting proceedings on IPI credits - inputs subject to zero aliquot or exempt - acquired from third parties, other offsetting requests, collection of taxes with a bearing on soy exports, payment differences, excess payments, fines from the failure to comply with ancillary obligations, non-recognition of COFINS and PIS credits on products predominantly single-phase, among other issues. Such proceedings are pending administrative and judicial ruling. These contingent liabilities amount to \$1,826,704 (2015 - \$1,701,211; 2015 restated - \$1,560,642).
- Tax on the Movement of Goods and Services (ICMS): Companhia Brasileira de Distribuição - CBD received a requirement from tax authorities regarding the appropriation of credits as follows: (i) electric power; (ii) procurement from suppliers deemed disqualified before the register of Secretaria da Fazenda Estadual; (iii) compensation of tax substitution without compliance with the ancillary obligations set forth in Portaria CAT n° 17 of the State of Sao Paulo; (iv) incidents on the goods procurement operation; (v) arising from the trading of extended warranty; (vi) among others. Such proceedings are pending final administrative and judicial ruling. Such proceedings amount to \$4,303,321 (2015 - \$5,353,601; 2015 restated - \$4,279,870).
- Tax on services (ISS), Brazilian tax on property (IPTU), levies and other: Refer to requirements on third party withholdings, differences in the payment of IPTU, fines from the failure to comply with ancillary obligations, ISS - compensation for advertising expenses, and miscellaneous levies. Such proceedings are pending administrative and judicial ruling. The amount involved is \$260,494 (2015 - \$308,081; 2015 restated - \$280,649).
- Parent's tax proceedings: at September 30, 2016, the Parent is pursuing proceedings to obtain nullity of the resolution on changes to the Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of \$11,830 (2015 - \$0). The purpose of the nullity and restoration of rights action is that the Parent be exempted from paying the amounts claimed by the tax authority. In addition, it is also pursuing proceedings related to real estate revaluation assessment amounting to \$1,163 (2015 \$1,163); 2005 Industry and Trade tax proceedings \$1,010 (2015 \$1,010); and proceedings seeking nullity of the resolutions that declared as inapplicable the offsetting of 2008 income tax at Carulla Vivero S.A. \$1,088 (2015 \$1,088). Finally, it also pursues nullity proceedings against resolutions issued by the Bogotá Treasury Department, by means of which the Bogotá Industry and Trade tax returns for the two-month periods 2, 3, 4, 5 and 6 of 2012 were amended, in amount of \$5,000 (2015 - \$0); the purpose of such nullity and restoration of rights action is waiving the Parent from paying the amounts claimed by the tax authority.

(c) Other contingent liabilities relate to:

- \$892,613 (2015 - \$659,946) of subsidiary Companhia Brasileira de Distribuição - CBD arising from real estate-related actions filed on the grounds of extension of lease agreements at market prices, administrative proceedings brought by regulators such as consumer protection bodies (PROCONs), Instituto Nacional de Metrologia, Normalização e Qualidade Industrial - INMETRO, Agência Nacional de Vigilância Sanitária - ANVISA, among others.
- \$31,349 (2015 restated - \$0) of Companhia Brasileira de Distribuição - CBD for external counsel fees to defend tax proceedings, whose compensation is tied to a success fee upon legal closing of such proceedings. Such percentages may vary, in accordance with qualitative and quantitative factors of each proceeding.
- Parent's \$5,000 (2015 - \$5,000) related to a collateral granted to Cdiscount Colombia S.A.S on July 13, 2015 to ensure payment of its liabilities to one of its main suppliers, arising from the purchase of goods, expired on July 12, 2016. In addition, on December 18, 2015, notice was served on the assignment of title to

credits with accountability in favor of BBVA in amount of \$18,001. On April 8, 2016, Cdiscount Colombia S.A.S. paid to BBVA the invoices assigned, of which the Company was a guarantor.

Such contingent assets, which nature is that of potential assets, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Note 29. Seasonality of transactions

The Parent's and its subsidiaries' operation cycles indicate seasonality in operating and financial results, focused during the first half of the year mainly on the carnivals and Easter holidays, and during the last quarter of the year, mainly on Christmas season; and at the Parent on the second most important promotional event of the year called "Special Price Days".

Note 30. Revenue from ordinary activities

The balance of revenues from ordinary activities generated during the period is as follows:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Total retail sales (1)	48,365,475	12,542,218	16,570,561	6,666,888
Other ordinary revenue (2)	2,392,328	484,129	835,344	315,964
Revenue from ordinary activities	50,757,803	13,026,347	17,405,905	6,982,852

(1) Mainly relates to the sales of goods, net of returns and rebates, and to revenue from the sale of real estate projects.

(2) Represents:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Service revenue (a)	1,420,330	300,339	497,050	182,986
Financial services (b)	888,462	105,380	313,503	105,380
Royalty revenue	54,553	67,416	17,633	23,576
Other revenues (c)	28,983	10,994	7,158	4,022
Total other ordinary revenue	2,392,328	484,129	835,344	315,964

(a) Represents revenue from extended warranties, rental of buildings and physical space at stores, dealers, intermediation, mobile phone recharges and non-banking correspondent activities.

(b) Mainly represents revenue from the financing granted by Companhia Brasileira de Distribuição - CBD to its customers for the sale of goods.

(c) Relates to:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Recovery of revenues arising from commissions as "non-banking correspondent"	7,933	-	-	-
Other operating revenues	7,260	3,405	1,986	1,571
Other exploitation activities	5,760	2,629	3,472	968
Other revenue from Latam strategic direction	3,631	-	-	-
Sundries	3,101	3,754	1,405	1,185
Revenue from maturity of own cards	1,298	1,206	295	298
Total other revenue	28,983	10,994	7,158	4,022

Note 31. Distribution expenses and administration and sales expenses

The balance of distribution expenses during the period is as follows:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Leases	1,316,380	229,107	456,084	134,021
Services	1,169,801	63,388	385,982	63,389
Depreciation and amortization	618,916	199,978	209,955	98,666

Debit and credit card commissions	451,020	57,315	148,822	40,555
Impairment of accounts receivable	409,224	54,036	150,617	54,036
Advertising	370,520	112,614	106,616	53,679
Repairs and maintenance	251,448	106,342	87,606	59,169
Taxes other than income tax	224,242	109,526	65,633	36,298
Transport	190,908	42,381	59,305	27,848
Fuels and power	169,155	125,925	54,514	46,414
Legal expenses	164,746	84,115	67,010	82,386
Packaging materials and marking expenses	41,345	36,308	8,700	17,341
Insurance	34,581	19,937	14,267	7,941
Administration of trade premises	22,937	20,103	7,680	6,459
Fees	22,762	18,422	8,824	6,878
Travel expenses	18,985	3,890	8,790	1,769
Contributions and affiliations	944	855	302	283
Other	392,067	127,121	154,965	31,666
	5,869,981	1,411,363	1,995,672	768,798

The balance of administration and sales expenses during the period is as follows:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Services	349,491	20,250	118,520	20,249
Depreciation and amortization	173,224	36,738	60,024	27,004
Fees	142,974	32,968	51,367	21,554
Leases	35,206	5,429	12,200	3,433
Taxes other than income tax	32,626	48,840	12,335	16,499
Travel expenses	17,687	5,758	6,662	2,550
Repairs and maintenance	12,025	8,531	2,961	5,905
Legal expenses	8,209	1,870	3,363	1,761
Insurance	3,264	1,592	1,393	228
Transport	2,462	1,789	471	647
Fuels and power	2,132	1,936	706	701
Contributions and affiliations	2,079	1,450	1,202	970
Packaging materials and marking expenses	154	236	49	115
Advertising	120	1	-	1
Administration of trade premises	14	29	5	19
Other	4,470	23,003	9,154	5,327
	786,137	190,420	280,412	106,963

Note 32. Employee benefit expense

The balance of employee benefit expenses incurred during the periods by each significant category is as follows:

Types of employee benefit expenses	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Wages and salaries (1)	3,100,200	938,213	1,053,243	474,915
Contributions to the social security system	773,572	53,048	264,578	40,486
Other short-term employee benefits	230,796	52,284	80,483	31,351
Total short-term employee benefit expenses	4,104,568	1,043,545	1,398,304	546,752
Post-employment benefit expenses, defined contribution plans	96,010	63,234	33,576	25,690
Post-employment benefit expenses, defined benefit plans	2,021	2,522	613	494
Total post-employment benefit expenses	98,031	65,756	34,189	26,184
Termination benefit expenses	392,152	30,551	129,955	22,096
Other long-term employee benefits (2)	(8,441)	(11,895)	87	631
Other personnel expenses	380,983	54,282	136,797	45,073
Total employee benefit expenses	4,967,293	1,182,239	1,699,332	640,736

- (1) At September 30, 2016, the wages and salaries line item includes the expense relevant to the new organizational structure of which the administration and management of companies located in Brazil, Argentina and Uruguay are part. In addition, the Parent's expense for the period includes the average 6.96% general salary increase (2015 - 4.61%), and a 5% key management average salary increase during July 2016 (2015 3% as of April), which had a directly proportional effect on the contributions to the social security system, other short-term employee benefits, post-employment benefit expenses and defined contribution plans.

- (2) Since 2015 The Company and some employees agreed to the elimination of the time-of-service bonus, and to receiving instead a single and special bonus; such agreement gave rise to a significant change in the long-term benefit plan, which resulted in an actuarial assessment at June 30, 2016, the outcome of which was a saving of \$8,529 (2015 - \$12,525).

Note 33. Other operating revenue, other operating expenses and other gains

The operating revenue, other operating expenses and other net gains line items include the effects of the most significant events occurred during the period which would distort the analysis of the Parent's and its subsidiaries' recurrent profitability; these are defined as unusual revenue-generating significant elements which occurrence is exceptional and the effects of the items that given its nature are not included in an assessment of operating performance for the Parent and its subsidiaries, such as impairment losses, disposal of non-current assets and the impact of business combinations, among others.

The balance of other operating revenue, other operating expense and other net gains, is as follows:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Other operating revenue				
Recovery of other provisions related to labor legal proceedings	4,428	-	(192)	-
Recovery of other provisions	3,934	2,415	-	1,379
Reimbursement of ICA-related costs and expenses	1,796	384	-	31
Recovery of other provisions related to civil legal proceedings	1,634	-	93	-
Reimbursement of property tax-related costs and expenses	1,051	-	1,011	-
Other recurring operating revenue(1)	12,843	2,799	912	1,410
Other minor (9)	23	826	9,973	3,326
Revenue from the measurement at fair value of interest in companies (2)	-	29,681	-	-
Other non-recurring operating revenue	23	30,507	9,973	3,326
Total other operating revenue	12,866	33,306	10,885	4,736
Other operating expenses				
Restructuring provision expense (3)	(154,854)	15,257	(68,020)	15,257
Cnova N.V. research expenses (4)	(142,742)	-	576	-
Tax proceedings provision expense (5)	(103,770)	(18,771)	(15,544)	(18,771)
Tax on wealth expense (6)	(52,461)	(59,336)	(2)	-
Other provisions expense (7)	(36,464)	-	(12,732)	-
Other expenses (8)	(26,464)	(63,028)	6,258	(55,391)
Labor indemnifications expense (9)	(8,891)	(10,485)	(8,891)	(7,985)
Total other operating expenses	(525,646)	(136,363)	(98,355)	(66,890)
Other profits, net				
Gain (loss) from the sale of property, plant and equipment	3,381	1,535	(231)	1,535
Gain from the sale of intangible assets (10)	-	75,397	-	-
Loss from the disposal of property and equipment (11)	(24,971)	(11,870)	(13,987)	(8,183)
Loss from subsidiaries out of the scope of consolidation	(3,867)	-	-	-
Gain from the sale of assets	(45)	-	-	-
Total other gains, net	(25,502)	65,062	(14,218)	(6,648)

- (1) Other recurring operating revenue relates to revenues that used to be classified as other ordinary revenue. As of June 30, 2016, they will be classified as other operating revenue. For comparison purposes, this new classification was made retrospective to January 1, 2015.
- (2) For 2015, refers to the gain arising from the measurement at fair value of the 62.49% Company's interest held in Grupo Disco Uruguay prior to the business combination completed on January 1, 2015.
- (3) Refers to the results of the measures implemented by Companhia Brasileira de Distribuição - CBD, to adapt the expense structure including all operating and administrative areas, seeking to mitigate the effects of inflation on fixed costs and a reduced dilution of costs.
- (4) Refer to expenses from the investigation on Cnova N.V. recognized by Companhia Brasileira de Distribuição - CBD
- (5) Refers to the provision booked by Companhia Brasileira de Distribuição - CBD, for legal proceedings related with the income tax and other taxes such as: ICMS, PIS/COFINS.
- (6) Refers to the tax on wealth introduced by the National Government by means of Law 1739 of December 23, 2014.
- (7) Refers to the amount of provisions for legal proceedings taken on by Companhia Brasileira de Distribuição - CBD and in favor of its subsidiary Via Varejo S.A., pursuant to the association agreement entered into by and between these two companies, wherein Companhia Brasileira de Distribuição - CBD commits to reimburse all amounts arising from lawsuits as of July 2010, for which the former controlling parties of subsidiary Via Varejo S.A. were liable.
- (8) Includes expenses incurred in creating real estate vehicles, and expenses arising from the closing of stores.

For 2015, includes expenses arising from business combinations in amount of \$2,546; expenses incurred in the acquisition of trade establishments in amount of \$1,349; expenses from the valuation of the Parent's civil and commercial legal proceedings in amount of \$7,530, and transaction costs related with the acquisition by the Parent of Brazil and Argentina operations in amount of \$43,830.

- (9) For 2016, refers to expenses from the Parent's restructuring plan, which include the purchase of time-of-service bonuses and operating excellence plan. For 2015, refer to the purchase of time-of-service bonuses expense, as part of the Parent's restructuring plan. Non-recurring operating revenues (other minor) for 2015 refer to the recovery of provisions for the purchase of time-of-service bonuses.
- (10) The balance includes gains in amount of \$74,515 arising from the sale to Cafam of the drugstores owned by the Parent, some of which had been operated by Cafam since September 2010, and \$882 from the sale of the right to use in construction of Patrimonio Autónomo Villavicencio.
- (11) For 2016, the balance mainly includes a loss in amount of (\$1,791) arising from the Parent's derecognition of improvements in third party properties relevant to stores closed during the first half of 2016, including Carulla Express Avenida 15, Éxito Express Malecón, Éxito Express Kennedy, Éxito Express Avenida del Ferrocarril, Surtimax Paraíso, Éxito Express Colores Cl 53, Éxito Express Exposiciones, Éxito Express Estadio Norte, Bodega Surtimax Calatrava, Éxito Express Universidad Nacional; a loss in amount of (\$134) from the casualty of the Parent's store Éxito Santa Marta; a loss in amount of (\$7,893) from the derecognition of fixed assets in Grupo Disco Uruguay S.A.; a loss in amount of (\$7,361) from the disposal of property, plant and equipment of Companhia Brasileira de Distribuição - CBD, and a loss in amount of (\$7,250) from the derecognition of fixed assets in CDiscount Colombia S.A.

For 2015, includes a loss in amount of \$3,742 from the contribution of the premises of Éxito Barranquilla to the Patrimonio Autónomo Barranquilla and the loss in amount of \$8,175 of property, plant and equipment arising from the casualty of the Éxito Valledupar Las Flores store.

Note 34. Financial revenue and expense

The balance of financial revenue and expense is as follows:

	January 1 to September 30, 2016	January 1 to September 30, 2015	July 1 to September 30, 2016	July 1 to September 30, 2015
Gain from exchange difference	246,921	541,470	17,450	497,077
Revenue from interest, other securities	177,346	80,138	50,889	80,138
Revenue from interest, cash and cash equivalents	153,215	56,321	31,272	18,854
Other financial revenue	44,013	13,111	25,736	918
Gain from derivative financial instruments	19,549	-	18	-
Total financial revenue	641,044	691,040	125,365	596,987
Interest, borrowings and finance lease expenses	(1,250,090)	(123,307)	(440,908)	(124,900)
Commission expense	(402,767)	(56,089)	(127,799)	(54,898)
Loss from derivative financial instruments	(198,804)	-	(27,579)	-
Loss from exchange difference	(146,134)	(353,768)	(24,884)	(320,620)
Other financial expenses	(133,991)	(33,378)	(65,074)	(20,172)
Interest expense, negotiation with suppliers	(6,590)	(1,083)	(3,576)	(174)
Interest expense, bonds	-	(5,596)	-	-
Total financial expenses	(2,138,376)	(573,221)	(689,820)	(520,764)

Note 35. Non-current assets held for trading and discontinued operations

On May 12, 2016, Via Varejo S.A. executed a non-binding memorandum of understanding with Cnova N.V. on the company reorganization that involves Cnova Comercio Electronico S.A. and Via Varejo S.A. Via Varejo S.A.'s Board of Directors appointed a special committee made of three members of the board to oversee the process and define the terms and conditions of the proposed transaction.

During the General Meeting held on September 12, 2016, minority shareholders of Via Varejo S.A., holders of common and preferred shares, approved the proposal of company reorganization to merge the e-commerce business operated by Cnova Comercio Electronico S.A. into the business of Via Varejo S.A., pursuant to the recommendation of the special committee appointed by Via Varejo S.A.'s board of directors.

Following the approval by the interested parties, Cnova Comercio Electronico S.A. will be merged into Via Varejo Dutcho. In addition, seeking to eliminate the reciprocal participation of Cnova Comercio Electronico S.A. and Cnova N.V. resulting from the merger, Cnova Comercio Electronico S.A. will receive part of the shares of ownership of Cnova N.V. through a capital reimbursement transaction. The remaining will be repurchased by Cnova Comercio Electronico S.A., so that the share capital of Cnova Comercio Electronico S.A. will be solely held by Via Varejo S.A. Pursuant to the terms and conditions of the loan agreements between Cnova Comercio Electronico S.A. and Cnova N.V. (valued at approximately USD 160 million at the closing of September 2016), such event will result in the obligation of Via Varejo S.A. to pay such loans earlier to Cnova N.V.

The transaction was approved at all levels by Companhia Brasileira de Distribuição - CBD, Casino Guichard Perrachon S.A., Via Varejo S.A. and Cnova N.V. With the completion of such transaction Cnova Comercio Electronico S.A. will become a whole subsidiary of Via Varejo S.A., which in turn will cease having an interest in Cnova N.V. As a result, Companhia Brasileira de Distribuição - CBD will cease holding a voting majority in Cnova N.V. thus losing control over this subsidiary and ceasing the consolidation of subsidiaries that represent the foreign e-commerce segment.

Pursuant to IFRS 5 - Non-current assets held for trading and discontinued operations, on September 30, 2016, the company disclosed, in one single line of the period results, the result of subsidiaries representing the foreign e-commerce business; further, in the statement of financial position it disclosed the balances of assets and liabilities in one single line of assets and liabilities held for trading and discontinued operations. The 2015 statement of income was restated applying the same concept.

Below is information on the results, financial position and cash flows of Cnova N.V., excluding Cnova Brazil and Cdiscount Colombia S.A.S. before elimination of balances of parties related with Cnova Comercio Electronico S.A.

Statement of financial position:

	September 30, 2016
Assets	
Current assets	
Cash and cash equivalents	581,239
Trade receivables and other accounts receivable	365,934
Inventories	731,782
Other assets	299,902
Total current assets	1,978,857
Non-current assets	
Deferred tax assets	34,847
Accounts receivable from related parties and associated companies	-
Trade receivables and other accounts receivable	14,296
Property, plant and equipment	37,527
Intangible assets other than goodwill	1,883,039
Total non-current assets	1,969,709
Total assets	3,948,566
Liabilities	
Current liabilities	
Trade payables and other accounts payable	1,391,567
Accounts payable to related parties and associated companies	981,963
Deferred tax liabilities	514,368
Other liabilities	355,466
Total current liabilities	3,243,364
Non-current liabilities	
Other provisions	47,356
Trade payables and other accounts payable	14,296
Total non-current liabilities	61,562
Total liabilities	3,305,016

The balance of non-current assets held for trading, included in the statement of financial position at September 30, 2016, is as follows:

	September 30, 2016
Cnova N.V., excluding Cnova Brazil and Cdiscount Colombia S.A.S.	3,948,566
Other (1)	7,571
	3,956,137

(1) In December 2015, the Board of Libertad S.A. decided to classify the construction of the "Parana" store as an asset held for trading. It is expected that the sale will be completed within 12 months in an amount significantly higher than the book value of the asset.

Statement of income:

	September 30, 2016	September 30, 2015
Revenue from ordinary activities	4,361,647	447,367
Cost of sales	(3,934,322)	(384,280)
Gross profit	427,325	63,087
Operating expenses	(451,133)	(35,796)
Other losses	(15,857)	(19,660)
(Loss) profit from operating activities	(39,665)	7,631
Net financial result	(80,101)	(501)
(Loss) income before taxes	(119,766)	7,130
Tax expense	(8,651)	(2,196)
Net (loss) profit	(128,417)	4,934
Loss attributable to the owners of the controlling entity	1,426	2,654

Non-controlling interests	(129,843)	2,280
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Cash Flows:

	September 30, 2016
Net cash flows (used in) operating activities	(571,192)
Net cash flows from investment activities	37,257
Net cash flows from financing activities	534,834
Net increase in cash and cash equivalents, before the effect of changes in exchange rates	899
Effects of the variation in the exchange rates on cash and cash equivalents	19,657
Net development of cash and cash equivalents	20,556

Note 36. Financial risk management policy

During the nine-month period ended September 30, 2016, there have not been significant changes to the Parent's and its subsidiaries' risk management policies, or changes in the analysis of risk factors that might have an effect on them, such as the general risk management framework, financial risk management, credit risk, market risk, interest rate risk, currency risk, stock pricing risk and liquidity risk.

Note 37. Dividends declared and paid

At 30 September 2016

The Parent's General Meeting of Shareholders held on March 30, 2016, declared a dividend of \$302,457, equivalent to an annual dividend of \$675.72 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2016, and January 2017. Dividends paid during the nine-month period ended September 30, 2016 amounted to \$216,109.

(*) Expressed in Colombian pesos

Dividends declared and paid during the nine-month period ended September 30, 2016 to the holders of non-controlling interest in subsidiaries are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Laureles	1,063	1,155
Patrimonio Autónomo Viva Sincelejo	2,217	2,313
Patrimonio Autónomo San Pedro Etapa I	975	975
Patrimonio Autónomo Centro Comercial	4,958	2,793
Patrimonio Autónomo Iwana	44	47
Patrimonio Autónomo Viva Villavicencio	7,626	5,357
Patrimonio Autónomo Viva Palmas	503	-
Grupo Disco Uruguay S.A.	52,630	60,234
Companhia Brasileira de Distribuição - CBD	1,984	1,984
Total	72,000	74,858

At December 31, 2015

The Parent's General Meeting of Shareholders held on March 17, 2015, declared a dividend of \$260,022, equivalent to an annual dividend of \$580.92 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2015, and January 2016. Dividends paid during the year ended December 31, 2015 amounted to \$254,297. Dividends paid during the nine-month period ended September 30, 2016 amounted to \$189,328.

(*) Expressed in Colombian pesos

Dividends paid to the owners of non-controlling interests in the following subsidiaries during the year ended December 31, 2015 are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Laureles	1,926	1,457
Patrimonio Autónomo Viva Sincelejo	3,161	5,021
Patrimonio Autónomo Viva Villavicencio	5,810	-
Patrimonio Autónomo San Pedro Etapa I	2,639	2,545
Patrimonio Autónomo Centro Comercial	7,717	2,793
Patrimonio Autónomo Iwana	214	32
Grupo Disco Uruguay S.A.	19,244	11,640
Companhia Brasileira de Distribuição - CBD	19,720	19,720
Total	60,431	43,208

Note 38. Information on operating segments

For organizational and management purposes, the Parent and its subsidiaries are focused on nine operating segments divided in four geographic segments, as follows: Colombia (Éxito, Carulla, Descuento & B2B), Brazil (Food, Non Food, E-Commerce), Uruguay and Argentina. For each of the segments there is financial information that is used on an ongoing basis by senior management for making decisions on the operations, allocation of resources and strategic approach.

On its part, total assets and liabilities by segment are not specifically reported internally for management purposes and consequently they are not disclosed in the framework of IFRS 8 - Operating segments.

Reportable segments include development of the following activities:

Colombia:

- Éxito: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Carulla.
- Discount: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Surtimax and Super Inter.
- B2B: The most significant products and services for this segment come solely from retailing activities in B2B format and with stores under the banner Surti wholesaler.

Brazil:

- Food: The most significant products and services for this segment come solely from food trading activities.
- Non-Food: The most significant products and services for this segment come solely from the trading of household appliances and other goods other than food.
- E-Commerce: The most significant products and services for this segment come solely from the trading of products through the Internet or electronic commerce.

Argentina

- The most significant products and services for this segment come solely from retailing activities in Argentina, with stores under the banner Libertad and Mini Libertad.

Uruguay:

- The most significant products and services for this segment come solely from retailing activities in Uruguay, with stores under the banner Disco, Devoto and Géant.

The accounting policies of segments being reported are the same as the Parent's accounting policies described in Note 4.

The Parent discloses information by segment pursuant to IFRS 8 - Operating Segments, which are defined as a component of an entity with separate financial information assessed by senior management on an ongoing basis.

The retail sales by each of the segments for the nine-month periods ended September 30, 2016 and September 30, 2015, are as follows:

Country	Segment	September 30, 2016	September 30, 2015
Colombia	Éxito	5,319,299	4,933,008
	Carulla	1,140,956	1,077,962
	Discount	1,224,730	1,145,118
	B2B	213,962	168,693
Brazil	Food	25,542,193	2,262,371
	Non Food	9,661,480	951,564
	E-Commerce	2,588,598	353,992
Argentina		960,717	127,618
Uruguay		1,722,644	1,523,406
Total sales		48,374,579	12,543,732
Eliminations		(9,104)	(1,514)
Total consolidated		48,365,475	12,542,218

Information by geographical area relates to:

	At 30 September 2016						
	Colombia	Brazil (2)	Argentina (2)	Uruguay (2)	Total	Eliminations (1)	Total
Total retail sales	7,898,947	37,792,271	960,717	1,722,644	48,374,579	(9,104)	48,365,475
Trade margin	2,013,722	10,034,377	367,547	600,709	13,016,355	(399)	13,015,956
Total recurring expenses	1,667,236	9,134,745	343,255	466,374	11,611,610	(399)	11,611,211
ROI	346,486	899,632	24,292	134,335	1,404,745	-	1,404,745

Recurring EBITDA	526,138	1,499,548	34,791	136,410	2,196,887	-	2,196,887
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At September 30, 2016							
	Colombia	Brazil (2)	Argentina (2)	Uruguay (2)	Total	Eliminations (1)	Total
Total retail sales	7,324,781	3,567,927	127,618	1,523,406	12,543,732	(1,514)	12,542,218
Trade margin	1,826,852	983,488	52,183	530,453	3,392,976	(28)	3,392,948
Total recurring expenses	1,487,481	809,562	45,135	439,074	2,781,252	(28)	2,781,224
ROI	339,371	173,926	7,048	91,379	611,724	-	611,724
Recurring EBITDA	494,057	232,889	8,828	117,026	852,800	-	852,800

- (1) Refers to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements.
- (2) For information presentation purposes, non-operating companies (holding companies that hold interests in the operating companies) are assigned by segments to the geographical area to which the operating companies belong. Should a holding company hold interests in various operating companies, it is assigned to the most significant operating company.

Note 39. Relevant facts

At 30 September 2016

Execution of memorandum of understanding with FIC

On September 23, 2016, the Parent executed a memorandum of understanding with Fondo Inmobiliario Colombia ("FIC") to capitalize the real estate business, particularly the Patrimonio Autónomo Viva Malls, a real estate vehicle created by the Parent on July 15, 2016. As of this date, the Parent has contributed to the vehicle the shopping malls Puerta del Norte and Viva La Ceja, and the commercial galleries Éxito Colombia, Éxito San Antonio, Éxito La 33, Éxito Country y Éxito Occidente.

Approval of Via Varejo S.A. business reorganization

During the General Meeting held on September 12, 2016, minority shareholders of Via Varejo S.A., holders of common and preferred shares, approved the proposal of company reorganization to merge the e-commerce business operated by Cnova Comercio Electronico S.A. into the business of Via Varejo S.A., pursuant to the recommendation of the special committee appointed by Via Varejo S.A.'s board of directors.

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

The business reorganization approved on April 27, 2016 was fully implemented in August 2016 resulting in the takeover merger of Xantocarpa Participações Ltda. by Sendas Distribuidora S.A. No effects resulted on the Company's consolidated financial statements as result of such final reorganization.

Issue of trade papers by subsidiary Companhia Brasileira de Distribuição - CBD

During a meeting held on July 14, 2016, the Board of Directors approved the collecting of \$455,155 (R \$500 million) via the second public issue of trade papers. Their main purpose of this issue is reinforcing working capital.

Incorporation of Viva Malls

The Patrimonio Autónomo Viva Malls was incorporated by means of public deed 679 granted on July 15, 2016 before the Notary 31 of Medellín; it is a real estate vehicle, intended for developing the Parent's real estate projects. The incorporation was completed with the contribution of 5 shopping malls, namely Puerta del Norte, Viva Buenaventura, Viva Wajjira, Viva Laureles and Viva Palmas, and of 8 commercial galleries, namely Éxito Cartagena, Éxito Colombia, Éxito Country, Éxito La 33, Éxito La Flora, Éxito Occidente, Éxito Pasto and Éxito San Antonio. This real estate vehicle is 100% owned by the Parent.

Memorandum of understanding on the business reorganization of Via Varejo S.A.

On May 12, 2016, Via Varejo S.A. executed a non-binding memorandum of understanding with Cnova N.V. regarding the business reorganization that involves Cnova Comercio Electronico S.A. and Via Varejo S.A.

Following the approval by the interested parties, Cnova Comercio Electronico S.A. will be merged into Via Varejo Dutcho. In addition, seeking to eliminate the reciprocal participation of Cnova Comercio Electronico S.A. and Cnova N.V. resulting from the merger, Cnova Comercio Electronico S.A. will receive part of the shares of ownership of Cnova N.V. through a capital reimbursement transaction. The remaining portion will be repurchased by Cnova Comercio Electronico S.A. in such a way that the capital stock of Cnova Comercio Electronico S.A. will be solely held by Via Varejo S.A.

With the completion of such transaction Cnova Comercio Electronico S.A. will become a whole subsidiary of Via Varejo S.A., which in turn will cease having an interest in Cnova N.V. As a result, Companhia Brasileira de Distribuição - CBD will cease holding a voting majority in Cnova N.V. thus losing control over this subsidiary and ceasing the consolidation of subsidiaries that represent the foreign e-commerce segment.

Dividend distribution at Companhia Brasileira de Distribuição - CBD

During the Extraordinary General Meeting of Shareholders held on April 27, 2016, the shareholders approved the proposal to distribute the dividends relevant to the period ended December 31, 2015, in amount of \$98,969, which includes earlier dividends already declared.

Exception made of quarterly advances paid during 2015, the subsidiary will pay within 60 days as of April 27, 2016 the amount of \$3,327 relevant to the outstanding installment of dividends for 2015. As of April 28, 2016, the shares will be negotiated without right to dividends until the date of payment thereof, which will be timely announced

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

On April 27, 2016 the Extraordinary General Meeting of Shareholders approved the merger of the net assets of Sendas Distribuidora S.A. Such reorganization was preceded by the following company acts: (i) Redemption of the shares of subsidiary Barcelona retained by subsidiary Novasoc Comercial Ltda; (ii) merger approved on the same date, of total net assets of subsidiary Barcelona Comercio Varejista a Atacadista S.A. into Sendas Distribuidora S.A.; Barcelona was consequently liquidated; and (iii) splitting of part of the net assets of Sendas Distribuidora S.A., also approved on the same date at this subsidiary. The purpose of this reorganization is to simplify the corporate structure, and will be effective with the balances of these entities at April 30, 2016. The reorganization did not have any effects on this subsidiary' s consolidated half-yearly information.

Revolving trench disbursement

A disbursement in amount of \$100,000 was made in April 2016, as part of the revolving trench under the peso credit contract executed in July 2015.

Termination of a shareholders' agreement

The "Shareholders' Agreement" entered into by and between Casino Guichard Perrachon S.A. and certain of the Parent's Colombian shareholders on November 29, 2010 was terminated on April 7, 2016. Upon termination, all of obligations, commitments, charges and any other relations arising from such Agreement were extinguished to the satisfaction of the parties thereto.

Appointment of the Statutory Auditor

On March 30, 2016, the Parent's General Meeting of Shareholders approved the proposal to retain Ernst & Young Audit S.A.S. as the Parent's and its Colombian subsidiaries' Statutory Auditor for the period 2016 to 2018.

Appointment of new members of the Board of Directors.

On March 30, 2016, the Parent's General Meeting of Shareholders appointed the following Directors:

- a) Independent Members:
 - 1. Luis Fernando Alarcón Mantilla
 - 2. Daniel Cortés McAllister
 - 3. Felipe Ayerbe Muñoz
 - 4. Ana María Ibáñez Londoño

- b) Equity Members:
 - 1. Yves Desjacques
 - 2. Philippe Alarcon
 - 3. Bernard Petit
 - 4. Hervé Daudin
 - 5. Matthieu Santon

General Meeting of Shareholders

The Parent's General Meeting of Shareholders was held on March 30, 2016, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2015 and approval of dividend distribution to shareholders.

Service of notice by Comissão de Valores Mobiliários do Brasil - CVM

On February 18, 2016, subsidiary Via Varejo was serviced notice by Comissão de Valores Mobiliários do Brasil - CVM, presenting the understanding of the Company Relation Department - SEP, regarding certain accounting entries related with corporate transactions at the level of Via Varejo S.A. in 2013; in addition, Companhia Brasileira de Distribuição – CBD received notice from CVM that discloses the understanding of SEP regarding an accounting entry received by Via Varejo S.A..

CVM notified its understanding, which differs from that of Via Varejo S.A. in 2013 regarding (a) the revaluation of the interest previously held in the sale of the interest of Nova PontoCom to Companhia Brasileira de Distribuição – CBD (such transaction has no effect on the consolidated financial statements); and (b) the accounting treatment of the acquisition of control of Movéis Bartira, arising from the acquisition of an additional 75% interest. Regarding Companhia Brasileira de Distribuição – CBD, the CVM notified its understanding in relation with the above-mentioned subsection (b).

Companhia Brasileira de Distribuição – CBD and its subsidiary Via Varejo S.A. intend to file an appeal before the CVM requesting a suspensive effect in the terms of Deliberation CVM 463.

Cnova class action

In January 2016, certain shareholders of Cnova N.V., some of its officers and directors, and the subscribers of its initial public offer, filed three class action lawsuits against Cnova N.V., on the grounds of alleged infringement of the U.S. Securities Act. Two cases were brought before the District Court of the United States of America, South District of New York, and one before the Supreme Court of the State of New York. The action before the courts of the State of New York was withdrawn from the District

Court of the United States of America. Cnova N.V. has stated its belief that the allegations of the plaintiffs lack foundation, and intends to advocate vigorously for its rights.

Such claims undergo preliminary stages and as of the date of this report the outcome cannot be reliably measured. Cnova N.V. has stated its belief that the allegations of the plaintiffs lack foundation, and intends to advocate vigorously for its rights, with the support of specialized American law firms. Neither Companhia Brasileira de Distribuição - CBD nor Via Varejo S.A. are parties to these claims.

Request for arbitration filed by Morzan

On January 27, 2016, the International Court of Arbitration - ICA issued an addendum to its decision wherein it (i) declared that the request filed by Companhia Brasileira de Distribuição – CBD and Wilkes is inadmissible; (ii) partially accepted the request filed by CBD and Wilkes to correct the estimation of fees and expenses payable to Morzan, with a reduction of USD 225,000; and (iii) partially accepted the request filed by Morzan to correct the estimation of fees and expenses payable to Morzan, with an increase of USD 30,000.

The amount initially recognized for this lawsuit was \$156,805, taken to current liabilities at the closing of December 31, 2015, under the line item "other accounts payable". On April 1, 2016, the liability updated by the indexes defined by the ICC was \$194,990, including legal expenses, and was fully paid on that date.

Investigation against Cnova N.V.

As announced by Companhia Brasileira de Distribuição – CBD and its subsidiary Cnova N.V., on November 18, 2015 certain law firms opened an investigation on the grounds of inventory management practices. Other matters have been included in the investigation, related with accounting topics as timely announced to the market.

During the first half of 2016 and as part of the investigation, other topics were included related with accounting issues regarding "suppliers" and "other accounts receivable", which were announced to the market on January 12, 2016.

With the support of a firm of lawyers, Cnova N.V. management conducted a physical count of inventories at December 31, 2015, including the seven distribution centers located in Brazil. The results of the physical count did not show significant discrepancies in the expected number of new products in stock. However, inconsistencies were identified regarding the appraisal of damaged and/or returned products, which resulted in recognition of a further defective product provision. Also, some inconsistencies were identified mainly related with accounts payable. Likewise, an overestimation of net sales and accounts receivable was identified during the review of net sales, regarding unrecorded returns of goods sold. All financial information for 2015 was adjusted retrospectively, regarding the effects of the investigation.

These adjustments are under review to be included in the current purchase price allocation process relevant to this transaction.

Revolving trench disbursement

A disbursement in amount of \$400,000 was made on January 5, 2016, as part of the revolving trench under the peso contract executed in July 2015.

At December 31, 2015

Merger of subsidiaries

a. Sé Supermercado Ltda.

The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Sé Supermercados Ltda. into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits.

Since it is the merger of a globally consolidated subsidiary, there is no effect on the consolidated financial statements.

b. Nova Holding

The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Nova Holding into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits and in the optimization of the structure of the entrepreneurial group.

Since it is the merger of a globally consolidated subsidiary, there is no effect on the consolidated financial statements.

Investigation against Cnova N.V.

As announced by Companhia Brasileira de Distribuição – CBD and its subsidiary Cnova N.V., on November 18, 2015 certain law firms opened an investigation on the grounds of inventory management practices. Other matters have been included in the investigation, related with accounting topics as timely announced to the market.

The effects of the investigation related to prior years represent 45% of the total effect registered in 2015; they have been assessed and defined as immaterial by the management of Companhia Brasileira de Distribuição – CBD taking into consideration the effect on each item of the financial statements, as well as on the overall financial statements. Such conclusion was reached by the Management of Companhia Brasileira de Distribuição – CBD after analyzing quantitative and qualitative aspects of the subject matter.

In preparing the financial statements for the period ended December 31, 2015, Companhia Brasileira de Distribuição – CBD takes all information available into consideration and does not believe that the new information on the investigation by law firms will have a significant effect or lead to a change in the adjustments recognized.

In allocating the purchase price of the interest in Companhia Brasileira de Distribuição – CBD, the Group recognized in equity the amount of \$114,640 as an adjustment of the measurement period.

Request for arbitration filed by Morzan

On August 14, 2015, Companhia Brasileira de Distribuição – CBD and its controlling shareholder Wilkes were ordered by the International Court of Arbitration - ICA to jointly pay an indemnification to Morzan Empreendimentos e Participações Ltda. ("Morzan") on the grounds that both companies failed to comply with the terms of the purchase-sale agreement executed by subsidiary Mandala Empreendimentos e Participações SA on June 8, 2009 (the "Agreement") for the acquisition of 86,962,965 nominative ordinary shares, with no par value, representing at that time 70.2421% of the total and voting capital of Globex Utilidades SA (currently Via Varejo SA).

On November 17, 2015, Companhia Brasileira de Distribuição – CBD filed a request before the Paris Appeal Court to demand suspension of the arbitration award. Companhia Brasileira de Distribuição – CBD has a term until April 2016 to submit the reasons supporting its request.

Action seeking protection of fundamental rights ("acción de tutela") arising from the investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

Notice of the final decision for the Parent, under the appeal of the acción de tutela proceedings brought by a Parent's minority shareholder was served on December 10, 2015. The appeal court found that there was no violation of the fundamental rights of said shareholder.

Changes in administrative structure

On September 1, 2015, the Parent's Board appointed Mr. Carlos Mario Díez Gómez, who occupied the position of Retail Vice-President, as Chief Operating Officer of the Retail operation in Colombia; the creation of the International Business Vice-President position, to be occupied by Mr. José Gabriel Loaiza Herrera, who was formerly the Commercial and Supply Vice-President; and finally, appointed the following Vice-Presidents: Jacky Yanovich Mizrachi as Sales and Operations Vice-President and Carlos Ariel Gómez Gutierrez as Commercial Vice-President.

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

In compliance with the share sale-purchase agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição - CBD, a company with domicile in Brazil, in amount of USD 1,536, and 100% of the shares of Libertad S.A., a company domiciled in Argentina, at a value of USD 293.

Funding of investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

a. Peso credit facility agreement.

A peso credit facility agreement was entered into on July 29, 2015, by means of which certain Colombian financial institutions granted the Parent a credit facility for up to \$3,500,000 (three trillion five hundred billion Colombian pesos). Fiduciaria Bancolombia S.A. was appointed as general partner to the contract.

An amendment to said agreement was executed on December 21, 2015, including the main following changes to borrowing terms and conditions:

(i) Amendment to borrowing amounts as per the following detail:

	Total contract value	Amount disbursed under initial conditions	Amount disbursed under current conditions
10-year long-term loan in millions of pesos	\$2,000,000	\$1,850,000	\$1,850,000
18-month short-term loan in millions of pesos	\$1,000,000	\$1,000,000	-
5-year medium-term loan in millions of pesos	-	-	\$838,000
Revolving credit in millions of pesos with a term of 12 months, renewable	\$500,000	\$400,000	\$400,000
Total	\$3,500,000	\$3,250,000	\$3,088,000
Bridge loan in millions of US Dollars (18 months)	USD400	USD400	-
Syndicated loan in millions of US Dollars (3 years)	-	-	USD450
Total in USD	USD400	USD400	USD450

(ii) The extension of the weighted average term of repayment from 3.4 to 4.3 years, resulting from:

- Partial payment of the eighteen-month Short-Term Trench of the Peso Credit Facility agreement.
- The extension of the remaining Short-Term Trench of the Peso Credit Facility, from 18 months to 5 years (now the "Medium-Term Trench").

Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Parent in favor of creditors.

b. US Dollar credit facility agreement

A US Dollar credit facility agreement was entered into with Citibank N.A. on July 29, 2015 granting a credit facility available in amount of USD 400,000,000, which was fully disbursed on August 20, 2015.

The bridge loan was repaid and the agreement terminated on December 21, 2015, and instead a three-year syndicated credit facility agreement in US Dollars was entered into with Citigroup Global Markets INC., Banco Santander S.A., BNP Paribas Securities Corp., Credit Agricole Corporate and Investment Bank, J.P. Morgan Securities LLC., The Bank of Nova Scotia, and The Bank of Tokio-Mitsubishi UFJ, LTD., granting a credit facility available in amount of USD 450,000,000, which was fully disbursed. Citibank N.A. was appointed as general partner to the contract.

Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Parent in favor of creditors.

Approval of the acquisition of shares of Compañía de Financiamiento TUYA S.A.

On July 1, 2015, the Parent and its subsidiary Almacenes Éxito Inversiones S.A.S. entered into a share sales-purchase agreement with Bancolombia S.A., Fundación Bancolombia and Fondo de Empleados del Grupo Bancolombia, by means of which they will acquire 50% of the outstanding shares of Compañía de Financiamiento Tuya S.A. ("Tuya"), company through which an alliance has been developed over a decade between Bancolombia and the Parent for the promotion of consumer lending on products such as Éxito Credit Card, among others.

Formalization of the contract was conditional, among others, upon the approval by the Colombian Financial Superintendence, which was granted on December 30, 2015. Once all other authorizations required are obtained and paperwork is finalized, the parties will proceed to fulfil their obligations.

Damage to Almacén Éxito Las Flores in Valledupar.

As a consequence of an act of nature, on June 23, 2015 the premises of Almacén Éxito Las Flores in Valledupar were damaged and technical studies concluded that it was necessary to rebuild the store.

At present, the Parent is in the process of providing the insurance company with supporting evidence of damages.

This store is expected to reopen during the first half of 2016.

Appointment of new members of the Board of Directors.

Due to the death of Mr. Nicanor Restrepo Santamaría, the Board of Directors and the CEO of the Parent called an extraordinary General Meeting of Shareholders to appoint the new members of the Board for the remaining of the period until 2016.

On June 11, 2015, the Parent's General Meeting of Shareholders confirmed the appointment of 8 of the 9 members of the Parent's Board elected during the ordinary meeting held in March 2014, and as new member appointed Luis Fernando Alarcón Mantilla, who was also appointed as Chairman.

Acquisition of control of Grupo Disco del Uruguay S.A. through Spice Investments Mercosur S.A.

On April 27, 2015, the Parent entered into a Shareholders Agreement relevant to Grupo Disco Uruguay S.A. (GDU), with a two-year term, which granted to it the voting rights of more than 75% of such company and involved the effective control and global consolidation of the financial statements.

Previously, in September 2011, the Parent had acquired a share interest of 62.49% in this company under a situation of joint control arising from the capital structure and the various types of shares, which was accounted for using the equity method until December 31, 2014.

The valuation method used to measure the fair value of the previous interest in GDU was based on the discounted cash flow method.

The Company recognized a profit of \$29,681 arising from the measurement at fair value of the 62.49% interest held in GDU prior to the business combination, for the period ended December 31, 2015.

The non-controlling interest in GDU was measured at fair value.

Purchase option on establishments under the Super Inter banner.

On April 15, 2015, the Parent exercised the option to acquire 29 trade establishment under the Súper Inter banner and the intellectual property rights associated to the Súper Inter trademark, title to which was vested in Comercializadora Giraldo Gómez ("Comercializadora"), pursuant to the purchase option agreement executed on February 8, 2014.

The Parent thus acquired ownership of the trade establishments it had been operating since October 2014 under an operation agreement, as well as the trade name, trademarks, slogans and other intellectual property elements associated to the Súper Inter trademark, which right to use had been obtained under a license agreement. Consequently, the operation agreement and the license agreement were terminated, including obligations imposed by such agreements on each of the parties.

Such transaction is completed upon compliance with the requirements of the Superintendence of Industry and Trade to carry out the integration operation, which included the obligation to sell to a competitor 4 out of the 50 trade establishments originally included in the transaction, that is, the sale of 2 out of 19 establishments that were the purpose of the sale-purchase agreement and of 2 of 31 establishments that were the purpose of the operation agreement.

Acquisition of 100% of Lanin S.A.

On February 26, 2015 Larenco S.A., a subsidiary domiciled in Uruguay, acquired an additional share interest of 3.18% represented in 98,287 shares of Lanin S.A., owner of Devoto stores in that country.

Such acquisition resulted from the exercise of seller shareholders' right to sell, and consolidated the Parent's 100% interest in Lanin S.A., through Spice Investment Mercosur S.A., owner of 7.37% and Larenco S.A. that consolidates a 92.63% interest.

Agreement on the sale of trade establishments entered into by and between Almacenes Éxito S.A. and Caja de Compensación Familiar - CAFAM

On February 23, 2015, the Parent entered into a trade establishments sales agreement with Caja de Compensación Familiar - CAFAM, which main purpose was: (i) the sale by Cafam to the Parent of the stores owned by Cafam and operated by the Parent; (ii) the sale by the Parent to Cafam of the drugstores owned by the Parent and operated by Cafam; (iii) the sale by the Parent to Cafam of Carulla drugstores owned by the Parent, and (vi) the termination of the Cooperation Agreement executed on September 23, 2010 setting out each of the parties' obligation to pay to the other a share of the monthly net sales of the stores and drugstores.

Note 40. Events subsequent to the reporting period

Approval of the acquisition of shares of Compañía de Financiamiento TUYA S.A.

On October 31, 2016, the Parent acquired 4,124,061,482 shares of Compañía de Financiamiento Tuya S.A., equivalent to 50% of outstanding shares thereof, for the price of \$79,037.

This acquisition completed the fulfilment of the share purchase-sale agreement executed on July 1, 2015 with Bancolombia S.A., Fondo de Empleados del Grupo Bancolombia and Fundación Bancolombia.

Issue of trade papers by Companhia Brasileira de Distribuição - CBD

On October 5, 2016, Companhia Brasileira de Distribuição - CBD approved the issue of 13 non-convertible trade papers. Resources raised will be solely devoted to the purchase of agricultural products such as fruits, vegetables, dairy products, poultry and other animal proteins directly from rural producers and/or rural cooperatives.