Interim condensed consolidated financial statements

grupo éxito

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015, 31 December 2014 and 1 January 2014,
(Amounts expressed in millions of Colombian pesos)

		At		
Assets	**Note**	**30 September 2015**	**31 December 2014**	**1 January 2014**
Current assets				
Cash and cash equivalents	5	4,965,341	2,953,937	2,717,162
Trade receivables and other accounts receivable	6	3,981,620	251,521	257,645
Accounts receivable from related parties and associated companies	7	61,063	30,662	1,859
Inventories	8	8,455,888	1,244,231	1,012,723
Tax assets		1,129,760	93,877	111,689
Other financial assets	9	209,882	25,119	1,977
Total current assets other than non-current assets or group of assets for disposal classified as held for sale or held to distribute to shareholders		**18,803,554**	**4,599,347**	**4,103,055**
Non-current assets or group of assets for disposal classified as held for sale	10	12,120	6,740	-
Total current assets		**18,815,674**	**4,606,087**	**4,103,055**
Non-current assets				
Property, plant and equipment	11	11,519,682	3,112,876	3,044,214
Investment property	12	841,046	647,691	537,915
Goodwill	13	6,915,954	1,592,133	1,391,543
Intangible assets other than goodwill	14	3,597,175	82,070	79,829
Investments accounted for using the equity method	15	379,214	1,052,157	996,853
Trade receivable and other accounts receivable	6	620,987	29,601	31,019
Accounts receivable from related parties and associated companies	7	280,454	-	-
Deferred tax assets		488,521	28,719	54,085
Tax assets		2,088,053	-	-
Other financial assets	9	1,335,014	147,100	138,385
Other non-financial assets		398	398	398
Total non-current assets		**28,066,498**	**6,692,745**	**6,274,241**
Total assets		**46,882,172**	**11,298,832**	**10,377,296**

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

Liabilities and equity	Note	At 30 September 2014	31 December 2014	1 January 2015
Liabilities				
Current liabilities				
Financial liabilities	16	3,329,311	7,917	98,640
Employee benefit provisions		4,575	5,420	5,931
Other provisions	17	80,847	50,796	34,668
Trade payables and other accounts payable	18	12,150,908	2,658,642	2,053,565
Accounts payable to related parties and associated companies	7	1,639,408	51,597	56,521
Tax Liabilities		879,129	107,823	187,954
Other financial liabilities	19	1,001,980	158,085	14,409
Other non-financial liabilities	20	711,106	79,361	75,077
Total current liabilities		**19,797,264**	**3,119,641**	**2,526,765**
Non-current liabilities				
Financial liabilities	16	7,131,606	36,416	4,996
Employee benefit provisions		45,575	42,775	41,846
Other provisions	17	1,105,823	13,213	-
Trade payables and other accounts payable	18	11,183	573	488
Deferred tax liabilities		1,040,112	53,238	8,074
Tax Liabilities		482,210	-	-
Other financial liabilities	19	703,300	-	137,699
Other non-financial liabilities	20	579,842	51,588	53,688
Total non-current liabilities		**11,099,651**	**197,803**	**246,791**
Total liabilities		**30,896,915**	**3,317,444**	**2,773,556**
Equity				
Issued share capital	21	4,482	4,482	4,482
Own shares repurchased	21	(2,735)	(2,735)	(2,735)
Share premium	21	4,843,466	4,843,466	4,843,466
Period results		377,923	500,674	-
Retained earnings		1,117,473	1,077,560	1,517,247
Other equity interests		(36,054)	(1,012)	-
Reserves		7,856	7,856	7,856
Other reserves		1,226,164	1,276,338	1,009,011
Equity attributable to shareholders of the controlling entity		**7,538,575**	**7,706,629**	**7,379,327**
Non-controlling interests		8,446,682	274,759	224,413
Total equity		**15,985,257**	**7,981,388**	**7,603,740**
Total liabilities and equity		**46,882,172**	**11,298,832**	**10,377,296**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine-month and three-month periods ended 30 September 2015 and 2014.
(Amounts expressed in millions of Colombian pesos)

	YTD		Quarter	
STATEMENT OF PROFIT OR LOSS	**1 January to 30 September 2015**	**1 January to 30 September 2014**	**1 July to 30 September 2015**	**1 July to 30 September 2014**
Revenue from ordinary activities	13,470,403	7,342,515	7,425,520	2,397,401
Cost of sales	(10,013,330)	(5,506,371)	(5,512,775)	(1,776,705)
Gross profit	**3,457,073**	**1,836,144**	**1,912,745**	**620,696**
Other revenue	42,932	7,358	13,251	692
Distribution costs	(1,621,168)	(767,617)	(976,984)	(257,353)
Administration and sales expenses	(257,118)	(101,056)	(173,035)	(31,823)
Employee benefit expenses	(956,051)	(595,605)	(414,548)	(196,834)
Other expenses	(132,659)	-	(60,686)	-
Other profits (losses)	50,086	(1,235)	(21,624)	(873)
Profit from operating activities	**583,095**	**377,989**	**279,119**	**134,505**
Financial revenue	697,927	132,754	598,844	55,964
Financial costs	(575,962)	(77,148)	(523,505)	(32,719)
Participation in the losses (profits) of affiliated companies and and joint ventures accounted for using the equity method	(3,820)	23,875	3,804	2,692
Profit before taxes	**701,240**	**457,470**	**358,262**	**160,442**
Tax expense	(208,430)	(142,458)	(121,000)	(42,715)
Profit from going operations	**492,810**	**315,012**	**237,262**	**117,727**
Profit attributable to				
Profit attributable to shareholders of the parent company	377,923	306,377	148,222	114,372
Profit attributable to non-controlling interests	114,887	8,635	89,040	3,355
Basic profit per share from going operations*	**844.32**	**684.48**	**331.15**	**255.52**
Diluted profit per share from going operations*	**844.32**	**684.48**	**331.15**	**255.52**

(*) Amounts expressed in Colombian pesos

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month and three-month periods ended 30 September 2015 and 2014.
(Amounts expressed in millions of Colombian pesos)

	YTD		Quarter	
Statement of other Comprehensive Income	**From 1 January to 30 September 2015**	**From 1 January to 30 September 2014**	**From 1 July to 30 September 2015**	**From 1 July to 30 September 2014**
Profit	492,810	315,012	237,262	117,727
Components **from other comprehensive income that will not be reclassified to period results, net of taxes**				
(Loss) from re measurement of financial assets at fair value with changes in other comprehensive income, net of taxes	-		(749)	-
Profit from new measurement of defined benefit plans, net of taxes	349		349	-
Total other comprehensive income that will be reclassified to period results, net of taxes	**349**	**-**	**400**	**-**
Components from other comprehensive income that will be reclassified to period results, net of taxes				
(Loss) from translation exchange differences, net of taxes	(1,036,068)	(68,763)	(1,010,040)	(2,331)
Profit from hedging of cash flows, net of taxes	1,351	-	1,351	-
Total other comprehensive income that will be reclassified to period results, net of taxes	**(1,034,717)**	**68,763 -**	**1,008,689 -**	**2,331**
Total other comprehensive income	**(1,034,368)**	**(68,763)**	**(1,009,089)**	**(2,331)**
Total comprehensive income	**(541,558)**	**246,249**	**(771,827)**	**115,396**
Profit (loss), attributable to				
Profit (loss), attributable to shareholders of the controlling entity	126,227	238,790	(83,949)	112,081
(Loss) profit, attributable to non-controlling interests	(667,785)	7,459	(687,878)	3,315

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2015 and 2014.

(Amounts expressed in millions of Colombian pesos)

	A	
Cash flows from (used in) operating activities	**30 September 2015**	**30 September 2014**
Profit	492,810	315,012
Profit reconciliation adjustment		
Income tax expense adjustment	182,953	142,458
Financial cost adjustment	30,571	-
Inventory (increase) adjustment	(170,130)	(232,908)
Adjustment from decrease in trade receivables	1,198,309	21,375
Adjustment from decrease in other receivables from operating Activities	94,036	6,161
Adjustment from the increase (decrease) in trade payables	513,502	(279,432)
Adjustment from (decrease in) deposits and enforce abilities	(26,288)	-
Adjustment from (decrease in) other payables from operating Activities	(100,075)	(213,145)
Adjustment from depreciation and amortization expense	279,127	161,771
Adjustment from provisions	122,057	115,414
Adjustment from unrealized (gain) loss in foreign currency	(41,173)	350
Adjustment from share-based payments	3,349	-
Adjustment from fair value (gains)	(28,679)	-
Adjustment from undistributed loss (profit) from the application of the equity method	3,821	(23,875)
Other adjustment from items other than cash	(28,550)	23,000
Adjustment from (gains) from the disposition of non-current assets	(96,919)	(6,143)
Other adjustments for which the effects on cash are cash flows from investment or financing activities	(40,073)	(43,597)
Total adjustment to reconcile the gain (loss)	**1,895,839**	**(328,571)**
Net cash flows from (used in) operating activities	**2,388,649**	**(13,559)**
Recovered income tax	(215,309)	(75,610)
Net cash flows from (used in) operating activities	**2,173,340**	**(89,169)**
Cash flows from (used in) investment activities		
Cash flows from the loss of control of subsidiaries or other businesses	34,478	-
Cash flows used to gain control of subsidiaries or other businesses	(5,536,742)	-
Other disbursement to acquire equity or debt instruments from other entities	(890)	(635)
Proceeds of sale of property, plant and equipment	25,173	9,972
Acquisition of property, plant and equipment	(507,339)	(253,746)
Proceeds of sale of intangible assets	85,434	270
Purchase of intangible assets	(446,739)	(37,123)
Resources from the sale of other assets - long term	7,017	-
Cash advances and loans to third parties.	293	-
Interests received	47,108	53,757
Other cash received	1,659,836	1,865
Net cash flows from (used in) investment activities	**(4,632,371)**	**(225,640)**
Cash flows from (used in) financing activities		
Amounts from loans	5,039,549	-
Loan repayments	(495,927)	(91,149)
Payment of financial lease liabilities	(3,329)	(1,305)
Dividends paid	(189,327)	(178,172)
Interests paid	(12,437)	(14,051)
Net cash flows from (used in) financing activities	**4,338,529**	**(284,677)**
Net increase (decrease) in cash and cash equivalents, before the effect of changes in exchange rates	**1,879,498**	**(599,486)**
Effects of the variation in the exchange rate on cash and cash equivalents	131,906	7,739
Net increase (decrease) in cash and cash equivalents	**2,011,404**	**(591,747)**
Cash and cash equivalents at the beginning of period Cash and cash	**2,953,937**	**2,717,162**
equivalents at the end of period	**4,965,341**	**2,125,415**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 September 2015 and 2014

(Amounts expressed in millions of Colombian pesos)

				Reserves										
	Issued capital	Share premium	Own shares repurchased	Legal reserve	Occasion reserve	Repurchase shares	Future dividends	Other compreh results	Total reserves	Retained earnings	Other Component in the Equity	Changes in equity attributable to controlling	Changes in minority interests	Total in net equity
Balance at 1 January 2014	**4,482**	**4,843,466**	**(2,735)**	**7,856**	**988,568**	**22,000**	**1,419**	**(2,976)**	**1,016,867**	**1,517,247**	**-**	**7,379,327**	**224,413**	**7,603,740**
Cash dividend declared					(42,720)				(42,720)	(194,958)		(237,678)	(5,742)	(243,420)
Statement of profit or loss										306,377		306,377	8,635	315,012
Other comprehensive income								(67,587)	(67,587)			(67,587)	(1,176)	(68,763)
(Decrease) from changes in interests in subsidiaries that do not result in loss of Control									-		(1,012)	(1,012)	(443)	(1,455)
Increase from other contributions of shareholders									-			-	33,353	33,353
(Decrease) from other distributions to shareholders									-			-	(600)	(600)
Other increase (decrease) in the net equity					243,450				243,450	(243,842)		(392)		(392)
Balance at 30 September 2014	**4,482**	**4,843,466**	**(2,735)**	**7,856**	**1,189,298**	**22,000**	**1,419**	**(70,563)**	**1,150,010**	**1,384,824**	**(1,012)**	**7,379,035**	**258,440**	**7,637,475**

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

Interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 September 2015 and 2014
(Amounts expressed in millions of Colombian pesos)

	Issued capital	Share Premium,	Own shares repurchased	Reserves: Legal reserve	Reserves: Occasion reserve	Reserves: Repurchase shares	Reserves: Future dividends	Reserves: Other comprehe income	Reserves: Total reserves	Retained earnings	Other Component in Equity	Changes in Equity attributable to controlling	Changes in minority interests	Total in Net Equity
Balance at 31 December 2014	**4,482**	**4,843,466**	**(2,735)**	**7,856**	**1,189,298**	**22,000**	**1,419**	**63,621**	**1,284,194**	**1,578,234**	**(1,012)**	**7,706,629**	**274,759**	**7,981,388**
Cash dividend declared									-	(260,022)		(260,022)	(24,741)	(284,763)
Statement of profit or loss									-	377,923		377,923	114,887	492,810
Other comprehensive income								(251,696)		(251,696)		(251,696)	(782,672)	(1,034,368)
Other increase (decrease) in equity, net				168,841			30,000	2,681	201,522	(201,086)		436	652	1,088
Increase from business Combinations										-		-	8,863,395	8,863,395
(Decrease) from changes in interests in subsidiaries that do not result in loss of Control										-	(35,042)	(35,042)	(13,679)	(48,721)
Increase from other contributions of shareholders										-		-	14,617	14,617
(Decrease) from other distributions to shareholders										-		-	(2,288)	(2,288)
Increase (decrease) from share-based payments									-	347		347	1,752	2,099
Balance at 30 September 2015	**4,482**	**4,843,466**	**(2,735)**	**7,856**	**1,358,139**	**22,000**	**31,419**	**(185,394)**	**1,234,020**	**1,495,396**	**(36,054)**	**7,538,575**	**8,446,682**	**15,985,257**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Almacenes Éxito S.A. and subsidiary companies (Grupo Éxito or the Group)

Almacenes Éxito S.A., parent company, was incorporated under Colombian law on 24 March 1950. Its corporate purpose is:

- Acquire, store, change and in general, distribute and sell under any trading figure, including funding thereof, all kinds of goods and products, either produced locally or abroad, on a wholesale or retail basis.

- 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 real estate 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 or 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 Group's ultimate controlling entity is Casino Guichard Perrachon (France).

Below is a detail of information on the subsidiary companies:

Name	Country	Functional currency	Controlling interest at 30 September 2015 Direct	Indirect	Total
Didetexco S.A.	Colombia	Colombian peso	94.00%	3.75%	97.75%
Éxito Viajes y Turismo S.A.S	Colombia	Colombian peso	51.00%	0.00%	51.00%
Inversiones S.A.S	Colombia	Colombian peso	100.00%	0.00%	100.00%
Gemex S.A.	Colombia	Colombian peso	85.00%	0.00%	85.00%
Carulla Holding S.A.	Colombia	Colombian peso	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombian peso	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Laureles	Colombia	Colombian peso	80.00%	0.00%	80.00%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombian peso	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombian peso	51.00%	0.00%	51.00%
Patrimonio Autónomo San Pedro I	Colombia	Colombian peso	51.00%	0.00%	51.00%
Patrimonio Autónomo San Pedro II	Colombia	Colombian peso	51.00%	0.00%	51.00%
Patrimonio Autónomo Iwana	Colombia	Colombian peso	51.00%	0.00%	51.00%
Patrimonio Autónomo Barranquilla	Colombia	Colombian peso	93.84%	0.00%	93.84%
Patrimonio Autónomo Palmas	Colombia	Colombian peso	51.00%	0.00%	51.00%
Patrimonio Autónomo Surtimax Girardot	Colombia	Colombian peso	100.00%	0.00%	100.00%
Patrimonio Autónomo Local 108 (Vizcaya)	Colombia	Colombian peso	100.00%	0.00%	100.00%
Spice Investment Merco Sur S.A.	Uruguay	Uruguayan peso	100.00%	0.00%	100.00%
Larenco S.A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Geant Inversiones S.A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Lanin S.A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Devoto Hermanos S.A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Lublo S.A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Mercados Devoto S.A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Raxwy S.A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Grupo Discodel Uruguay S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Maostar S.A.	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%
Ameluz S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Odaler S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Fandale S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Mablicor S.A.	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%
La Cabaña S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Supermercados Disco del Uruguay S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Ludi S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Semin S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Randicor S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Dulcemar S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Actimar S.A.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Ciudaddel Ferrol S.C.	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%
Maraluz S.A.	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%
Vía Artika S. A.	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%
Spice España de Valores Americanos	Spain	Euro	0.00%	100.00%	100.00%
Geant Argentina S. A.	Argentina	Argentine peso	0.00%	100.00%	100.00%
Gélase S. A.	Belgium	Euro	0.00%	100.00%	100.00%
Libertad S. A.	Argentina	Argentine peso	0.00%	100.00%	100.00%
Ceibotel S. A.	Argentina	Argentine peso	0.00%	100.00%	100.00%

Name	Country	Functional currency	Controlling interest at 30 September 2015		
			Direct	Indirect	Total
Novasoc Comercial Ltda.	Brazil	Brazilian real	0.00%	1.88%	1.88%
Sé Supermercado Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Sendas Distribuidora S.A.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Bellamar Empreend. e Participações Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. (GPA M&P)	Brazil	Brazilian real	0.00%	18.76%	18.76%
CBDHolland B.V.	Holland	Euro	0.00%	18.76%	18.76
CBDPanamá Trading Corp.	Panama	US Dollar	0.00%	18.76%	18.76%
Barcelona Comércio Varejista e Atacadista S.A.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Xantocarpa Participações Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
GPA 2 Empreed. e Participações Ltda. (GPA 2)	Brazil	Brazilian real	0.00%	18.76%	18.76%
GPALogística e Transporte Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Posto Ciara Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Auto Posto Império Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Auto Posto Duque SalimMaluf Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Auto Posto Duque Santo André Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Auto Posto Duque Lapa Ltda.	Brazil	Brazilian real	0.00%	18.76%	18.76%
Nova PontocomComércio Eletrônico S.A.	Brazil	Brazilian real	0.00%	13.40%	13.40%
Luxco– Marneylectro S.A.R.L.	Luxembourg	Euro	0.00%	13.42%	13.42%
Dutchco - Marneylectro B.V.	Holland	Euro	0.00%	13.42%	13.42%
Cnova N.V.	Holland	Euro	0.15%	6.71%	6.85%
CNova Comércio Eletrônico S/A	Brazil	Brazilian real	0.15%	6.71%	6.85%
E-Hub Consult. Particip. e Com. S.A.	Brazil	Brazilian real	0.15%	6.71%	6.85%
Nova Experiência PontoComS.A.	Brazil	Brazilian real	0.15%	6.71%	6.85%
Cdiscount S.A.	France	Euro	0.15%	6.67%	6.82%
Cnova Finança B.V.	Holland	Brazilian real	0.15%	6.71%	6.85%
Financière MSR S.A.S.	Brazil	Brazilian real	0.15%	6.69%	6.84%
Cdiscount AS France	France	Euro	0.13%	5.69%	5.82%
Cdiscount Afrique S.A.S.	France	Euro	0.13%	5.69%	5.82%
CDAfrica S.A.S.	Holland	Euro	0.15%	6.69%	6.84%
Cdiscount International BVThe Netherlands	Singapore	Euro	0.09%	4.02%	4.11%
C-Distribution Asia Pte. Ltd. Singapore	Uruguay	Uruguayan peso		4.68%	34.79%
CLatam AS Uruguay	Colombia	Colombian peso		3.42%	52.49%
Cdiscount Colombia S.A.S.	Thailand	Thai bath	0.06%	2.81%	2.87%
C Distribution Thailand Ltd.	Hong Kong	US Dollar	0.07%	3.21%	3.28%
Cdiscount VietnamCo Ltd.	Vietnam	Vietnamdong	0.07%	3.21%	3.28%
Cnova France S.A.S.	France	Euro	0.15%	6.71%	6.85%
Cdiscount Côte d'Ivoire SAS Ivory Coast	Ivory Coast	Franc Cfa	0.13%	5.69%	5.82%
Cdiscount Sénégal S.A.S.	Senegal	Franc Cfa	0.13%	5.69%	5.82%
Cdiscount Panama S.A.	Panama	US Dollar		4.68%	34.79%
Cdiscount Cameroun S.A.S.	Cameroun	Franc Cfa	0.13%	5.69%	5.82%
Ecdiscoc Comercializadora S.A.	Ecuador	US Dollar		4.69%	34.79%
Cdiscount Uruguay S.A.	Uruguay	Uruguayan peso		4.68%	34.79%
Monconerdeco.com	France	Euro	0.11%	5.05%	5.17%
Cdiscount Moncorner	France	Euro	0.15%	6.67%	6.82%
3WS.A.S.	France	Euro	0.15%	6.67%	6.82%
3WSanté S.A.S.	France	Euro	0.14%	6.17%	6.31%

Name	Country	Functional currency	Controlling interest at 30 September 2015		
			Direct	Indirect	Total
Via Varejo S.A.	Brazil	Brazilian real	0.00%	8.13%	8.13%
Indústria de Móveis Bartira Ltda.	Brazil	Brazilian real	0.00%	8.13%	8.13%
VVLOG Logística Ltda.	Brazil	Brazilian real	0.00%	8.13%	8.13%
Globex Adme Serviços Ltda.	Brazil	Brazilian real	0.00%	8.13%	8.13%
Lake Niassa Empreend. e Participações Ltda.	Brazil	Brazilian real	0.00%	8.13%	8.13%
Globex Adm. Consórcio Ltda.	Brazil	Brazilian real	0.00%	8.13%	8.13%
Onper Investment S.L.	Spain	Colombian peso	100.00%		100.00%
Ségisor S.A.	France	Euro	0.00%	50.00%	50.00%
Oregon LLC	United States of	Euro	0.00%	50.00%	50.00%
Pincher LLC	United States of	Euro	0.00%	50.00%	50.00%
Bengan LLC	United States of	Euro	0.00%	50.00%	50.00%
Wilkes Partipações S.A.	Brazil	Brazilian real	0.00%	50.00%	50.00%
Companhia Brasileira de Distribuição CBD	Brazil	Brazilian real	0.00%	18.76%	18.76%

Main Group's businesses are:

- **Retail:** The Group carries out retail activities in Colombia, Brazil, Argentina and Uruguay through the Parent and the following significant subsidiaries:

- **Companhia Brasileira de Distribuição – CBD:** the company's 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 (Group of GPA) 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".

- Through its Spanish subsidiary Onper Investment S.L. wherein it has an interest of 100%, the parent company owns 49.97% of the voting rights of Companhia Brasileira de Distribuição – CBD.

- **Libertad S.A.,** was incorporated on 8 July 1994 under registration number 618 with the Direction for Inspection of Legal Entities (DIPJ) in the Argentine Republic. Its 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 8 July 2084.

- **Supermercados Disco de Uruguay S.A.** has as core business the retail in the local market of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

- **Odaler S.A.,** which core business is the exploitation of the Géant hypermarket in the department of Canelones (Uruguay).

- **Ameluz S.A.** has as core business the exploitation of a Géant hypermarket located at Shopping Nuevo Centro, in Uruguay.

- **La Cabaña S.R.L.** has as core business the exploitation of a supermarket at El Pinar, department of Canelones (Uruguay).

- **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).

Real Estate business: The Group carries out property-related activities in Colombia, Brazil, Argentina and Uruguay, focused on the development of the operation of shopping malls, including property management, entering into lease agreements, and the extensions, renewals, amendments and terminations thereof. In Colombia, such activities are conducted through stand-alone trust funds (Particular Purpose Entities).

Other businesses: The Group carries out other trading activities through the following subsidiary companies:

- **Distribuidora de Textiles y Confecciones S.A. (DIDETEXCO S.A.),** was incorporated on 13 July 1976 by means of public deed 1138 granted before the Notary Seventh of Medellín. Its corporate purpose is 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 13 July 2026.

- **Almacenes Éxito Inversiones S.A.S.** was incorporated by private document on 27 September 2010, and its life span is indefinite. Its 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 added-value, particularly all activities permitted in Colombia or abroad related to telecommunications, cell phones and added-value services.

  At 30 September 2015 the subsidiary accrues losses amounting to $20,506 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. Parent's management is committed to take the required measures to overcome such situation within 9 months.

- **Éxito Viajes y Turismo S.A.S.,** was incorporated on 30 May 2013 under Colombian laws. Its 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.,** was incorporated on 12 March 2008. Its corporate purpose is the trading of goods through alternate sales channels, e.g. direct sales or catalogue sales. At 30 September 2015 the subsidiary accrues losses amounting to $3,411 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. Parent's management is committed to take the required measures to overcome such situation within 9 months.

- **Logística, Transporte y Servicios Asociados S.A.S.,** was incorporated on 23 May 2014 under Colombian laws. Its 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.

Listing in public registries

Almacenes Éxito S.A., the parent company, 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&F Bovespa") level 1 Corporate Governance under the symbol "PCAR4" and on the New York Stock Exchange (ADR level III), under the symbol "CDB".

Subsidiary Via Varejo S.A. is a joint stock corporation subsidiary of Companhia Brasileira de Distribuição (GPA), admitted to the so-called "Corporate Governance Level 2" of the special offer segment of the Brazil Stock Exchange - BM & FBOVESPA SA - Bolsa de Valores, Mercancías y Futuros ("BM & FBOVESPA") -, subject to the Regulations for Issuers Quote and Listing of Securities.

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

2. Summary of significant accounting policies and practices applied

The most significant accounting policies applied in preparing the interim condensed consolidated financial statements are described below. Such policies have been applied to all periods presented on a consistent basis, unless otherwise stated.

2.1 Basis of preparation and presentation

The interim condensed consolidated financial statements at 30 September 2015 have been prepared in accordance with Financial Reporting Standards (IFRS), enacted in Colombia pursuant to Law 1314 of 2009 and applicable regulatory decrees, e.g. Decree 2784 of 2012 amended by Decree 3023 of 2013 and Decree 2615 of 2014, including International Financial Reporting Standard IAS 34 - Interim Financial Reporting, approved for Colombia pursuant to Decree 2784 of 2012 and the amendments thereto. Decree 2784 of 2012 and Decree 3023 of 2013 rule the preparation of financial statements based on the Standards (IFRS/IAS), Interpretations (IFRIC and SIC) and Conceptual Framework issued until 31 December 2012, published by the IASB in 2013. The instructions of the Colombian Financial Superintendence were also taken into consideration for presentation purposes.

Interim condensed consolidated financial statements do not include all information and all disclosures required for annual financial statements, and should be read along with the annual financial statements at 31 December 2014; however, given that a full set of financial statements under IFRS has not yet been issued, these notes include a detail of information that enable users to become acquainted with the Group's policies, understand the financial composition and the most significant impacts under IFRS.

The consolidated statements of financial position under IFRS preliminary at 31 December 2014 and the opening consolidated financial statement at 1 January 2014, used for comparison purposes, have been prepared solely for use by Management as part of the process of convergence to Financial Reporting Standards (IFRS) with the purpose of presenting the information for the year ending 31 December 2015 on a comparative basis.

It must be noted that financial statements presented to the General Meeting of Shareholders and regulators and stakeholders, for the year ended 31 December 2014, were prepared by the Group under accounting principles generally accepted in Colombia pursuant to the law, the rules and instructions from the Colombian Financial Superintendence, the Superintendence of Companies and other legal regulations; such principles may differ in certain aspects from those enforced by other Government controlling bodies and other international accounting standards. For the purposes of consolidation at 31 December 2014, the financial statements of Spice Investments Mercosur S.A., a company having its main place of business in Uruguay, were standardized to the Group's policies and principles in compliance with Colombian accounting standards and translated into Colombian pesos.

At present, Company management is in the process of standardizing its accounting policies with those of its subsidiaries Companhia Brasileira de Distribuição - CBD and La Libertad S.A. Such interim condensed consolidated financial statements are presented based on the information provided by such subsidiaries, which basis for preparation are as follows: IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") for subsidiaries directly and indirectly controlled by Onper Investments L.S. and additionally for Companhia Brasileira de Distribuição CPC 21 (R1) - Interim Financial Information issued by the Brazilian Committee for Accounting Pronouncements ("CPC" and presented pursuant to standards approved and issued by the Stock Exchange Commission ("CVM") applicable to the preparation of interim financial information – ITR. The above may have differences in the accounting treatment that the Group may apply to a similar accounting event.

Despite Company management has applied its best understanding of rules and interpretations and of current facts and circumstances in preparing consolidated financial statements at 31 December 2014 under IAS, they may undergo changes, e.g. amendments to the standards and new interpretations by the International Accounting Standards Board (IASB) that change the standards in force. Consequently, until the time when the Group prepare its first full set of financial statements consolidated under IFRS at 31 December 2015 and define the transition date as defined in IFRS 1, there is a possibility of adjustment to the comparative consolidated statements.

These interim condensed consolidated financial statements fairly reflect the Group's financial position at 30 September 2015 and the results of the operations, the changes in net equity and the cash flows for the nine-month and three-month periods then ended. The same accounting policies have been applied in preparing such statements.

2.2 Basis of measurement

The financial statements have been prepared based on historic costs, except for:

- Assets and liabilities resulting from business combinations, which are measured at its fair value pursuant to IFRS 3;

- Derivative financial instruments and equity instruments, which changes in fair value are presented under other comprehensive income, which are measured at its fair value.

2.3 Periods covered

These interim condensed consolidated financial statements of the Group include the statement of financial position at 1 January 2014 (transition date), 31 December 2014 and 30 September 2015, and the statement of comprehensive income for the nine-month and three-month periods ended on 30 September 2014 and 2015; and the statement of cash flows and changes in equity for the period ended 30 September 2014 and 30 September 2015.

2.4 Statement of accountability

The Group's and its subsidiaries' management are responsible for the information contained in these interim condensed consolidated financial statements. Preparing such statements on the basis of Financial Reporting Standards require the use of judgments and estimations, as well as management's judgment in the application of accounting policies. Such estimations have been made on the basis of the best information available as of the date of issuance of these interim condensed consolidated financial statements. However, such estimations may be later revised as result of future events; should that be the case, the revision will be made prospectively based on IAS 8 "Accounting Policies, Changes in Accounting Policies and Errors", recognizing the effects of the changes in the estimations in the corresponding interim condensed consolidated financial statements.

2.5 Functional currency

These interim condensed consolidated financial statements are shown in Colombian pesos, functional currency of the Group's parent company, which is the currency used in the prime economic environment where it operates. The figures shown have been rounded to the closest million pesos.

2.6 Accounting accrual basis

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

2.7 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 interim condensed consolidated 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, equity, period results and to each individual account at a general ledger level.

2.8 Basis and methods of consolidation

The interim condensed consolidated financial statements include the parent's and all subsidiaries' financial statements (including special-purpose entities).

Subsidiaries: Subsidiaries (including special-purpose entities) are entities over which the Parent company has direct or indirect control (See listing of companies under Note 1 General information)

Special-purpose entities (EPE): A special-purpose entity (EPE) is an organization incorporated with a defined or short-term purpose. Frequently these EPE act as intermediary organizations. The Group has interests in stand-alone trust funds that meet such definition.

Control: there is control wherever the Parent company has power over a controlled entity, is subject to variable yields from its participation therein and has the capacity to use such power to influence profits; in other words, control is the capacity of leading relevant activities of the controlled entity, such as financial and operating policies. 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 contracts, reason why there may be entities not having such interest percentage but which activities are conducted to the benefit of the Parent, and where the Parent is exposed to all of the controlled entity's risks and benefits.

Wherever there is control, the consolidation method applied is that of global integration method.

Global integration: under this method all of subsidiaries' assets, liabilities, equity and results are incorporated into the Parent's financial statements, after elimination at the Parent of equity investments in such subsidiaries and the balance of intercompany accounts.

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

At the time of assessing whether the Parent has control over a subsidiary or not, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as from the date on which control is transferred to the Group and excluded from consolidation upon termination of control.

Interim condensed consolidated financial statements include the subsidiaries' financial statements from the date on which the Parent gains control and are excluded from consolidation on the date such control ceases to exist. 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 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 results, including the relevant items of other comprehensive income. Cash flows arising from the acquisition or loss of control of a subsidiary are classified in the statement of cash flows as investment activities.

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

2.9 Equity method

In its interim condensed consolidated financial statements, the Parent applies the equity method to all investments in associated companies and joint ventures.

Associated companies: An associated company is an entity over which the Parent is in a position of exercising significant influence, but not control or joint control, through the power of participating in the decisions on the operating and financial policies thereof.

In general, significant influence is alleged in those cases where the Group has an ownership interest higher than 20%, even though such influence, as well as the control, must be assessed.

Joint venture: is a joint agreement by which the parties having joint control over the agreement are entitled to the net assets of the agreement. There is joint control only when decisions on significant activities require the unanimous consent of the parties sharing control.

The equity method is an accounting method that requires initial booking of the investment at cost and then, in subsequent periods, adjust the book value of the investment to reflect the Group's participation in the investee's net assets. Should investment become negative, then it is adjusted to zero, except upon the Parent's commitment to reinstate the equity situation of the investee, in which event the relevant provision is booked.

Dividends received from these companies are booked decreasing the amount of the investment, and the results obtained by these companies are included in the statement of comprehensive income.

Transactions involving a significant loss of control in the associated company or in the joint venture are booked recognizing any ownership interest retained at its fair value, and the gain or loss arising from the transaction is recognized in period results including the relevant items of other comprehensive income.

Regarding transactions not involving a significant loss of control over the associated company or joint venture, the equity method continues being applied and the portion of the gain or loss recognized in other comprehensive income relevant to the decrease in the ownership interest is reclassified to income.

2.10 Business combinations

Business combinations are booked using the acquisition method; this involves the identification of acquirer, the definition of the acquisition date, the recognition and measurement of identifiable assets acquired, liabilities taken on and any non-controlling ownership interest in the acquiree, as well as the recognition and measurement of goodwill

The consideration transferred in a business combination is measured at its fair value, which is the aggregate of the fair values of the assets transferred by the acquirer, the liabilities taken on by the acquirer facing the former owners of the acquiree and the ownership interests in the equity issued by the acquirer.

Any contingent consideration is included in the consideration transferred at its fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration, arising from events and circumstances existing on the date of acquisition, are booked by adjusting the goodwill if occurring during the measurement period, or directly to period results, if arising after the measurement period, unless the liability is settled using variable-income instruments, in which event the contingent consideration is not re measured.

Identifiable assets acquired and liabilities taken on are booked on the date of acquisition at fair values.

Any excess of the consideration transferred and the fair value of identifiable assets acquired (including intangible assets not previously recognized) and liabilities taken on (including contingent liabilities are recognized as goodwill; should the excess be negative, a gain is recognized in period results.

In the event of a business combination achieved in stages, the previous ownership interest in the acquiree is re measured at its fair value on the date of acquisition of control. The difference between the fair value and the book value of such ownership interest is directly taken to period results.

Disbursements related to a business combination, other than those related to the issue of debt or equity instruments of the acquirer, are booked as expenses in the periods they are incurred.

For each business combination, the Group may elect to measure any non-controlling ownership interest at its fair value or as a proportion of the acquiree's identifiable net assets.

***Put options* granted to the holders of non-controlling ownership interests**

The Group recognizes *put option* agreements entered into with the holders of non-controlling ownership interests in subsidiaries pursuant to IAS 32 "Financial Instruments: Presentation". Liabilities arising from these agreements, related to subsidiaries consolidated under the global integration method, are recognized as financial liabilities at its discounted present value or its fair value.

2.11 Foreign Currency Transactions

The interim condensed consolidated financial statements are presented in Colombian pesos, the Parent's functional currency; each of subsidiary companies defines its own functional currency and its transactions are measured in such currency. The financial statements of subsidiaries with different functional currencies are translated into Colombian pesos.

Transactions and balances are translated into the Parent's functional currency:

- Assets and liabilities are translated into Colombian pesos at the closing exchange rate, which is the market representative exchange rate (TRM) on the date of the balance sheet, certified by the Colombian Financial Superintendence;
- Income line items are translated into Colombian pesos based on the average exchange rate for the period, except where significant variance has occurred;
- Equity transactions in foreign currency are translated into 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 comprehensive income upon sale of the investment.

Monetary items denominated in foreign currency are translated at the closing exchange rate, and exchange differences arising therefrom are recognized in the statement of profit or loss; non-monetary items are translated at the exchange rate in force on the date of transaction.

2.12 Offsetting of balances and transactions

Financial 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 of offsetting on a net basis to realize assets and settle liabilities simultaneously.

2.13 Related parties

Information on related parties mainly includes common transactions carried out with the Group's controlling entities, associated companies, key Company directors and other related entities.

Transactions between related parties are carried out arms' length with transactions between independent parties

2.14 Goodwill and intangible assets

An intangible assets is recognized as such wherever an element is identifiable and divisible, the Group has the ability to control future economic benefits attached thereto and the element is likely to generate future economic benefit.

Intangible assets acquired during a business combination are recognized as goodwill wherever they do not meet this criteria.

Goodwill:
Upon the Group's acquiring control over a business, the difference between the consideration transferred and the fair value of identifiable assets, liabilities taken on and any non-controlling ownership interest in the acquiree is booked as goodwill.

On the date of acquisition, goodwill are measured at fair value and subsequently monitored at the level of the cash-generating unit or groups of cash-generating units benefited from the business combination. Goodwill are not amortized and are subject to impairment testing, annually or wherever there is indication that its value has been impaired. Impairment losses applied to goodwill are booked to period results and the effect thereof is not reverted.

The method used by the Group to test for impairment is described in note 2.20. Negative goodwill arising from a business combination are directly recognized to period results, upon recognition and measurement of identifiable assets, liabilities taken on and potential contingencies.

Intangible assets:
They refer to identifiable non-monetary assets, without physical substance, controlled by the Group as a result of past events and from which future economic benefit may be expected.

Intangible assets acquired separately are measured at cost, and those acquired via a business combination are measured at fair value. Internally-generated brands are not recognized in the statement of financial position.

The cost of intangible assets includes acquisition cost, import duties, indirect not-recoverable taxes and costs directly incurred to bring the asset to the place and use conditions foreseen by Company management, after trade discounts and rebates, if any.

Intangible assets having indefinite useful lives are not amortized, but are subject to impairment testing, on an annual basis or wherever there is indication that value thereof has been impaired. Intangible assets having a defined useful life are amortized using the straight-line method over its estimated useful lives. The most significant useful lives are:

Groups of assets	Useful life
Development cost	3 years
Franchises, patents, licenses, trademarks and software	
Developed or acquired software	3 years
Developed or acquired applications	5 years
ERP-type software developed or acquired	8 years
Acquired trademarks	Mostly indefinite
Acquired or developed patents	5 years

An intangible asset is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is taken to income.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

Research and development costs

Research costs are recognized as expenses as they are incurred. Disbursements for development of individual projects are recognized as intangible assets wherever the Group is in the capacity of demonstrating:

- The technical feasibility of completing the intangible asset to have it available for use or sale;
- Its intention of completing the asset and its ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;
- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

2.15 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss.

Charges from additions and improvement shall be charged to the asset wherever they increase the productivity or efficiency thereof or extend its useful life and meet the criteria defined by the Group.

The name property, plant and equipment is given to all of Group's tangible assets held for use in production or in the provision of goods and services, or for administration purposes, and which are further expected to be used for over one period, that is to say, more than one year, and that meet the following conditions:

- It is probable that the Group will obtain future economic benefit from the asset;
- The cost may be accurately measured;

- The Group has the risks and benefits arising from the use or possession of the asset, and
- They are assets which acquisition cost, individually or jointly, exceed 50 UVT (Tax-Value Units - $1.4 base for 2015), except for those assets defined by Company management as related to the core business purpose and there is an interest in controlling them.

The cost of property, plant and equipment elements includes acquisition cost, import duties, non-recoverable indirect taxes, initial dismantling costs, if any, costs from loans directly attributable to the acquisition of a suitable asset and the costs individually attributable to put the asset in the place and use conditions foreseen by Company management, net of trade discounts and rebates.

The Group considers land and buildings as separate assets, even if they were jointly acquired.

Land is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, regardless their residual value. The most significant useful lives are:

Group of assets	Useful life
Low-value assets	3 years
Computers	5 years
Vehicles	5 years
Machinery and equipment	10 years
Furniture and fixtures	10 years
Other transportation equipment	10 years
Surveillance team armament	10 years
Land	Not depreciated
Buildings	40 years
Improvements to third party properties	40 years or the term of the lease agreement or the remaining of the term, whichever is less.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

An item of property, plant and equipment is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is taken to income.

2.16 Investment property

Are properties held to obtain revenue or goodwill and not for use in the production or supply of goods or services, or for administrative use or sale in the normal course of business. The malls owned by the Group are classified as investment properties.

Investment properties are initially measured at cost, including transaction costs. Following initial recognition, they are valued at historic cost less accumulated depreciation and accumulated impairment loss.

Investment properties are depreciated using the straight-line method over their estimated useful lives, regardless their residual value. Useful lives are as follows:

Group of assets	Useful life
Investment land	Not depreciated
Investment buildings	40 years

Transfer are made to or from investment properties only wherever there is a change in the use of the asset. For transfers from investment properties to property, plant and equipment, the cost taken into consideration for subsequent accounting is the book value on the date the use is changed. If a property, plant and equipment item would become investment property, it will be recorded at book value.

Situations that can lead to transfer are:
- The Group occupies an asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The start of a development on investment property or property, plant and equipment towards its sale, provided there is a significant advance in the development of tangible assets or in the project to be sold as a whole; in these events, the asset is reclassified to inventory,
- Give an asset to a third party under an operating lease transaction or end the occupancy by the Group; in these events, the asset is reclassified to investment properties.

An investment property is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of investment properties is estimated as the difference between the net proceeds of sale and the book value of the asset. The effect is taken to income during the period where the asset was derecognized.

2.17 Non-current assets held for sale and discontinued operations

Non-current assets and the group of assets for disposal are classified as held for sale if its book value will be recovered via a sale instead of its continued use. Such condition is met wherever the asset or group of assets are available for immediate sale, under current condition, and the sale is highly probable. In order for the sale be highly probable, Company management must be committed to a plan to sell the asset (or group for disposition) and the sale is expected within the year following the classification date.

Non-current assets and groups of assets for disposition are valued at the lower of book value or fair value, less costs of sale, and are not depreciated or amortized as from the date they are classified as held for sale.

The revenue, costs and expenses from a discontinued operation are presented separately from those from continued activities, in one single line item after income tax, in the consolidated statement of comprehensive income for the current period and the comparative period for the preceding year, even if the Group retains a non-controlling interest in the subsidiary after the sale.

2.18 Lease agreements

Lease agreements are classified as finance lease and operating lease. Lease agreements that transfer substantially all risks and benefits arising from the title to the assets are classified as finance lease, otherwise they are classified as operating lease. Some of the criteria to be taken into consideration to reach conclusion of whether substantial risks and benefits have been transferred include (i) where the term of the lease is equal to or higher than 75% of the economic life of the asset and/or (ii) where the present value of minimum payments is equal to or higher than 90% of the fair value of the asset.

Contingent instalments of the lease are estimated based on the cause that results in the instalment variance for reasons other than the passage of time.

Financial leases

- **If the Group acts as the lessee**

Wherever the Group acts as the lessee of an asset under finance lease, the cost of the leased asset is shown in the consolidated statement of financial position according to the nature of the asset pursuant to the lease agreement, and at the same time, a liability in the same value is recorded in the consolidated statement of financial position, estimated as the lower of the fair value of the leased asset or the present value of minimum instalments payable to the lessor, plus, as applicable, the price of the purchase option.

These assets are amortized under the same criteria applied to own-use property, plant and equipment items. Lease instalments are split between interests and the decrease of the principal. Financial expenses are recognized in the statement of profit or loss.

- **If the Group acts as the lessor**

Wherever the Group acts as the lessor of an asset under finance lease, the asset is not presented as property, plant and equipment given that the risks attached to title have been transferred to the lessee and instead a financial asset is recognized at the present value of minimum lease instalments receivable and any non-secured residual value.

Operating lease

Are lease agreements under which title to the leased asset and all substantial risks and benefits attached thereto remain with the lessor.

Payments on account of operating lease are recognized as expenses (or revenue) in the statement of profit or loss on a linear basis over the term of the lease agreement. Contingent payments are recognized during the period they are incurred.

Wherever the Group pays rental instalments in advance related with the use of property, such payments are booked as advance payments and amortized over the term of the lease agreement.

2.19 Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or manufacturing of an asset which necessarily takes a substantial period of time (generally more than six months) to become ready for its intended use or sale (suitable asset), are capitalized as part of the cost of the respective assets. All other borrowing cost are accounted for as expenses during the period they are incurred. Borrowing cost are made of interests and other costs incurred for securing the loan.

2.20 Impairment of non-financial assets

During the last quarter of the year, the Group assesses whether there is indication that the value of an asset may be impaired. Intangible assets with indefinite useful lives are not subject to amortization and must undergo annual testing for impairment of value. Assets with a defined useful life are subject to impairment testing at least once a year, provided there is objective evidence that, as result of one or more events subsequent to initial recognition, the book value thereof cannot be recovered.

Impairment indicators as defined by the Group, in addition to external data sources (economic environment and the market value of the assets, among other), are based on the nature of assets:
- Movable assets related to a business line (assets of the cash-generating unit): net book value of the assets related to each store divided by sales (VAT included). Should this proportion be higher than the percentage defined for each format, then there is indication of impairment;
- Real estate: comparison of the net book value of assets to the market value thereof.

In order to assess value impairment losses, assets are grouped at the level of cash-generating unit or groups of cash-generating units, and estimation is made of the recoverable value thereof. The Group has defined each store and business as an independent cash-generating unit.

The recoverable value is the higher of the fair value less costs of sale of the cash-generating unit or groups of cash-generating units and the value in use thereof, and is estimated for an individual asset unless the asset does not generate any flows. An impairment loss is recognized for the excess book value of the asset as compared to its recoverable value.

To determine the fair value less the costs of sale, a pricing model is used in accordance with the cash-generating unit or groups of cash-generating units, if it were possible to determine it.

To assess the value in use:
- Estimation is made of future cash flows of the cash-generating unit or groups of cash-generating units over a period not to exceed five years. Cash flows after the forecasted period are estimated by applying a steady or declining growth rate.
- The terminal value is estimated by applying a perpetual growth rate, according to the forecasted cash flow at the end of the explicit period.
- The cash flows and terminal value are discounted at present value, using a discount rate before taxes that corresponds to outstanding market rates reflecting the value of money and the particular risks attached to the cash-generating unit or groups of cash-generating units.

The Group assesses whether the impairment losses previously recognized no longer exist or have decreased; in such events, the book value of the cash-generating unit or groups of cash-generating units is increased to the revised estimation of the recoverable value, without exceeding the book value that would have been determined if no previous impairment had been recognized. Such reversal is recognized as a revenue in period results, except for goodwill which impairment is not reverted.

2.21 Inventories

Inventories include goods acquired with the purpose of being sold in the ordinary course of business or for use in the production process with a view to such sale or consumed in the process of production or provision of services. Inventories in transit are recognized upon the Group's receiving all substantial risks and benefits attached to the asset. Inventories include real estate where the Group has started an urban development or project on the property with a view of selling it.

Inventories are valued at cost or at net realization value, whichever is less.

Inventories are valued using the first-in-first-out (FIFO) method, and cost thereof includes the costs of purchase, costs of transformation and other costs incurred in bringing the inventories to their present location and condition, that is to say, upon completion of the production process or receipt at the store. Logistics costs and supplier discounts are capitalized as part of the inventories and recognized in the cost of goods sold upon sale thereof.

The net realizable value is the estimated selling price in the normal course of business, less the costs estimated to complete production and the costs estimated as necessary to accomplish the sale. The Group assesses whether the impairment losses previously recognized in the inventory no longer exist or have decreased; in these events, the book value of inventories is the cost or the net realizable value, whichever is lower. This reversal is recognized as a decrease of the impairment cost.

The Group makes an estimation of obsolescence and physical losses of inventory, based on the age of inventories, changes in the manufacturing and sale conditions, trade regulations, probability of loss and other variables affecting the recoverable value.

2.22 Financial assets

Financial assets are recognized in the statement of financial position when the Group becomes a party pursuant to the contract terms and conditions.

Classification

Financial assets are classified in the following categories:
- Financial assets at fair value through income;
- Financial assets measured at amortized cost;
- Financial assets at fair value with changes in other comprehensive income;
- Loans and accounts receivable, and
- Cash and cash equivalents

The classification depends on the business model used by the Group to manage its financial assets and on the characteristics of the financial asset's contract cash flows; such classification is defined upon initial recognition. Financial assets are current, if they mature in less than one year; otherwise they are classified as non-current.

- **Financial assets at fair value through income:** Their characteristic is that they are incurred mainly seeking to gain liquidity management through frequent sales of the instrument. These instruments are measured at fair value and the variations in value are taken to income upon their occurrence.

- **Financial assets measured at amortized cost:** These are non-derivative financial assets with known payments and fixed maturity dates, for which Group management has the intention and the capability of collecting the instrument's cash flows under the contract.

These instruments are valued at their amortized cost using the effective interest method. The amortized cost is estimated by adding or deducting any premium or discount during the remaining life of the instrument. Gains and losses are recognized in the statement of profit or loss when assets are recognized, by the amortization or if there were objective evidence of impairment.

These financial assets are included as non-current assets, exception made of those which mature in less than 12 months following the date of the statement of financial position.

- **Financial assets at fair value with changes in other comprehensive income:** They represent variable-income investments not held for negotiation nor are they an acquirer's contingent consideration in a business combination. Regarding these investments, the Group may elect upon initial recognition and irrevocably present the gains or losses based on a subsequent measurement at fair value in other comprehensive income.

  These instruments are measured at fair value. The gains and losses arising from the new measurement at fair value are recognized in the other comprehensive income until they are written off in asset accounts. In this event, the gains and losses previously recognized in equity are reclassified to retained earnings.

  These financial assets are included as non-current assets, unless the Company management's intention be dispose of the investment within 12 months following the date of the statement of financial position.

- **Loans and accounts receivable:** Loans and accounts receivable are financial assets issued or acquired by the Group in exchange for cash, goods or services delivered to a debtor.

  Accounts receivable from sales are recognized at the value of the original invoice, net of accumulated impairment losses. These accounts receivable are recognized wherever all risks and benefits are transferred to a third party.

  Long-term loans (more than one year after issuance date) are valued at its amortized cost using the effective interest method wherever the amounts involved are material. Losses from impairment are recognized in the statement of profit or loss.

  These instruments are included as current assets, except for those maturing after 12 months following the date of the balance sheet, which are classified as non-current assets.

- **Cash and cash equivalents:** Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, the investments should meet the following criteria:
  - Short-term investments, in other words, less than three months following date of acquisition;
  - High-liquidity investments;

- Readily converted into cash, and
- Subject to a low risk of change in value.

Bank overdrafts which are an integral part of the Group's cash management, represent a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, the accounting accounts showing existing bank overdrafts at a level of financial entity are classified as financial liabilities.

Impairment of financial assets

Financial assets, other than those measured at fair value through income, are assessed on the date of each statement of financial position to identify the existence of impairment indicators. Financial assets are impaired wherever there is objective evidence that, as result of one or more events subsequent to the initial recognition, the estimated future cash flows of the investment have been affected.

A loss from impairment related to a financial asset valued at amortized cost is estimated as the difference between the book value of the asset and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial asset.

Write-offs

A financial asset, or a portion thereof, is written off in the accounts upon its sale, expiry or loss of control over contract rights or over the instrument's cash flows. When substantially all risks and benefits of ownership are retained by the Group, the financial asset continues being recognized in the balance sheet at its full value.

Effective interest rate method

Is the method to estimate the amortized cost of a financial asset and of the allocation of interest revenue during the entire relevant period. The effective interest rate is the rate that exactly discounts the estimated net future cash flows receivable (including all charges and revenue received that are an integral part of the effective interest rate, the transaction costs and other rewards or discounts), during the expected life of the financial asset.

2.23 Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Group becomes a party pursuant to the contract terms and conditions.

Classification

Financial liabilities are classified as financial liabilities at fair value through income or at amortized cost.

- **Financial liabilities at fair value through income**; Financial liabilities are classified at fair value through income wherever they are held for negotiation or recorded at fair value through income.

- **Financial liabilities measured at amortized cost**: Include loans received and bonds issued, which are initially recognized by the cash received, net of transaction costs. They are later measured at the amortized cost using the effective interest rate method, recognizing interest expenses on the basis of effective profitability.

Write-offs
A financial liability or a part thereof is written off in the accounts upon settlement or expiry of the contract obligation.

Effective interest rate method
The effective interest rate method is the method to calculate the amortized cost of a financial liability and the allocation of interest expenses during the relevant period. The effective interest rate is the rate that accurately discounts estimated future cash flows payable during the expected life of the financial liability, or, as appropriate, a shorter period when the related liability has associated a prepayment option likely to be exercised.

2.24 Derivative financial instruments

Derivative financial instruments are recognized, both initially and subsequently, at fair values. Derivatives are accounted for as financial assets wherever the fair value thereof is positive, and as financial liabilities wherever its fair value is negative.

The gains or losses arising from changes in the fair value of derivative instruments are directly recognized in the statement of profit or loss, except those under hedge accounting.

2.25 Hedge accounting

The Group carries out hedge transactions under forward agreements, to cover the risks associated with changes in the exchange rates of its investments and liabilities.

Hedge instruments are measured at its fair value and shall only be used if:
- The hedge relationship has been clearly defined and documented initially, and
- The efficacy of hedge may be evidenced initially and throughout its life.

Documents include the identification of the hedge instrument, the item or transaction hedged, the nature of the risk being hedged and the manner in which the Group will measure the efficacy of the hedge instrument to offset the exposure to changes in the fair value of the item hedged or to changes in the cash flows attributable to the hedged risk.

A hedge is deemed highly effective wherever the changes in the fair value or in the cash flows of the underlying attributable to the risk hedged are offset with the changes in the fair value or in the cash flows of the hedge instrument, with effectiveness in the range of 80% to 125%.

Hedge instruments are recognized initially at fair value, that is to say on the date of execution of the derivative agreement, and subsequently measured at fair value. They are shown as non-current assets or liabilities wherever the remaining maturity of the item hedged goes beyond 12 months, and, failing that, as current assets and liabilities if the maturity of the item hedged does not exceed 12 months.

Hedges are classified and booked as follows, upon compliance with strict criteria to account for hedges:

- **Cash flow hedges**: This category includes hedges covering the exposure to the variation in cash flows arising from a particular risk associated to a recognized asset or liability or to a foreseen transaction which occurrence is highly probable and may have an impact on period results.

  The effective portion of the changes on the fair value of derivative instruments defined as cash flow hedge instruments is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of profit or loss.

  Values recognized in other comprehensive income are reclassified to the statement of profit or loss wherever the hedged transaction has an impact on the results, on the same line item of the statement of profit or loss where the hedged item was recognized. However, when the foreseen transaction that is hedged results in recognition of a non-financial asset or a non-financial liability, the gains or losses previously recognized in other comprehensive income are reclassified at the initial value of such asset or liability.

  Hedge accounting is discontinued upon the Group's voiding the hedge relation when the hedge instrument matures or is sold, expires, or is exercised, or no longer qualifies for hedge accounting. In those events, any gain or loss recognized in other comprehensive income is maintained in equity and is recognized when the foreseen transaction actually has an impact on period results. When it is no longer expected that a foreseen transaction would occur, then the retained gain or loss recognized in other comprehensive income is immediately recognized in the statement of profit or loss.

- **Fair value hedges:** this category includes hedges covering the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

  A change in the fair value of a derivative that is a fair value hedge instrument is recognized in the statement of profit or loss as a financial expense or revenue. A change in the fair value of the item hedged attributable to the risk hedged is booked as part of the book value of the hedged item, and is also recognized in the statement of profit or loss as a financial expense or revenue.

  Wherever an unrecognized firm commitment is identified as a hedge item, the subsequent change accrued in the fair value of the firm commitment attributable to the hedged risk will be recognized as an asset or liability in period results along with the relevant recognized gain or loss.

- **Foreign net investment hedges:** this category includes hedges covering exposure to the variation in exchange rates arising from foreign business translations into the Group's presentation currency.

  The effective portion of the changes on the fair value of derivative instruments defined as foreign net investment hedge instruments is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of profit or loss.

When the Group dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of profit or loss.

2.26 Embedded derivatives

The Group has implemented a procedure that enables assessing the existence of embedded derivatives in financial and non-financial agreements. Should an embedded derivative exist, and if the main agreement is not accounted for at fair value, the procedure defines whether or not the characteristics and risks thereof are not closely related with the main agreement, in which event separate booking is required.

The procedure is an initial characterization of each agreement that enables to identify those where an embedded derivative might exist. In such event, said agreement is subject to deeper analysis. If, following such analysis, it is identified that the agreement contains an embedded derivative that requires separate booking, it is valued and the changes in fair value thereof are taken to income.

As of today, the analyses carried out show that there are no embedded derivatives in the Group's agreements requiring separate accounting.

2.27 Share-based payments

Employees (including senior management) of Grupo Companhia Brasileira de Distribuição - CBD, receive compensation in the form of share-based payments, by means of which employees render services in exchange for equity instruments ("Settled variable-income transactions").

Settled variable-income transactions

The cost of settled variable-income transactions is recognized as expense, along with the relevant increase in net equity, in the period during which the profitability assessment criteria and/or service conditions have been met.

Accrued expenses recognized from equity instruments at the closing of each period until the acquisition date, reflect the degree in which the vesting period has expired and the best Group's estimation of the number of equity instruments finally granted.

When an equity instrument is amended, the minimum expense recognized is the expense that would have been incurred if the conditions had not changed; an additional expense is recognized for any change that may increase the fair value of the share-based payment, or is of benefit to the employee measured on the date of the amendment.

Upon cancellation of an equity instrument, treatment is given as if fully vested on the date of cancellation, and any unrecognized expense related to the premium is immediately recognized in period results. This includes any premium which non-consolidation conditions under the Group's or employee's control are not met. However, if the plan that has been cancelled is replaced by another plan and is named as replacement on the date it is carried out, the granting plan cancelled and the new plan are treated as if they were an amendment to the original plan, as described in the preceding paragraph. All cancellations of settled variable-income transactions are equally treated.

2.28 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 (exit price).

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 Group's own valuation models applying estimated variables non-perceptible for assets of liabilities (level 3).

The fair value of financial instruments is determined on the date of presentation of the financial statements, for the measurement of financial assets such as derivatives taking into consideration the above-mentioned criteria.

2.29 Employee benefits

Defined contribution plans

These are post-employment benefits, wherein the Group is mandated to make previously defined contributions to an independent entity (retirement pension fund) and has no further legal or implicit obligation of making other contributions. Such contributions are recognized as expenses in the statement of profit or loss, to the extent that the relevant contributions are enforceable.

Defined benefit plans

These are post-employment benefit plans wherein the Group is mandated to directly provide the payments of retirement pensions and retroactive severance pay, pursuant to legal requirements. The Group has no specific assets intended for guaranteeing the defined benefit plans.

The liability for defined benefit plans is determined separately for each plan, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. Actuarial gains or losses are recognized in other comprehensive income. Interest expense from defined benefits is recognized in period results, as well as any settlement or decrease in the plan.

Long-term employee benefits

These are benefits not expected to be fully settled within the twelve months following the date of presentation of the statement of financial position, during which the employees render the related services. These benefits relate to time-of-service bonuses. The Group has no specific assets intended for guaranteeing the long-term benefits.

The liability for long-term benefits is determined separately for each plan, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. The cost of current service, cost of past service, cost for interest, actuarial gains and losses, as well as any settlement or decrease in the plan are immediately recognized in the statement of profit or loss.

Short-term employee benefits
These are benefits expected to be settled within the twelve months following the date of the statement of financial position, during which employees render the related services; they include the participation of employees in the profits based on the achievement of goals. The short-term benefit liabilities are measured based on the best estimation of disbursements required to settle the obligation on the date of the report.

Employee termination benefits
The Group pays to employees certain benefits upon termination, wherever the Group decides to terminate a labor contract before the ordinary retirement date, or wherever an employee accepts a benefits offer in exchange for termination of his labor contract.

Termination benefits are measured as short-term employee benefits, against period results, wherever termination benefits are expected to be fully settled within the twelve months following the annual reporting period, and as long-term employee benefits wherever termination benefits are expected to be settled after the twelve months following the annual reporting period.

2.30 Provisions, contingent assets and liabilities

The Group recognizes as provisions all liabilities outstanding on the date of the statement of financial position, resulting from past events, which may be accurately measured and settlement thereof may require an outflow of resources incorporating economic benefit. In addition, those which amount and/or maturity are uncertain.

Provisions are accounted for based on the best estimation of Company management regarding the cash outflows required to settle the liability and are discounted at present value wherever the effect is deemed material, using the rate for B Bonds issued by the National Government. The effects of cash over time are recognized as a financial expense. In those cases where the Group expects the provision to be reimbursed, in whole or in part, the reimbursement is recognized when virtually certain, as an independent asset and a revenue to income.

The provisions are revised periodically, and are quantified based on the best information available on the date of the statement of financial position.

Provision for contracts for consideration
Current obligations under contracts for consideration are recognized as provisions wherever unavoidable costs to be incurred in performing under the contract exceed the economic benefits expected to be received thereunder. As of the date of the statement of financial position, the Group has no provisions for contracts for consideration.

Restructuring provision

A restructuring provision is recognized wherever the Group has an implicit obligation to restructure. This is the case when Company management has prepared a detailed, formal plan and the affected parties have a valid expectation that the restructure will be undertaken given that its most significant features were disclosed prior to the closing of the reporting period.

Contingent liabilities

Contingent liabilities are obligations arising from past events, which existence is subject to the occurrence or non-occurrence of future events not entirely under the control of the Group; or current obligations arising from past events, from which the amount of the obligation cannot be accurately estimated or it is not probable that an outflow of resources will occur for payment of the obligation. The Group has not recorded any contingent liabilities; instead, they are disclosed in the notes to the financial statements.

Contingent assets

A contingent asset is a possible asset that arises from past events, which existence will be confirmed only by the occurrence or non-occurrence of future events not entirely under the control of the Group. Contingent assets are not recognized in the statement of financial position until realization of their income is virtually true; instead, they are disclosed in the notes to the financial statements.

2.31 Taxes

Taxes include liabilities payable to Government by the Group, determined based on private assessments generated during the relevant taxable period; include, among other:

Colombia:

- Income tax,
- Income tax for equality CREE ,
- Value added tax (VAT),
- National excise tax,
- Tax on equity,
- Property tax, and
- 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, and
- Municipal trade and industry tax

Uruguay:

- Income tax (IRIC)
- Value added tax,
- Tax on equity,
- Real property tax
- Industry and trade tax , and
- ICOSA tax

Current income tax

Income tax for companies in Colombia is estimated as the higher of the presumptive income and the net taxable income, at the official tax rate of 25% applicable for 2015 and 2014. In addition to the income tax, there is the tax for equality CREE, at a rate of 9%, and for the years 2015 to 2018 a CREE surtax of between 5% and 9% (5% for 2015), calculated on the same base as the income tax with certain clearance items. The income tax expense is recognized in the statement of profit or loss.

In the case of Brazilian subsidiaries, the income tax includes the "Imposto de Renda da Pessoa Jurídica ("IRPJ")" and the "Contribuição Social sobre o Lucro Líquido ("CSLL")", calculated on the income adjusted pursuant to legal regulations: 15% on the adjusted income, and additional 10% on the adjusted income exceeding R$240,000 for the "IRPJ" and 9% for the "CSLL"

The income tax is estimated for subsidiaries in Uruguay at the official rate of 25% for 2015 and 2014; and for subsidiaries in Argentina, at the rate of 35%. The income tax expense is recognized in the statement of profit or loss.

Current tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right, have been incurred with the same tax authority and the intention is to settle them at the net value, or realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income taxes arise from temporary differences and other events that give rise to difference between the accounting base and the taxable base of asset and liabilities. The deferred income tax is recognized at the non-discounted value that the Group expects to recover from or pay to tax authorities, calculated at the tax rates expected to be applied during the period when the asset will be realized or the liability will be paid.

Deferred income tax assets are only recognized in as much as it is probable that in future the Group will have taxable income against which such deductible temporary differences will be offset. Deferred tax assets and liabilities arising from a business combinations have an impact on goodwill.

Deferred taxes are recognized in period results or in other comprehensive income depending on where the originating profits or losses were incurred and are presented in the statement of financial position as non-current items.

Deferred tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right and they have been incurred with the same tax authority.

In calculating the deferred income tax, the Group applies the exception set forth in IAS 12 regarding investment in subsidiaries, associated companies and joint ventures.

2.32 Ordinary revenue

Net operating revenue includes the sales of goods at the stores, the provision of services, the sale of real estate inventory and special businesses such as insurance, travel and financing, among other.

Revenue is measured at the fair value of the consideration received or to be received, net of trade rebates, cash discounts and volume discounts; value added tax is also excluded.

Revenues from the sale of goods are recognized when the significant risks and benefits attached to ownership of goods are transferred to purchaser, in most cases upon transfer of legal title, when the amount of revenues can be accurately measured and there is probability that economic benefits from the transaction will flow into the Group.

Revenues from the provision of services, directly related with the sale of goods and provision of services to suppliers, are recognized during the period where they are rendered. Wherever a service couples with various commitments, such as volume commitments, the Group analyzes facts and legal patterns in order to determine the correct time for recognition. Consequently, revenues can either be recognized immediately (when the service is deemed rendered) or be deferred in the period during which the service is provided or the commitment is fulfilled.

Intermediation contracts are analyzed on the grounds of specific criteria to determine when the Group acts as principal and when as a commission agent.

Revenues from dividends are recognized when the right to receive payment on investments classified as financial instruments arise (the treatment of dividends received from investments in associated companies and joint ventures is described in policy 2.9).

Revenues from royalties are recognized when conditions set forth in the relevant agreements are met.

Revenues from operating leases on investment properties are recognized on a linear basis over the term of the agreement.

Revenues from interests are recognized using the effective interest rate method. The effective interest rate method is the rate that exactly discounts the estimated future net cash flows receivable or payable (over the expected life of the financial instrument, or over a shorter term, as applicable) with regard to the net book value of the financial asset or liability.

Loyalty programs

Under its loyalty program, the Group awards points to its customers for purchases, which may be exchanged in future for benefits such as: means of payment, redemption of points with allies and continuity programs, among other. The points are measured at fair value, which is the value of the point received by the customer, considering the various redemption strategies. The fair value of the point is estimated at the end of each accounting period.

The obligation of awarding such points is recorded as a deferred revenue that represents the portion of unredeemed benefits at fair value, considering for such effect the portion of points expected not to be redeemed by the customers.

2.33 Operation segments

An operating segment is a Group component that develops business activities from which it may obtain revenues from ordinary activities and incur costs and expenses, which operating results are reviewed on an ongoing basis by the highest operating decision-making authority of the Group, namely the Board of Directors, and regarding which distinct financial information is available. Company management assesses the profitability of such segments based on the revenues from ordinary activities.

Information by segments is structured in 8 reportable segments, as follows:

- **Colombia:** Éxito, Carulla, Descuento, B2B.
- **Brazil:** Food, Non Food, E-Commerce.
- **Other countries:** Argentina and Uruguay.

Total assets and liabilities by segment are not reported internally for management purposes and consequently they are not made available in the note regarding disclosure of Information by segment.

The information by segment is prepared based on the same accounting policies used for interim condensed consolidated financial statements.

2.34 Seasonality of transactions

The Group's operation cycles reflect high seasonality regarding operating and financial results, which are highly concentrated along the last quarter every year, mainly given to the big Christmas wave, as well as due to the second promotional event "Special Price Days". The third quarter shows operating results representing approximately 45% of total annual Group's results.

2.35 Profit (loss) per share

The basic profit (loss) per share is calculated dividing the net profit (loss) for the period attributable to the Group, not including the average number of Group shares held by any subsidiary, as the case may be, by the weighted average of common shares outstanding during the period, excluding, if any, common shares acquired by the Group and held as own Treasury shares.

The diluted profit (loss) per share is calculated dividing the net profit (loss) for the period attributable to the Group, by the weighted average of common shares that would be issued should all common shares be converted with potential dilutive effect. The net (profit) loss for the period is adjusted by the amount of dividends and interests related with convertible bonds and subordinated debt instruments, if any.

The Group has not carried out any transaction having a potential dilutive effect leading to a profit per share on a diluted basis other than the basic profit per share.

2.36 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.

2.37 Shareholders' Contributed Capital

Contributed capital is made of common shares.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction of the amount received, net of taxes.

2.38 First-time adoption

Law 1314 of 2009 enacted the convergence of Colombian GAAP to the International Financial Reporting Standards (IFRS). Also, Decree 2784 of 28 December 2012 established the legal technical framework for preparers of financial information classified under Group 1. The Group has been classified as part of Group 1.

Consequently, the Group should: prepare the opening statement of financial position at 1 January 2014, comparative period at 31 December 2014 and reporting period at 31 December 2015.

Significant adjustments made during the transition to IFRS of the consolidated financial statements at 1 January 2014 prepared under the previous GAAP are explained in note 29.

2.39 Recently-issued standards

New and modified standards and interpretations

- **IFRIC 21 – "Levies" (May 2013)**

The interpretation includes the recording of outflows of resources mandated by the Government (government agencies and like bodies), pursuant to the laws and/or regulations, other than the income tax (IAS 12), 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 lien, and mentions that the date of payment thereof does not affect the time when the liability is recognized.

The Group started giving application to this interpretation from 1 January 2014, date of preparation of the Opening Statement of Financial Position.

- **Amendment to IAS 36 "Information to be disclosed on the recoverable value of non-financial asset" (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 has 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 disposition costs or value in use. Should fair values be used, it is required to disclose the value hierarchy used as set forth in IFRS 13 - Fair Value Measurement.

Company management is in the process of assessing the impact of applying such standard.

- **Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting" (June 2013)**

The amendment to IAS 39 provides guidance on the handling of requirements for discontinuation of hedge accounting wherever a derivative designated as a hedge instrument is novated under certain circumstances. The amendment also makes it clear that any change in the fair value of a derivative designated as hedge instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

Company management is in the process of assessing the impact of applying such standard.

- **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 that constitutes a business using the principles related to business combinations contained in IFRS 3 "Business combinations" and other standards.

To the extent of its interest in the joint operation, the joint operator is required to: a) measure identifiable assets and liabilities at a fair value (with some exceptions), b) recognize as expenses the costs related to the acquisition (except for the costs of issuing debt and equity instruments),
c) recognize deferred assets and liabilities (except for deferred liabilities arising from the initial recognition of goodwill), d) recognize goodwill on the date of acquisition, for any excess in the consideration transferred on identifiable net assets; and e) carry out impairment testing at least once a year for the cash-generating unit to which the goodwill were assigned.

The joint operator is required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply on a prospective basis for periods beginning from 1 January 2016 on. Company management is in the process of assessing the impact of applying such standard.

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

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

The amendments apply on a prospective basis, as from 1 January 2016, but they can be applied earlier. Company management is in the process of assessing the impact of applying such standard.

- **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 the 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 the contract with the customer
- 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 require a higher level of disclosure.

The amendment issued in September 2015 sets forth that the standard is effective for periods starting on or after 1 January 2018. 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 Group does not consider early application thereof.

- **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. This standards was latest revised in July 2014.

For all financial assets recognized that are under the scope of IAS 36 "Financial Instruments: Recognition and Measurement", subsequent measurement at amortized cost or at fair value is required.

Specifically, investments in debt instruments are maintained as part of a business model which purpose is receiving contact cash flows; they are measured at amortized cost at the end of the period and during subsequent periods. The financial instruments that are maintained as part of a business model which purpose is receiving both contract cash flows and cash flows arising from the sale of a financial asset, are measured at fair value.

Also, an entity may irrevocable elect to present the subsequent changes in the fair value of an equity instrument (not held for negotiation) in other comprehensive income, and recognize in income only revenue from dividends.

Regarding the impairment of financial assets, the standard require a future credit loss model as opposite to the model of credit losses incurred under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and the changes in such losses from the initial recognition. In other words, it will be no longer necessary that the credit breach has occurred prior to the recognition of losses.

The new general hedge accounting maintains the three types of hedge accounting mechanisms currently available under IAS 39. IAS 39 introduced more flexibility to the types of transactions eligible for hedge accounting, the types of financial instruments that qualify as hedge instruments and the types of risk components for non-financial items eligible for hedge accounting. Further, the effectiveness test has been reviewed and replaced with the "economic relationship" principle. A retroactive assessment of the hedge effectiveness is no longer required.

The attachment to Decree 2784 of 2012, amended by Decree 3023 of 27 December 2013 and Decree 2615 of 2014, whereby the preparation of financial statements based on International Financial Reporting Standards in force at 31 December 2013, as issued by the IASB in 2014 was regulated in Colombia, includes IFRS 9 in that regarding the classification and measurement of financial instruments, reason why it is of mandatory application during the adoption in Colombia.

Consequently, the Group complies with the requirements of recognition and measurement of financial assets and liabilities pursuant to IFRS 9, without significant impact in the application thereof. Hedge accounting and asset impairment requirements have not been applied in advance.

IFRS 9 is effective for periods starting on 1 January 2018, and may be applied in advance. Company management is assessing the impact of application thereof regarding the hedge accounting and impairment of assets.

- **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 main consequence of the amendments is that full profits or losses are recognized wherever the transaction involves a business (whether in a subsidiary or not). Partial gain or loss is recognized wherever the transaction involves assets that do not make a business, even if such assets belong to a subsidiary.

The amendments to IFRS 10 and IAS 28 apply on a prospective basis for periods beginning from 1 January 2016 on. Company management is in the process of assessing the impact of applying such standard.

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

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

• IFRS 5 "Non-current assets held for sale and discontinued operations", wherein it is made clear that wherever an asset (or group for disposition) is reclassified from "held for sale" to "held for distribution", or vice versa, this situation does not represent a change to the sales or distribution plan. This means that the asset (or group for disposition) does not need to be reinstated as if it had never been classified as "held for sale" or "held for distribution".

• IFRS 7 - "Financial Instruments: Disclosures", includes two amendments for purposes of analysis of disclosure requirements regarding financial instruments:

- Provides guidance to help Company management to determine whether or not the terms of an agreement to provide financial asset management services give rise to continuing involvement, and
- Makes it clear that further disclosures on the offsetting of financial assets and financial liabilities are 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 a broad market of 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.

Improvements will apply as from 1 January 2016. Company management is in the process of assessing the impact of applying such standard.

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

The amendments to IFRS 10 clarify that the exception of preparing interim condensed consolidated financial statements is available to intermediate controlling entities that are subsidiaries of investment entities. The exception is available wherever the controller of the investment entity measures its subsidiaries at fair value. The intermediate controlling entity should also meet all other criteria regarding the exceptions mentioned in IFRS 10.

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.

However, the amendments also confirm that if the subsidiary were an investment entity itself, the entity controlling the investment should measure its investment in the subsidiary at fair value with changes in income. This approach is required, regardless the fact that the subsidiary provide services related with the investment to the controlling entity or to third parties.

Amendments to IAS 28 give an entity that is not an investment entity, but has an interest in an associate or joint venture that is an investment entity, a policy option when applying the equity method. The entity may decide to maintain the measure of the fair value applied by the associate of the investment entity or joint venture, or revert the measurement of fair value and instead consolidate at a level of the associate of the investment entity or joint venture.

The amendments to IFRS 10 and IAS 28 are effective as from, 1 January 2016. Company management is in the process of assessing the impact of applying such standard.

3. Significant judgments, estimates and accounting assumptions

The Group makes judgments, estimates and accounting assumptions affecting the amount of revenue and expenses, assets and liabilities, and disclosures related to the Financial Statements at the closing of the reporting period. In this sense, the uncertainty regarding such assumptions and estimations might give rise to future results that could require significant adjustment to the book values of the assets or liabilities that have been affected.

Below is a description of key assumptions regarding uncertainty estimations on the closing date of the reporting period, which are based on variables available at the time of preparing these interim condensed consolidated financial statements. Such assumptions might vary due to market changes and new circumstances beyond the control of the Group:

- Business combinations (See note 4)
- Fair value of assets and liabilities acquired as part of a business combination (See note 4)
- Recognition of revenue - Customer loyalty program (See note 20)
- Provisions (See note 17)

Changes in assumptions are shown in the period they occur.

Position adopted by the Group for accounting treatments not foreseen in the IFRS.

In the absence of standards or interpretations applicable to put options and call options on non-controlling interests, conditionally or otherwise, Company management has used its judgment to define and apply the most adequate accounting treatment (See note 2.10).

4. Business combinations carried out during the period

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 20 August 2015, the Parent company, through the Spanish Onper Investment 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 31 August 2015.

As result of the acquisition, the Parent company seeks to consolidate the Group 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.

The provisional capital gain amounts to $4 trillion, of which $3.35 trillion come from the operations in Brazil and $650,645 from the operations in Argentina.

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

Revenue and net income shown in the consolidated statement of profit or loss as from 1 September 2015 were $4.2 trillion and $90,278 for the Brazilian operations. For the Argentine operations, they were $136,813 and $3,388, respectively.

Should the operations had been included as from 1 January 2015, revenue and net income would have been $41.3 trillion and $119,165 for the Brazilian operations. For the Argentine operations, they would had been $1.11 trillion and $16,248, respectively.

The following table summarizes the consideration paid for these interests, as well as the provisional fair value of assets acquired and liabilities assumed on as of the date of gaining control, taken from the books and business combination adjustments identified to date:

	Brazil Provisional fair values at 31 de August de 2015	Argentina Provisional fair values at 31 August 2015	Total Provisional fair values at 31 August 2015
Cash and cash equivalents	1,460,170	76,012	1,536,182
Accounts receivable	6,121,468	126,934	6,248,402
Inventories	7,189,300	235,424	7,424,724
Current tax-related assets	3,230,960	6,141	3,237,101
Assets classified as held for sale	13,208	-	13,208
Property, plant and equipment	8,623,140	109,858	8,732,998
Investment property	21,608	63,594	85,202
Intangible assets other than goodwill	3,718,046	14	3,718,060
Investments booked using the equity method	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029
Other non-current financial assets	831,297		831,297
Total identifiable assets	**32,169,195**	**627,722**	**32,796,917**
Current financial liabilities	3,614,591	-	3,614,591
Non-current provisions for benefits to employees	10.916	-	10.916
Other current provisions	20,551	1,562	22,113
Accounts payable	10,276,713	350,148	10,626,861
Current tax-related liabilities	763,424	26,319	789,743
Other current non-financial liabilities	651,097	6,975	658,072
Non-current financial liabilities	3,415,787	-	3,415,787
Other non-current provisions	1,159,034	7,438	1,166,472
Non-current accounts payable	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624
Non-current tax-related liabilities	524,749	-	524,749
Other non-current financial liabilities	569,392		569,392
Total liabilities taken on	**22,147,049**	**392,442**	**22,539,491**
Net assets and liabilities 100% identifiable	**10,022,146**	**235,280**	**10,257,426**
Non-controlling interests	3,091,745	-	**3,091,745**
Net identifiable assets	**6,930,401**	**235,280**	**7,165,681**
Segisor's net identifiable assets	21,443	-	21,443
Participation			
Argentina		100%	100%
Segisor	50%		50%
Companhia Brasileira de Distribuição CBD	18.76%		18.76%
Net identifiable assets and liabilities after application of the interest (*)	**1,307,065**	**235,280**	**1,542,345**

(*) The determination of the fair value of identifiable assets and liabilities will be conducted by an independent expert.

	Brazil	Argentina	Total
Consideration transferred	**4,650,802**	**885,925**	**5,536,727**
Fair value of the previous interest in Cnova	9,189		9,189
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)
Provisional goodwill generated in the acquisition	**3,352,926**	**650,645**	**4,003,571**

Transaction costs related with the acquisition of the interest amounted to $43,965; they were recognized as other operating expenses in the consolidated statement of profit or loss for the period ended 30 September 2015.

Acquisition of control over Grupo Disco Uruguay

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

On 27 April 2015, the Parent company entered into a Shareholders Agreement with non-controlling interests of Grupo Disco Uruguay, which granted it the voting rights of more than 75% of the share capital of Grupo Disco, during an initial term of two years counted as from 1 January 2015 (effective date for accounting purposes). Resulting from such agreement, the Parent ensures the exercise of effective control over Grupo Disco and global consolidation thereof into the financial statements.

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

The valuation method used to measure the fair value of the previous interest that the Parent had in Grupo Disco Uruguay was mainly based on the discounted cash flow method, and the effect thereof was recognized in income for the period.

The Group recognized a profit of $29,681 arising from the measurement at fair value of the 62.49% participation that the Parent held in GDU prior to the business combination, for the period ended 30 September 2015.

Non-controlling interest in GDU was measured at fair value.

Below is a summary of the fair value of net assets acquired as of the date of the business combination, which represent provisional values taken from books values, and which might be adjusted during the measurement period:

	Provisional fair values at January 1, 2015
Cash and cash equivalents	[illegible]
Accounts receivable	138,329
Non-current accounts receivable	3,822
Inventories	115,931
Financial assets	1,228
Property, plant and equipment	249,614
Intangible assets	732
Deferred tax assets	30,130
Identifiable assets	**683,668**
Short-term financial liabilities	4,117
Accounts payable	309,127
Other current liabilities	10,545
Non-current accounts payable	12,741
Liabilities taken on	**336,530**
Total identifiable net assets at fair value (*)	**347,138**

(*) The determination of the fair value of identifiable assets and liabilities will be conducted by an independent expert during the last quarter of 2015.

The value of provisional goodwill is:

Fair value of interests previously held in the acquiree	1,067,037
Value of the non-controlling share interest in the acquiree(**)	448,347
Less fair value of identifiable net assets	(347,138)
Provisional goodwill **generated in the acquisition**	**1,168,246**

(**) The non-controlling interest was recognized at fair value, which takes into consideration a discount in value arising from the lack of control and the restriction associated to the sale of securities.

The consolidation of Grupo Disco Uruguay from 1 January 2015 showed revenue of $998,972 and income of $68,600.

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 profit or loss for the period ended 30 September 2015.

Agreement entered into between Almacenes Éxito S.A. (Parent) and Caja de Compensación Familiar - CAFAM

During September 2010, Exito 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 23 February 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 and property, plant and equipment associated to such stores had been purchased. The consideration transferred amounted to $122,219, value provisionally recognized as capital gain that is expected to be deductible for tax purposes;
- The sale to Cafam of the drugstores owned by the Parent, some of which had been operated by Cafam since September 2010, for total $74,803, value recognized in period results under "Other Revenue";
- The termination of the cooperation agreement executed by the parties in September 2010.

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

Exercise of the purchase option of the Super Inter stores.

On 15 April 2015, the Parent exercised the purchase option granted by Comercializadora Giraldo y Cia S.A. for the acquisition of 29 trade establishments, which the Parent had been operating since October 2014, as well as the Super Inter trademark.

The acquisition price amounted to $343,920, of which $79,747 are owed at 30 September 2015.

Provisional fair values of Super Inter's identifiable assets and liabilities on the date of acquisition are summarized as follows:

	Provisional fair values at 1 April 2015
Super Inter Banner	95,121
Property, plant and equipment	18,169
Total identifiable assets	**113,290**
Total liabilities taken on	**-**
Total identifiable net assets at fair value	**113,290**

The capital gain arising from the operation amounts to:

Consideration transferred	**343,920**
Less fair value of identifiable net assets	(113,290)
Capital gain from the acquisition	**230,630**

The provisional capital gain of $230,630, which is expected to be deductible for tax purposes, is attributable to the base of clientes acquired and economies of escale expected from the integration of the operations of the Super Inter stores with the Group.

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

5. Cash and cash equivalents

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Cash at hand and in banks - foreign currency	4,344,818	-	-
Cash at hand and banks	481,350	1,526,832	1,726,359
Cash equivalents	139,173	1,427,105	990,803
Total	**4,965,341**	**2,953,937**	**2,717,162**

There are no restrictions or liens on cash and cash equivalents that limit the availability thereof.

6. Trade receivables and other accounts receivable

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Trade accounts receivable (6.1)	3,306,434	184,937	174,076
Other accounts receivable (6.2)	1,296,173	96,185	114,588
Total	**4,602,607**	**281,122**	**288,664**
Current	**3,981,620**	**251,521**	**257,645**
Non-current	**620,987**	**29,601**	**31,019**

6.1. Trade accounts receivable

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Current			
Sales on credit cards and other (1)	1,679,403	137,030	127,419
Consumer financing - CDCI (2)	1,437,932	-	-
Accounts receivable from suppliers	166,668	-	-
Employee funds (3)	34,754	22,086	13,077
Compañía de Financiamiento Tuya S.A. (4)	46,704	21,210	23,090
Other customer accounts receivable	170,767	-	-
Impairment of accounts receivable (5)	(312,435)	(10,801)	(4,353)
Total current trade receivables	**3,223,793**	**169,525**	**159,233**
Non-current			
Consumer financing - CDCI (2)	77,469	-	-
Employee funds (3)	13,160	15,412	14,843
Impairment of accounts receivable (5)	(7,988)		
Total non-current trade receivables	**82,641**	**15,412**	**14,843**
Total current trade receivables, net	**3,306,434**	**184,937**	**174,076**

(1) It mainly represents accounts receivable from sales on credit cards and other means of payment, including wholesale customers of ASSAÍ, of the Grupo Companhia Brasileira de Distribuição - CBD. It also includes interest-free trade receivables, which payment terms fall within regular negotiation conditions.

(2) Refers to Via Varejo 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 has entered into agreements with financial institutions, which act as intermediaries in these transactions.

For accounts receivable supporting the CDCI transactions, the Group applies the same accounting treatment as that used by Companhia Brasileira de Distribuição – CBD pursuant to Brazilian accounting regulations. The Group is in the process of analyzing this transactions under IFRS applicable in Colombia for its financial statements report as of the closing of 31 December 2015.

(3) Represents loans to Fondo Presente and other of the Group's employee funds that are part of the Group, which, if maturing after twelve months from the date of issue are valued at amortized cost using the effective interest method, provided the amount due is material.

(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 which balances are not material taken separately. The impairment of receivables is recognized as expense in period results. The movement of the impairment of receivables during the period is as follows:

Balance at 1 January 2014	**4,353**
Impairment loss recognized during the period	10,867
Reversal of impairment losses	(1,708)
Receivables written-off	(2,711)
Balance at 31 December 2014	**10,801**
Acquisition from business combination	312,634
Impairment loss recognized during the period	61,074
Reversal of impairment losses	(845)
Receivables written-off	(46,346)
Recovery of receivables written-off	(246)
Effect of exchange difference	(16,649)
Balance at 30 September 2015	**320,423**

The detail of the losses arising from impairment of the net value of recoveries recognized in period results for each period presented is:

Description	YTD From 01/01/2015 to 30/09/2015	YTD From 01/01/2014 to 30/09/2014	Quarter From 01/07/2015 to 30/09/2015	Quarter From 01/07/2014 to 30/09/2014
Impairment loss recognized during the period	61,074	6,494	53,754	3,368
Reversion of impairment loss	(845)	(1,962)	(793)	(1,957)
Receivables written-off	(46,346)	(790)	(44,400)	(790)
Recovery of receivables written-off	(246)		(246)	
Total	**13,637**	**3,742**	**8,315**	**621**

6.2. Other accounts receivable

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Accounts Receivable - Paes Mendonça (6)	417,010	-	-
Prepaid expenses	340,396	39,931	32,008
Securities receivable	127,094		-
Rent instalments receivable	64,754	-	-
Accounts receivable from the sale of property, plant and	55,010	282	4,250
Account receivable from the sale of companies	40,806	-	-
Supplier contribution	19,910	-	-
Advance payments to suppliers	18,091	10,290	13,802
Rental advances	10,044	-	-
Accounts receivable - Audax	9,523	-	-
Distributors	8,289	8,441	14,184
Other (7)	185,246	37,241	50,344
Other accounts receivable	**1,296,173**	**96,185**	**114,588**
Current	**757,827**	**81,996**	**98,412**
Non-current	**538,346**	**14,189**	**16,176**

(6) Since 1999, certain stores owned by Paes Mendonça S.A. (a supermarket network in Brazil) were leased through subsidiary Novasoc. Novasoc 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 on this account. Pursuant to payment agreements entered into between the parties, balances receivable are updated from a monetary point of view by the IGP-M (Índice Geral de Preço de Mercado) and are secured with some stores operated by Novasoc. There is no objective evidence of impairment of such accounts receivable.

(7) As at September 2015, other accounts receivable include: transfer services, bonds, promotional materials, lease installments, loans to employees, attachments, insurance, travelling, entrepreneurial agreements and other accounts receivable.

7. Transactions with related parties

The Group considers as related parties:

- The Group's controlling entity;
- Companies that exercise joint control or significant influence over the Group;
- Associated companies and joint ventures;
- The subsidiaries, associated companies and joint ventures of the associated companies and joint ventures;
- Key management personnel, including members of the Board, CEOs, Executives and Heads of Department who have the capacity of directing, planning and controlling the Group's activities.
- Companies over which key management personnel may exercise control or joint control, and
- Close relatives of key management personnel who might have an influence on the Group.

No transaction contains special terms and conditions; transactions carried out are similar to those carried out with third parties, and do not involve market price differences for similar transactions; sales and purchases are conducted under conditions that are equivalent to those existing for transactions with independent parties.

Below is the total value of transactions carried out by the Group with its related parties during the relevant period:

- **Key management personnel compensation**

Costs and expenses related with the compensation paid to key management personnel relate to:

	YTD		Quarter	
Description	**From 01/01/2015 to 30/09/2015**	**From 01/01/2014 to 30/09/2014**	**From 01/07/2015 to 30/09/2015**	**From 01/07/2014 to 30/09/2014**
Short-term employee benefits	59,234	28,169	27,965	9,295
Long-term benefits	68	331	8	104
Retirement pension plan benefits	7,039	7,654	2,632	1,904
Contract termination benefits	4,452	1,340	315	122
Share-based payments	603	-	603	-
Total	**71,396**	**37,494**	**31,523**	**11,425**

- **Transactions with related parties**

Below are the amounts of transactions carried out with related parties for each of the periods reported: Transactions between the Group and its subsidiaries have been eliminated in the consolidation process, and are not disclosed in this note:

Revenue (1)

Description	YTD From 01/01/2015 to 30/09/2015	YTD From 01/01/2014 to 30/09/2014	Quarter From 01/07/2015 to 30/09/2015	Quarter From 01/07/2014 to 30/09/2014
Controlling entity	8,466	-	8,466	-
Associated companies (*)	3,158	12,919	3,158	12,919
Other related parties	18,597	2,527	16,272	1,880
Total	**30,221**	**15,446**	**27,896**	**14,799**

Costs and Expenses

Description	YTD From 01/01/2015 to 30/09/2015	YTD From 01/01/2014 to 30/09/2014	Quarter From 01/07/2015 to 30/09/2015	Quarter From 01/07/2014 to 30/09/2014
Controlling entity	26,351	4,722	16,842	4,722
Associated companies (*)	1,638	-	1,629	-
Key management personnel	4,974	476	4,317	202
Other related parties	237,546	26,869	217,549	5,800
Total	**270,509**	**32,067**	**240,337**	**10,724**

Description	Accounts receivable (3) 30/09/2015	Accounts receivable (3) 31/12/2014	Accounts receivable (3) 01/01/2014	Accounts payable (4) 30/09/2015	Accounts payable (4) 31/12/2014	Accounts payable (4) 01/01/2014
Controlling entity	52,797	862	709	1,629,469	41,969	41,185
Associated companies (*)	10,921	24,537	-	4,510	1,020	-
Key management personnel	96	149	99	2	-	6
Other related parties	277,703	5,114	1,051	5,427	8,608	15,330
Total	**341,517**	**30,662**	**1,859**	**1,639,408**	**51,597**	**56,521**

(*) For the third quarter of 2014, Cdiscount Colombia S.A.S. was classified as an investment in associated company. From 31 August 2015 on, with the business combination of the Brazil and Argentina operations through subsidiary Onper Investment S.L., control of the later is gained and it is classified as a controlled company For this reason, the variances presented in this quarter do not reflect the balances reported in the associated companies line item as in previous quarters.

(1) Revenue includes the sale of goods and other services. The balance of "other related parties" represents transactions with companies of Grupo Casino.

(2) Costs and expenses with related parties refer to risk management advisory and technical assistance, purchase of goods, services received and payment of interests from the loans of Companhia Brasileira de Distribuição – CBD with Casino Finance International S.A (formerly Polca Emprestimos, entities of Grupo Casino which funds the other companies. This transactions are shown in the line item "other related parties"

(3) Accounts receivable from related parties are comprised of balances receivable from the sale of goods and loans.

(4) Accounts payable to related parties are comprised of goods for sale in the regular course of business. Other accounts payable are comprised of balances from technical assistance, services received and for Companhia Brasileira de Distribuição – CBD loans and the relevant interests payable.

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8. Inventories

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Inventories available for sale	8,123,616	1,189,082	968,832
Inventories in transit	154,950	24,794	15,050
Inventories of property under construction (1)	129,638	-	-
Materials, small spares, accessories and packaging material	32,804	13,535	16,464
Product in process	8,180	10,554	5,359
Raw materials:	6,700	6,266	7,018
Total	**8,455,888**	**1,244,231**	**1,012,723**

(1) Refer to real property available for sale by Grupo Companhia Brasileira de Distribuição - CBD.

The value of inventories recognized as cost of goods sold in the results of the periods reported, as well as the amount of impairment losses amount to:

	YTD		Quarter	
Description	From 01/01/2015 to 30/09/2015	From 01/01/2014 to 30/09/2014	From 01/07/2015 to 30/09/2015	From 01/07/2014 to 30/09/2014
Cost of goods sold without impairment	9,887,866	5,395,705	5,469,836	1,742,436
Impairment loss recognized during the period(2)	132,708	110,666	50,183	34,269
Reversal of impairment loss recognized during the period	(7,244)	-	(7,244)	-
Total cost of goods sold	**10,013,330**	**5,506,371**	**5,512,775**	**1,776,705**

(2) Impairment losses recognized during the period do not include the value of the unknown waste of Companhia Brasileira de Distribuição – CBD and Libertad S.A.

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

9. Other financial assets

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Financial assets measured at fair value with changes in income in foreign currency (1)	831,610	-	-
Derivative financial instruments designated as hedge instruments (2)	539,478	-	-
Financial assets measured at amortized cost (3)	140,516	141,208	138,323
Derivative financial instruments (4)	31,313	20,343	111
Financial assets at fair value with changes in other comprehensive income (5)	1,029	9,693	1,035
Financial assets measured at fair value with changes in income in local currency (6)	950	975	893
Total	**1,544,896**	**172,219**	**140,362**
Current	**209,882**	**25,119**	**1,977**
Non-current	**1,335,014**	**147,100**	**138,385**

(1) Financial assets measured at fair value with changes in income in foreign currency relate to some bank accounts balances representing legal and tax deposits amounting to $801,674 which are not available to Companhia Brasileira de Distribuição – CBD for they are restricted to the payment of suitcases brought against it. Balance thereof is monthly updated in the statement of profit or loss, using an interest rate (detail follows below). The remaining balance represents financial assets of the Uruguayan subsidiary in amount of $29,936.

	30/09/2015
Deposit for tax proceedings	163,649
Deposit for labor proceedings	576,294
Deposit for civil proceedings	35,789
Deposit for regulatory proceedings	25,942
Total	**801,674**

(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 CDCI - Direct consumer credit through an intermediary, exchanging such obligations at a floating CDI interest rate. The term of these contracts equals that of the debt and hedge both principal and interests. The CDI annual average rate was 12.58% (10.33% in 2014). Reasonable values of these instruments are determined using valuation models, commonly used by market participants.

(3) Financial assets measured at amortized cost are investments which the Group intends to, and has capability to, hold until maturity. Such investments are made of:

	30/09/2015	31/12/2014	01/01/2014
Bonos Tuya S.A. (a)	140,516	136,398	137,820
Other investments to hold until maturity (b)	-	4,810	503
Total	**140,516**	**141,208**	**138,323**

(a) Bonds issued by Compañía de Financiamiento Tuya S.A. as part of an agreement for advertisement shared with the Parent for the Éxito Card, with par value of $134,500, maturing in 10 years and yielding IPC + 2% plus the profit percentage under the agreement.

(b) Mainly relate to TIDIS (Tax reimbursement certificates) issued by the Ministry of Treasury and Public Credit, to enable the DIAN reimburse tax balances receivable to which taxpayers are entitled. Such certificates do not accrue any interests. Its profitability in the secondary market is determined as the difference between the purchase price and the nominal value, and by the term elapsed between the purchase date and the date they are used to pay for taxes; they are valid for one calendar year following date of issue.

(4) Derivative financial instruments reflect the fair value of forward agreements to cover the fluctuation in the exchange rates of liabilities. Reasonable values of these instruments are determined using valuation models, commonly used by market participants.

(5) Financial assets measured at fair value with changes in other comprehensive income are equity investments not held for negotiation. The fair value of such investments is determined as reference to the prices listed in active markets if Companies are listed; in all other cases, the investments are measured at the attributed cost as determined in the opening balance, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants might generate higher costs than the value of benefits. The fair value on each date of presentation is:

	30/09/2015	31/12/2014	01/01/2014
Fogansa S.A.	798	798	798
Other minor equity investments	231	232	237
Cnova (a)	-	8,663	-
Automercados de la Salud SA Panama (b)	-	-	-
Total	**1,029**	**9,693**	**1,035**

(a) CNova is a subsidiary of Companhia Brasileira de Distribuição – CBD; consequently, up to 31 August 2015, date of the business combination, the investment in Cnova was classified as a financial instrument measured at fair value with changes in other comprehensive income; however, as from such date, it is classified as an investment in a subsidiary (See note 4 Business combinations).

(b) The fair value of Automercados de la Salud S.A. Panama is estimated at zero, given that the probability of recovering resources invested is very low.

Below is a detail of the interest in and activities of each investment:

Investment	Economic activity	Type of share	Number of shares 30/09/2015	Number of shares 31/12/2014	Number of shares 01/01/2014	% interest in the subscribed capital 30/09/2015	% interest in the subscribed capital 31/12/2014	% interest in the subscribed capital 01/01/2014
Fogansa S.A.	Cattle rising	Common	500.000	500.000	500,000	0.82	0.82	0.82
Automercados de la Salud S.A. Panamá	Trade	Common	20.000	20.000	20,000	20.00	20.00	20.00

(6) Include investments in debt securities of Fondo Valorar Futuro to manage liquidity, which are measured at fair value based on the Fondo's unit value. Changes in fair value are recognized as revenue or expense in the statement of profit or loss.

10. Non-current assets held for sale

10.1. Non-current assets held for sale Companhia Brasileira de Distribuição – CBD

The subsidiaries of Companhia Brasileira de Distribuição CBD, Via Varejo S.A. (“Via Varejo”) and Casa Bahia Comercial Ltda. ("CB"), and the Consejo Administrativo de Defensa Económica ("CADE") entered into a Profitability Commitment Agreement ("PCA" to approve the Association Agreement executed between CBD and CB on 4 December 2009 and amended on 1 July 2010. As the main purpose of the PCA, Via Varejo was committed to sell 74 stores located in 54 municipalities over six states and in the Federal District of the Republic of Brazil.

Out of 74 stores, 32 were not sold. Consequently, pursuant to the PCA such stores had to suspend their activities between May and June 2014, and pay a fine of R $12 million. In accordance with the CADE authorization, on November 2014, after 6 months of closing, 16 stores were reopened pursuant to the PCA.

The remaining 42 stores were negotiated between October 2013 and January 2014, through direct sales to other companies and open auction. Those sales were duly authorized by the CADE. Out of these 42 stores, 19 were not sold given that the negotiations between some acquirers and building owners were not successful, resulting in Via Varejo's recognition of a fine payable to CADE in amount of R $ 7 million, and loss in fixed assets for R $ 7 million. Out of total stores, 4 were closed and 15 will close during the forthcoming months.

The final stage of the PCA is the transfer of 11 stores that generate a gain of R $ 8 million in the statement of profit or loss for 2015.

The sale of the 12 remaining stores is still in process of negotiation. This process has been supervised by CADE, which has been monitoring the fulfillment of the agreement.

10.2. Parent's non-current assets held for sale

As a result of the agreements entered into with Comercializadora Giraldo y Gómez y Cía. S.A. and after the endorsement of the Superintendence of Industry and Trade (SIC), the Parent acquired 19 trade establishments and the power to operate another 31, for a 5-year period, thus consolidating its leadership in the Valle del Cauca and Eje Cafetero regions. Out of these, 4 stores were put on condition by the SIC by means of Resolution

54416 of 12 Septiembre 2014, to be sold to a third party during the first quarter of 2015. (See note 4 Business combinations for more details on the purchase option of the 31 operated stores)

In accordance with the above, 2 of the stores acquired in 2014 and under condition, were classified as a group of assets held for sale, given that:

- The book value of these assets will be recovered through sale and not through the use thereof;
- The assets are available for sale in their current condition;
- Company management has started to take all actions required to complete the sale thereof in a period of less than one year, and
- The sale of the assets was mandated by a government supervisory body and approved by the Group's management.

These assets were recognized at fair value, and for such purpose the Parent conducted a valuation for the estimation of the fair value using the revenue approach, which rendered $6,739.

Both establishments of commerce were disposed of in February 2015, by means of a funded sale, resulting in a loss of $1,980 recognized in goodwill; the above, taking into consideration that the Group is in the period of measuring the business combination with Comercializadora Giraldo y Gómez y Cía. S.A.

11. Property, plant and equipment

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Buildings	2,074,433	875,809	850,950
Land	5,863,937	1,285,855	1,267,388
Machinery and equipment	1,712,397	383,446	344,095
Furniture and fixtures	768,044	220,672	212,739
Assets under construction	377,080	129,079	174,827
Premises	337,551	-	-
Improvements to third party properties	130,205	136,820	135,407
Vehicles	74,162	3,778	4,033
Other property, plant and equipment	181,873	77,417	54,775
Total	**11,519,682**	**3,112,876**	**3,044,214**

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The movement in property, plant and equipment is as follows:

	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party property	Vehicles	Other	Total
Cost										
Balance at 1 January 2014	**850,950**	**1,339,589**	**357,554**	**266,039**	**174,827**	**-**	**135,407**	**5,195**	**65,851**	**3,195,412**
Additions	24,653	11,312	56,026	17,677	234,032	-	15,453	572	28,754	388,479
Acquisitions via business combinations	-		6,936	1,520	-			-	237	8,693
Effect of exchange differences	4,937	32,978	2,591	(41)	10,874	-	-	408	5,511	57,258
Other changes	(4,731)	21,707	30,089	27,154	(290,654)	-	12,767	(1,472)	4,901	(200,239)
Balance at 31 December 2014	**875,809**	**1,405,586**	**453,196**	**312,349**	**129,079**	**-**	**163,627**	**4,703**	**105,254**	**3,449,603**
Acquisitions via business-Combinations	1,320,752	7,417,595	2,956,299	1,157,869	218,424	706,266	-	114,632	382,696	14,274,533
Additions	21,850	68,393	86,845	18,545	192,957	4,718	10,298	3,159	11,458	418,223
Increase (decrease) for transfer from (to) investment properties and/or between properties, plant and equipment	-	43,896	1,629	2,106	(50,204)	1,528		(320)	1,083	(282)
Effect of exchange differences	(87,350)	(532,211)	(215,317)	(70,171)	(11,431)	(51,234)	-	(8,727)	(22,443)	(998,884)
Other changes	(56,628)	(11,005)	(22,212)	13,646	(101,745)	(180)	10,092	(6,556)	2,867	(171,721)
Balance at 30 September 2015	**2,074,433**	**8,392,254**	**3,260,440**	**1,434,344**	**377,080**	**661,098**	**184,017**	**106,891**	**480,915**	**16,971,472**

Accumulated depreciation and impairment	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party property	Vehicles	Other	Total
Balance at 1 January 2014	**-**	**72,201**	**13,459**	**53,300**	**-**	**-**	**-**	**1,162**	**11,076**	**151,198**
Depreciation expense/cost	-	22,851	45,955	29,060	-	-	24,483	929	13,256	136,534
Effect of exchange difference	-	16,613	4,814	6,597	-	-	-	(52)	2,180	30,152
Other changes	-	8,066	5,522	2,720	-	-	2,324	(1,114)	1,325	18,843
Balance at 31 December 2014	**-**	**119.731**	**69.750**	**91.677**	**-**	**-**	**26.807**	**925**	**27.837**	**336.727**
Acquisitions via business combinations	-	2,427,462	1,480,002	550,179	-	345,243	-	32,727	254,661	5,090,274
Depreciation expense/cost	-	136,342	98,515	52,189	-	2,777	25,057	1,266	30,580	346,726
Effect of exchange difference	-	(155,400)	(105,728)	(28,373)	-	(24,467)	1,745	(2,405)	(14,257)	(328,885)
Other changes	-	182	5,504	628	-	(6)	203	216	221	6,948
Balance at 30 September 2015	**-**	**2,528,317**	**1,548,043**	**666,300**	**-**	**323,547**	**53,812**	**32,729**	**299,042**	**5,451,790**

Construction in progress include advance payments to contractors in amount of $12,342 (31 December 2014 $1,370 and 1 January 2014 $502).

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

There are no limitations or liens imposed on property, plant and equipment that limit realization or negotiability thereof.

For the periods reported, the Group has no commitments to acquire, construct or develop property, plant and equipment, nor does it have revenue arising from third party compensation on account of assets damaged or lost.

12. Investment property

The Group's investment properties are business premises and plots of land held to generate income from lease activities or future appreciation of the price thereof. Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Land	218,467	152,954	162,062
Buildings	622,579	494,737	375,853
Total	**841,046**	**647,691**	**537,915**

The movement in investment propert is as follows:

	Land	Buildings
Cost		
Balance at 1 January 2014	**162,062**	**375,853**
Additions		11,547
Dispositions	(9,108)	(23,968)
Other changes		142,777
Balance at 31 December 2014	**152,954**	**506,209**
Additions	63,506	30,969
Additions from business combinations	10,846	100,408
Transfer to/from property, plant and equipment	-	32,490
Transfers to/from inventories	(8,275)	-
Effect of exchange differences	(564)	(1,824)
Other changes	-	32,924
Balance at 30 September 2015	**218,467**	**701,176**

Accumulated depreciation and impairment	Buildings
Balance at 1 January 2014	-
Depreciation expense	12,133
Dispositions	(661)
Balance at 31 December 2014	**11,472**
Depreciation expense	41,286
Additions from business combinations	26,052
Effect of exchange difference	(213)
Balance at 30 September 2015	**78,597**

During the periods reported in these consolidated financial statements there was no impairment of investment property.

There are no limitations or liens imposed on investment property that limit realization or negotiability thereof. For the periods reported in these consolidated financial statements, the Group has no commitments to acquire, construct or develop investment properties, or to repair, maintain or improve investment property, nor does it have revenue from compensations received from third parties for damages or lost assets.

13. Goodwill

The movements in Goodwill are as follows:

Balance at 1 January 2014	**1,391,543**
Additions from business combinations	179,892
Effect of exchange differences	20,698
Balance at 31 December 2014	**1,592,133**
Additions from business combinations	5,534,877
Effect of exchange differences	(137,878)
Other changes	(73,178)
Balance at 30 September 2015	**6,915,954**

Goodwill relates to the following business combinations:

	30/09/2015	31/12/2014	01/01/2014
Companhia Brasileira de Distribuição – CBD (1)	3,012,341		
Libertad S.A. (1)	645,886	-	-
Spice Investment Mercosur (Uruguay) S.A. (2)	1,835,050	534,495	513,797
Carulla Vivero S.A. (3)	827,420	827,420	827,420
Super Inter (4)	422,232	179,412	-
Cafam	122,219	-	-
Other	50,806	50,806	50,326
Total	**6,915,954**	**1,592,133**	**1,391,543**

(1) Refers to the business combination carried out in August 2015 to acquire the operations in Brazil and Argentina through the Spanish company Onper Investment L.S. The values of net assets acquired are provisional (See note 4 Business combinations).

(2) Refers to the business combination carried out in 2011 with the acquisition of the Uruguayan company Spice Investments Mercosur S.A. The value represents the cost attributed in the opening balance sheet, in exercise of the exemption of not to restate business combinations. Additionally, it includes the goodwill of the goodwill recognized by Spice in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1. (See Note 29 First-time adoption) It also includes the business combination with Grupo Disco del Uruguay, resulting from acquisition of control at 1 January 2015 (See note 4 Business combinations)

(3) Refers to the business combination carried out by the Parent company in the acquisition of Carulla Vivero. S.A. The value is the cost attributable in the opening balance in exercise of the exemption of not to restate business combinations. (See Note 29 First-time adoption)

(4) Represents the acquisition of 48 business establishments under the banner Super Inter, of which 19 were acquired at the end of 2014 and the remaining 29 in April 2015. Additionally, includes the acquisition of 7 business establishments between 23 February 2015 and 24 June 2015. (See note 4 Business combinations and Note 10 Non-current assets held for sale).

During the periods reported in these consolidated financial statements there was no impairment of Goodwill.

14. Intangible assets other than Goodwill

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Trademarks (1)	1,775,409	17,427	17,427
Computer software	1,053,639	48,269	35,882
Rights (2)	634,179	-	-
Contracts under advantageous condition	59,793	-	-
Other	74,155	16,374	26,520
Total	**3,597,175**	**82,070**	**79,829**

The movement of intangible assets is as follows:

	Trademarks (1)	Computer software	Rights (2)	Intangible assets related with customers	Contracts under advantageous conditions	Other	Total
Cost							
Balance at 1 January 2014	**17,427**	**40,337**	**27,824**	**-**	**-**	**-**	**85,588**
Additions	-	37,005	4,499	-	-	-	41,504
Effect of exchange differences	-	409	-	-	-	-	409
Other changes	-	(7,179)	(13,580)	-	-	-	(20,759)
Balance at 31 December 2014	**17,427**	**70,572**	**18,743**	**-**	**-**	**-**	**106,742**
Acquisitions via business-combinations	1,915,623	1,734,184	771,198	28,633	248,540	105,707	4,803,885
Additions	492	47,097	-	-	-	4,453	52,042
Effect of exchange difference	(140,936)	(65,089)	(53,785)	(3)	(5,294)	1,009	(264,098)
Other changes	(16,986)	6,865	(11,364)	-	-	(21,315)	(42,800)
Balance at 30 September 2015	**1,775,620**	**1,793,629**	**724,792**	**28,630**	**243,246**	**89,854**	**4,655,771**

	Trademarks (1)	Computer software	Rights (2)	Intangible assets related with customers	Contracts under advantageous conditions	Other	Total
Accumulated depreciation and impairment							
Balance at 1 January 2014	**-**	**4,455**	**1,304**	**-**	**-**	**-**	**5,759**
Amortization expense/cost	-	17,372	1,065	-	-	-	18,437
Effect of exchange difference	-	400	-	-	-	-	400
Other changes	-	76	-	-	-	-	76
Balance at 31 December 2014	**-**	**22,303**	**2,369**	**-**	**-**	**-**	**24,672**
Acquisitions via business-combinations	22	678,921	81,800	28,633	181,594	13,965	984,935
Amortization expense/cost	189	40,380	6,444	-	1,859	1,733	50,605
Effect of exchange difference	-	(1,808)	-	(3)	-	1	(1,810)
Other changes	-	194	-	-	-	-	194
Balance at 30 September 2015	**211**	**739,990**	**90,613**	**28,630**	**183,453**	**15,699**	**1,058,596**

(1) Trademarks relate to:

a) Companhia Brasileira de Distribuição - CBD trademarks at 30 September in amount of $1,662,828 (R $2,121 million), which are allocated by business segments as follows:

- Wholesale at the "ASSAÍ" stores in the Food segment in amount of $30,294 (R $39 million);
- Sale of household appliances at "Ponto Frio" and "Casas Bahia" stores, in the Non-Food segment, in amount of de $ 1,615,879 (R $2,061 million); and
- e-commerce, which includes the following websites: www.pontofrio.com.br, www.extra.com.br, www.casasbahia.com.br, www.barateiro.com.br, www.partiuviagens.com.br y www.cdiscount.com.br in the e-commerce segment, in amount of $16,655 (R $21 million).

b) The remaining trademarks belong to the Parent company and are: Surtimax in amount of $17,427 received with the merger of Carulla Vivero S.A., and Super Inter in amount of $95,121 acquired in the business combination with Comercializadora Giraldo Gómez y Cía S.A. (See note 4 Business combinations).

(2) Rights relate to:

a) Rights of Companhia Brasileira de Distribuição - CBD at 30 September in amount of $633,581 (R $808 million). Of this amount, $121,724 (R $155 million) are rights under extended warranties and the balance represents commercial rights allocated as follows, by segment:

- Rights of "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Supermercado", "Minimercado Extra", "Posto Extra", "Drogaria Extra" and "GPA Malls & Properties" stores, which belong to the Food segment, in amount of $37,454 (R $48 million);
- of the Non-Food segment in amount of $477,548 (R $5741 million); and
- of wholesale at the "ASSAÍ" stores also in the Food segment in amount of $26,854 (R $34 million);

b) Other Parent's rights in amount of $598.

For the periods reported in these consolidated financial statements, the Group does not have any commitments to acquire or develop intangible assets; also, such assets were not impaired.

15. Investments accounted for using the equity method

The Group holds interests in the following associated companies and joint ventures, which are measured using the equity method:

Associated with significant interest	Main place of business of the associated company	Classification	Direct interest at 30 September 2015	Nature of relationship with the associated company:
Financeira Itaú CBD – FIC	Brazil	Associated company	41.93%	Financing company of Companhia Brasileira de Distribuição – CBD, manages the group's credit card.
Banco Investcred Unibanco S.A. (“BINV”)	Brazil	Associated company	21.67%	Financing company of Companhia Brasileira de Distribuição – CBD, manages the group's credit card.
FIC Promotora de Vendas Ltda.	Brazil	Associated company	41.93%	Financing company of Companhia Brasileira de Companhia Brasileira de Distribuição – CBD, manages the group's credit card.
Other investments	Colombia	Joint venture	20% - 50%	

In its interim condensed consolidated financial statements, the Parent applies the equity method to all investments in associated companies and joint ventures, which have the following movements for the reported periods:

	Grupo Disco Uruguay	C-Discount Colombia S.A.S.	FIC *	BINV	other investments	Total
Balance at 1 January 2014	**990,290**	**-**	**-**	**-**	**6,563**	**996,853**
Acquisitions	-	19,818	-	-	2,180	21,998
Derecognitions	-	(4,064)	-	-	-	(4,064)
Valuation equity method	67,318	(6,688)	-	-	(284)	60,346
Reimbursement of capital	-	-	-	-	(2,446)	(2,446)
Distribution of dividends	(18,659)	-	-	-	-	(18,659)
Translation difference	(1,871)	-	-	-	-	(1,871)
Balance at 31 December 2014	**1,037,078**	**9,066**	**-**	**-**	**6,013**	**1,052,157**
Acquisitions	-	-	-	-	907	907
Acquisition from business combinations	-	-	383,316	17,017	381	400,714
Derecognitions	-	-	-	-	(399)	(399)
Valuation equity method	-	(8,871)	5,969	-	(1,661)	(4,563)
Transfers from business combinations	(1,037,078)	(195)	-	-	(1,413)	(1,038,686)
Translation difference	-	-	(30,345)	(1,347)	776	(30,916)
Balance at 30 September 2015	**0**	**0**	**358,940**	**15,670**	**4,604**	**379,214**

* Relates to the movement of investment in associated Financeira Itaú CBD S/A Crédito, Financiamento e Investimento (“FIC”) andFIC Promotora de Vendas Ltda.("FIC PROMOTORA").

The joint ventures or associated companies are not restricted to transfer funds to the entity in the form of cash dividends, or reimbursement of loans or advance payments made by the entity. Additionally, the Group does not have contingent liabilities incurred in relation with its interests in joint ventures or associated companies, nor has the Group acquired commitments with associated companies and joint ventures.

16. Financial liabilities

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Local currency Current			
Bank overdrafts (1)	-	53	95,150
Bank loans (2)	524,134	1,376	45
Financial leases	99	1,715	-
Total financial liabilities in local currency - current	**524,233**	**3,144**	**95,195**
Non-current			
Bank loans (2)	2,743,714	-	-
Financial leases	1149	35,286	4996
Total financial liabilities in local currency –non current	**2,744,863**	**35,286**	**4996**
Total financial liabilities in local currency	**3,269,096**	**38,43**	**100,191**
Foreign currency Current			
Loans for working capital (3)	2,326,059	-	-
Put option (4)	298,392	-	-
Loans with BNDES	76,036	-	-
Financial leases	37,129	3,699	-
Other financial liabilities	30,656	-	-
Letters of credit	16,754	1,074	3,445
Sale of receivables	16,317	-	-
Bank loans (2)	3,735	-	-
Total financial liabilities in foreign currency- current	**2,805,078**	**4,773**	**3,445**
Non-current			
Loans for working capital (3)	2,841,432	-	-
Loans with BNDES	60,091	-	-
Financial leases	200,022	1,13	-
Other financial liabilities	41,736	-	-
Bank loans (2)	1,243,462	-	-
	4,386,743	**1,13**	**-**
Total financial liabilities in foreign currency	**7,191,821**	**5,903**	**3,445**
Total financial liabilities	**10,460,917**	**44,333**	**103,636**
Current	**3,329,311**	**7,917**	**98,64**
Non-current	**7,131,606**	**36,416**	**4,996**

(1) Bank overdrafts mainly arise from checks drafted and not collected.

(2) In August 2015, the Group 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) for the acquisition of the operations in Brazil and Argentina through the Spanish company Onper Investment S.L. Such credits are measured at amortized cost using the effective interest rate method, where transaction costs are included in amount of $14,332.

Under both agreements, the Company 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 Company complies with the occurrence index, measured with the latest financial statements separately released by the Parent company, among other. (See note 28 Net financial debt).

(3) Loans for working capital were acquired by Companhia Brasileira de Distribuição - CBD, of which short-term $1,688,327 (R $2,154 million) and long-term $95,588 (R $122 million) represent loans for the CDCI operations (Crédito Direto ao Consumidor por Interveniência).

For loans supporting the CDCI transactions, the Group applies the same accounting treatment as that used by Companhia Brasileira de Distribuição – CBD pursuant to Brazilian accounting regulations.

The Group is in the process of analyzing this transactions under IFRS applicable in Colombia for its financial statements report as of the closing of 31 December 2015.

(4) The Group is party to a put option agreement with the holders of non-controlling investment in Grupo Disco del Uruguay, through its Parent company. The price of exercise of the option is based on a previously determined formula, and can be exercised at any time. The current option for the period ended 30 September 2015 is measured at fair value.

17. Other provisions

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Provision for legal proceedings	716,841	35,060	24,357
Provision for taxes other than income tax	425,681	10,412	10,166
Restructuring provision	16,155	14,500	-
Other provisions	27,993	4,037	145
Total	**1,186,670**	**64,009**	**34,668**
Current portion	**80,847**	**50,796**	**34,668**
Non-current portion	**1,105,823**	**13,213**	**-**

The movement of each provision is as follows:

	Provision for legal proceedings	Provision for taxes other than income tax	Restructuring provision	Other provisions	Total
Balance at 1 January 2014	**24,357**	**10,166**		**145**	**34,668**
Increase	16,031	286	14,500	4,037	34,854
Uses	(5,328)	(40)	-	(145)	(5,513)
Balance at 31 December 2014	**35,060**	**10,412**	**14,500**	**4,037**	**64,009**
Acquisition from business combination	714,808	455,056	13,966	4,755	1,188,585
Increase	48,109	6,969	7,985	43,312	106,375
Uses	(28,594)	(3,096)	(18,778)	(2,000)	(52,468)
Reversals (not used)	(16,910)	(10,163)	(432)	(22,066)	(49,571)
Increase from the passing of time	14,174	2,930	-	-	17,104
Effect of exchange difference	(53,029)	(34,701)	(1,086)	(45)	(88,861)
Other changes	3,223	(1,726)	-	-	1,497
Balance at 30 September 2015	**716,841**	**425,681**	**16,155**	**27,993**	**1,186,670**

The above provisions are made of:

Provision for legal proceedings

The provision for legal proceedings is recognized to cover estimated probable losses from labor and civil proceedings brought against the Group, and is calculated based on the best estimation of the outflow of resources required to settle the obligations at the date of preparation of the financial statements, and is discounted a present value wherever the effect is material. At Companhia Brasilerira de Distribuição CBD, labor claims are indexed at the reference interest rate ("TR" - Taxa Referencial de Juros) of 1.25% accumulated at 30 September 2015, plus 1% monthly interests.

Provision for taxes other than income tax

The provisions for taxes other than income tax relate to: Industry and Trade Tax, and supplementary ads and boards tax, real estate tax and other taxes. For Companhia Brasileira de Distribuição CBD, tax proceedings are subject to monthly monetary adjustment, in accordance with indexed rates applied at each tax jurisdiction; additionally, provisions are recorded for interests and fines on outstanding balances. Also, provisions are recorded for sales tax, taxes on the movement of goods and services.

Restructuring provision

At the Parent, these provisions relate to restructuring processes in stores and distribution centers. This provision is estimated based on the outflow of resources associated to the restructuring plan. The process was informed to the Parent's employees. The restructuring provision was recognized in the statement of profit or loss as other expenses.

For Companhia Brasileira de Distribuição - CBD, it relates to the amount of indemnifications to be paid to senior management and employees arising from a restructuring plan implemented by the subsidiary.

Other provisions

Other provisions mainly refer to liabilities to third parties from the rendering of services attached to business combinations carried out during the period reported in these consolidated financial statements.

The following are the estimated payments of the provisions payable by the Group as of 30 September 2015:

	Provision for legal proceedings	Provision for taxes other than income tax	Restructuring provision	Other Provisions	Total
In the next 12 months	29,154	11,090	16,155	24,448	80,847
From 2 to 5 years	14,102			3,545	17,647
More than 10 years	673,585	414,591	-		1,088,176
Total estimated payments	**716,841**	**425,681**	**16,155**	**27,993**	**1,186,670**

18. Trade payables and other accounts payable

Suppliers and accounts payable do not accrue interests and the average payment term thereof goes from 45 to 60 days, which are deemed within ordinary negotiation conditions. The detail of such liabilities is as follows:

	30/09/2015	31/12/2014	01/01/2014
Current			
Foreign suppliers	8,659,690	245,000	138,015
Domestic suppliers	1,331,059	1,916,905	1,528,604
Short-term employee benefits	908,456	110,960	91,936
Costs and expenses payable	411,858	295,461	251,236
Dividends payable (a)	60,262	32,194	40,333
Other	779,583	58,122	3,441
Total current accounts payable	**12,150,908**	**2,658,642**	**2,053,565**
Non-current			
Other	11,183	573	488
Total non-current accounts payable	**11,183**	**573**	**488**
Total accounts payable	**12,162,091**	**2,659,215**	**2,054,053**

(a) The Parent's General Ordinary Meeting of Shareholders held on 17 March 2015, declared a dividend of 145.23 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 at 30 September 2015 amounted to $189,328 equivalent to $277.82 per share; at 30 September 2014 they amounted to $178,173, equivalent to $398.06 per share.

During the year, the Group has not defaulted the payment of its financial liabilities.

19. Other financial liabilities

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Bonds issued (1)	1,703,921	152,441	152,108
Derivative financial instruments (2)	1,359	5,644	-
Total	**1,705,280**	**158,085**	**152,108**
Current portion	**1,001,980**	**158,085**	**14,409**
Non-current portion	**703,300**	**-**	**137,699**

(1) Bonds issued include:

Issue of bonds Companhia Brasileira de Distribuição

Represent bonds issued by Companhia Brasileira de Distribuição and its subsidiaries in Brazilian reals, with the following characteristics:

CONDITIONS	11th ISSUE - CBD	12th ISSUE - CBD
AUTHORIZED AMOUNT (MILLIONS OF BRAZILIAN REALS)	1,200,000	900,000
AMOUNT OUTSTANDING AT 30 SEPTEMBER 2005	120,000	900,000
UNIT PRICE	10,594	1,007
DATE OF ISSUE	2-May-2012	12-Sep-2014
MATURITY	2-Nov-2015	12-Sep-2019
INTEREST	CDI + 1%	107.00% of CDI (*)

(*) Interbank Deposit Certificate (CDI) Rate

Issue of Carulla Vivero S.A. bonds

By means of Resolution 0335 of 27 April 2005, the Superintendence of Securities (currently Colombian Financial Superintendence) authorized Carulla Vivero S.A. (a company merged into Almacenes Éxito in 2010) to issue bonds with the following characteristics:

CONDITIONS	
AUTHORIZED AMOUNT:	$150,000
AMOUNT PLACED AT 31 MAY 2005:	$150,000
PAR VALUE	$10
PAYMENT TERMS:	Upon maturity
MATURITY	5-May-2015
GENERAL PARTNER:	Depósito Centralizado de Valores de Colombia S.A. – DECEVAL S.A
INTEREST	IPC + 7.5%

The General Meeting of bond holders of Carulla Vivero held on 18 June 2010 in Bogotá, approved the change of the issuer of the bonds to Parent's name. In accordance with the maturity date, these bonds were fully paid on 5 May 2015.

(2) Financial instruments reflect the fair value of forward agreements designated to cover the fluctuation in the exchange rates of investments and liabilities. The fair values of these investments are estimated using valuation models commonly used by market participants who use variables other than prices quoted, directly

or indirectly perceptible for assets or liabilities. In the balance of financial position the Group measures the derivative financial instruments (forward) at fair value, on each accounting closing date.

20. Other non-financial liabilities

Book balances are made as follows:

	30/09/2015	31/12/2014	01/01/2014
Current			
Collections received on behalf of third parties (1)	261,214	36,883	42,320
Customer loyalty programs (2)	78,227	37,784	25,814
Withholdings payable	10	33	111
Advance payments lease agreements and other projects (3)	7,644	1,191	4,252
Revenues received in advance (4)	362,211	1,743	723
Installments received "plan resérvalo"	1,800	1,727	1,857
Total other current non-financial liabilities	**711,106**	**79,361**	**75,077**
Non-current			
Other liabilities (5)	579,842	51,588	53,688
Total other non-current non-financial liabilities	**579,842**	**51,588**	**53,688**
Total other non-financial liabilities	**1,290, 948**	**130,949**	**128,765**

(1) At 30 September 2015, mainly represent collections on behalf of third parties on account of public utilities for Companhia Brasileira de Distribuição – CBD.

(2) Represents the customer loyalty programs called “Puntos Éxito”, “Supercliente CARULLA”, the “Hipermillas” program of Supermercados Devoto, “Tarjeta Más” of Supermercados Disco de Uruguay S.A. and point programs of Companhia Brasileira de Distribuição – CBD, with the following balances and relevant effect on income:

Book value	**30/09/2015**	**31/12/2014**	**01/01/2014**
Puntos Éxito and Carulla program	32,904	31,039	19,399
Hipermillas program and Tarjeta Mas	18,621	6,745	6,415
Extra and Pao Açucar points program	26,702	-	-
Total	**78,227**	**37,784**	**25,814**

Net effect on income	**From 01/01/2015 to 30/09/2015**	**From 01/01/2014 to 30/09/2014**	**From 01/07/2015 to 30/09/2015**	**From 01/07/2014 to 30/09/2014**
Revenue Puntos Éxito and Carulla program	1,864	10,675	539	1,429
Revenue Hipermillas program and Tarjeta Mas	9,390	(89)	36	(122)
Revenue Extra and Pao Açucar points program	13,402	-	-	-
Total	**24,656**	**10,586**	**575**	**1,307**

(3) At 30 September includes advance payments on lease agreements in amount of $4,230 (31 December 2014 $964, 01 January 2014 $3,423) and other advance payments in amount of $3,414 (31 December 2014 $227 and 01 January 2014 $4,084).

(4) The Group has deferred income from miscellaneous transactions from which it receives cash when the conditions for the recognition of revenue have not been met yet, such as cash received at the beginning in the issue of lease agreements on the Group's Investment Properties, extended warranties and lease of other types of assets. The deferred revenue will be later taken to income on an accrual basis and wherever the commercial and contract conditions are met.

21. Equity

The Parent's authorized capital is represented in 530,000,000 common shares with par value of $10(*) each; subscribed and paid-in capital amounts to $4,482 at 30 September 2015 and 31 December 2014. The number of outstanding shares is 447,604,316 and the number of own repurchased shares is 635,835 with value of $2,735 on the same reporting dates.

The rights attached to the shares are voting rights per each share. No privileges have been granted on the shares, nor are they restricted in any way. Additionally, there are no put contracts on the Group's shares.

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to $4,843,466 at 30 September 2015, 31 December 2014 and 1 January 2014. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the Company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in thousands of Colombian pesos

22. Operation segments

For organizational and management purposes, the Group is focused on eight fragmented operating segments. 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 by the Group in the framework of IFRS 8.

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 BTB 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.

Other countries (Argentina and Uruguay): The most significant products and services for this segment come solely from retail trading activities. In Argentina with stores under the banner Libertad and Mini Libertad, and in Uruguay with stores under the banner Disco, Devoto and Géant.

The accounting policies of segments being reported are the same as the Group's accounting policies described in note 2.

The Group 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.

Sales by segment for the nine-month and three-month periods ended on 30 September 2015 and 2015:

	YTD		Quarter	
Sales	**From 01/01/2015 to 30/09/2015**	**From 01/01/2014 to 30/09/2014**	**From 01/07/2015 to 30/09/2015**	**From 01/07/2014 to 30/09/2014**
Éxito	4,933,032	4,993,720	1,606,034	1,600,520
Carulla	1,077,962	1,059,700	368,105	361,749
Discount	1,145,121	497,075	389,921	168,947
B2B	168,666	103,750	51,513	45,042
Food	2,268,400	-	2,268,400	-
Non Food	956,907	-	956,907	-
E-Commerce	693,190	-	693,190	-
Other countries (*)	1,650,988	456,811	684,866	139,301
Total sales	**12,894,266**	**7,111,056**	**7,018,936**	**2,315,559**
Eliminations(**)	(1,578)	-	(1,578)	-
Total consolidated	**12,892,688**	**7,111,056**	**7,017,358**	**2,315,559**

(*) Refers to Argentina and Uruguay

(**) Refers to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements to obtain the Group's balances.

Sales and recurring operating income (ROI) by geographic area relate to

YTD 2015	From 01/01/2015 to 30/09/2015					
	Colombia	Brazil	Other countries (*)	Total	Eliminations(**)	Total consolidated
Sales	7,324,781	3,918,497	1,650,988	12,894,266	(1,578)	12,892,688
ROI	337,950	187,545	97,241	622,736	-	622,736

YTD 2014	From 01/01/2014 to 30/09/2014					
	Colombia	Brazil	Other countries (*)	Total	Eliminations(**)	Total consolidated
Sales	6,654,245	-	456,811	7,111,056	-	7,111,056
ROI	351,093	-	20,772	371,865	-	371,865

Quarter 2015	From 01/07/2015 to 30/09/2015					
	Colombia	Brazil	Other countries (*)	Total	Eliminations(**)	Total consolidated
Sales	2,415,573	3,918,497	684,866	7,018,936	(1,578)	7,017,358
ROI	130,586	187,545	30,047	348,178	-	348,178

Quarter 2014	From 01/07/2014 to 30/09/2014					
	Colombia	Brazil	Other countries (*)	Total	Eliminations(**)	Total consolidated
Sales	2,176,258	-	139,301	2,315,559	-	2,315,559
ROI	130,058	-	4,628	134,686	-	134,686

(*) Refers to Argentina and Uruguay
(**) Refers to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements to obtain the Group's balances.

23. Profits per share

Profits per share are basic and diluted; the purpose of basic profits is to give a measure of the participation of each common share of the controlling entity in the Group's performance during the reported periods. The purpose of diluted profits is to give a measure of the participation of each common share in the performance of the Group taking into consideration the dilutive effect (decrease in profits or increase in losses) of outstanding potential common shares during the period.

The Group has not carried out transactions with potential common shares for the reported periods or after the closing date and the date of release of these financial statements. Below is information regarding profits and number of shares used in the calculation of basic and diluted profits per share:

	YTD		Quarter	
	From 01/01/2015 to 30/09/2015	From 01/01/2014 to 30/09/2014	From 01/07/2015 to 30/09/2015	From 01/07/2014 to 30/09/2014
Net profit attributable to continued operations	377,923	306,377	148,222	114,372
Net profit attributable to the holders of common equity instruments of the controlling entity (basic and diluted)	**377,923**	**306,377**	**148,222**	**114,372**
Weighted average of the number of common shares attributable to the basic profit per share (basic and diluted)	**447,604,316**	**447,604,316**	**447,604,316**	**447,604,316**
Basic and diluted profit per share*	844.32	684.48	331.15	255.52

(*) Amounts expressed in Colombian pesos

24. Contingent assets and liabilities

24.1 Contingent assets

The Group's most significant contingent assets at 30 September 2015 represent: settlement of property revaluation $1,163 (2014 $1,163), industry and trade tax proceeding for 2005 in amount of $1,010 (2014 $1,010); proceeding seeking nullity of resolutions regarding inapplicable offsetting of income tax 2008 at Carulla Vivero S.A. $1,088,000 (2014 $1,088,000) and insurance claim against Seguros Generales Suramericana S.A in amount of $20,714 for loss of profits arising from the accident occurred at Éxito Valledupar las Flores.

Operations in Argentina and Brazil through Onper Investment S.L. do not present any contingent assets at 30 September 2015.

In accordance with applicable policies, such contingent assets, which nature is that of possible assets, are not recognized in the statement of financial position until realization of their income is virtually true; instead, they are disclosed in the notes to the financial statements.

24.2 Contingent liabilities

Companhia Brasileira de Distribuição - CBD has the following significant contingent assets at 30 September 2015, totaling $8.45 trillion (R $10,777 million)

- Brazilian National Social Security INSS; claim against the company for failure to collect the charges on the employee benefit payroll, among other, which possible loss amounts to $312,041 (R$ 398 million).

- Income tax, tax withholdings and contributions, among other: the subsidiary is facing a number of proceedings regarding tax offsetting, provision deductibility, recognition and payment, fines, among other. Cases are pending administrative and judicial trial. Such contingencies amount to $1.36 trillion (R $1,739 million)

- Sales tax, tax on purchases, tax on bank transactions and tax on industrial products (COFINS, PIS and CPMF and IPI): the subsidiary has been challenged for the offsetting of IPI credits (Inputs subject to zero rate or exempt), arising from differences in the recognition and payment of taxes, among other. Such contingencies amount to $1.19 trillion (R $1,524 million).

- Tax on movement of goods and services (ICMS): the subsidiary received service of notice from tax authorities regarding the following credits: i) electric power, ii) acquisitions from suppliers not registered before the Government's Treasury Secretariat, iii) reimbursement of tax substitution without due process of obligations assumed by CAT nº 17 of the State of São Paulo, iv) acquisition of goods (pursuant to section 271 of RICMS/SP), v) sales under extended warranty, vi) financed sales, and vii) other. Such contingencies amount to $4.67 trillion (R $5,955 million).

- Tax on services (ISS), Brazilian tax on property (IPTU), fees and other: relate to proceedings related with withholdings applied to third parties, differences in the recognition of IPTU, fines upon failure to comply such obligations, reimbursement of advertisement expenses and sundries taxes, in amount of
$314,393 (R $ 401 million).

- Other claims: relates to judicial and administrative proceedings upon the subsidiary's renewal of lease agreements and the setting of rental prices, brought by bodies protecting consumer rights, in amount of $595,857 (R $ 760 million).

Other Group companies do not have any contingent liabilities at 30 September 2015.

In accordance with applicable policies, such contingent assets, which nature is that of possible assets, are not recognized in the statement of financial position; they are disclosed in the notes to the financial statements.

25. Basis of translation

Assets and liabilities, as well as revenue and expenses in foreign currency, have been translated into Colombian pesos at the exchange rates in force on each closing date and average rage, as follows:

	Closing rates			Average rates	
Currency	30/09/2015	31/12/2014	01/01/2014	30/09/2015	30/09/2014
Uruguayan peso	107.35695	98.17637	89.93792	106.40031	81.20239
Brazilian real	784.0229	-	-	786.4165	-
Argentine peso	331.4619	-	-	327.5064	-

26. Events subsequent to the reporting period

On 29 October 2015 the Board of Companhia Brasileira de Distribuição – CBD, a Group's subsidiary, declared early dividends, based on the interim financial statements at 30 September 2015, in amount of $30,017 (R $38 million) at $117 pesos per preferred share (R $ 0.15) and $106 pesos (R $ 0.136365) per common share. (Equivalent in Colombian pesos, calculated at the exchange rate informed by the Colombian Central Bank, in force on 11 November 2015 - date of payment of dividends.

Company management is not aware of other subsequent events that may have a significant impact on the interim condensed consolidated financial statements.

27. Relevant events during the reporting period

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

During the quarter between 1 July 2015 and 30 September 2015, all corporate and legal requirements were complied with to acquire the shares representing 50% of the share capital of the French company Ségisor, which has indirect control over 99.99% of shares with voting rights in GPA, a company with main place of business in Brazil, in amount of USD $1,536 million, as well as 100% of the shares of Libertad, a company domiciled in Argentina, in amount of USD $292.6 million. For this purpose, on 18 August 2015 an extraordinary General Meeting of Shareholders was held, during which such transaction was approved and two credit agreements were entered into, one with Citibank and other with Colombian financial entities, in order to finance such acquisitions.

Loans for acquisition of control over Companhia Brasileira de Distribuição – CBD and Libertad S.A.

A credit agreement was entered into on 29 July 2015, granting availability to a credit facility in amount of 3,500,000,000,000 (three trillion five hundred billion Colombian pesos), using such facility as follows:

SHORT-TERM TRENCH

Creditor	Commitment	Proportion
Banco Davivienda S.A.	200,000,000,000	20%
Banco de Bogotá S.A.	287,348,000,000	28.74%
Banco de Occidente S.A.	85,711,000,000	8.57%
Banco Popular S.A	37,143,000,000	3.71%
Banco AV Villas S.A.	20,000,000,000	2.00%
Bancolombia S.A.	369,798,000,000	36.98%
Total	**1,000,000,000,000**	**100%**

LONG-TERM TRENCH

Creditor	Commitment	Proportion
Banco Davivienda S.A.	370,000,000,000	20%
Banco de Bogotá S.A.	532,800,000,000	28.80%
Banco de Occidente S.A.	158,545,000,000	9%
Banco Popular S.A	68,635,000,000	3.71%
Banco AV Villas S.A.	37,000,000,000	2%
Leasing Bancolombia S.A.	546,120,000,000	29.52%
Bancolombia S.A.	136,900,000,000	7%
Total	**1,850,000,000,000**	**100%**

REVOLVING TRENCH

Creditor	Commitment	Proportion
Banco Davivienda S.A.	80,000,000,000	20%
Banco de Bogotá S.A.	114,960,000,000	28.74%
Banco de Occidente S.A.	34,280,000,000	8.57%
Banco Popular S.A	14,840,000,000	3.71%
Banco AV Villas S.A.	8,000,000,000	2.00%
Bancolombia S.A.	147,920,000,000	36.98%
Total	**400,000,000,000**	**100%**

The banks mentioned appointed Fiduciaria Bancolombia S.A. as the administrative agent, who will coordinate compliance with the obligations under the agreement. On the same date, a credit agreement was entered into with Citibank N.A., granting a credit facility of USD $400,000,000 (Four hundred million US Dollars). The Company acquired the obligation in amount of total facility available. Citibank N.A. is the creditor and also acts as the administrative agent for such facility.

The obligations agreed upon under both agreements include compliance with a leverage financial index not to exceed 3.5x. Below is detailed information thereon:

Nature of limitation	Applicable financial statement	Date of calculation	Type of debt subject to limitation	Result of the index at 30 September 2015
Net Consolidated Financial Debt / Consolidated EBITDA < 3.5	Consolidated Financial Statement	Annually on 31 December	National syndicated credit: • Upon disbursement: COP$3.25 trillion. • At 30 September 2015 COP$3,267 trillion	1.4(*)
			"Bridge" credit in foreign currency: • Upon disbursement: COP$1.21 trillion. • At 30 September 2015 COP$1.24 trillion	

(*) (See note 28 Net financial debt)

Action seeking protection of fundamental rights (Acción de Tutela) arising from the acquisition of control of Companhia Brasileira de Distribuição – CBD and Libertad S.A.

On 4 September 2015, the Parent company answered to the Acción de Tutela brought by Alimentos Bonfiglio S.A.S. before the Second Municipal Civil Court of Yumbo, Valle del Cauca, seeking provisional suspension of the acquisition of the shares of Grupo Pao de Açúcar and Libertad S.A. As part of such proceeding, on 9 September 2015 the Second Municipal Civil Court of Yumbo, Valle del Cauca, ruled dismissing the request for tutela given that no fundamental rights had been infringed. However, on

7 October 2015, all proceeding was declared void and the dossier was sent back to the Second Municipal Civil Court of Yumbo to again process the request in first trial.

The Group and its external counsels are of the opinion that the action is inappropriate and irrelevant, given that it does not meet the requirements set forth in the Constitution, in the laws and in case-law and specially since no fundamental right has been infringed. In addition, the transaction has already been completed as reported under Relevant Information on 20 August 2015, which results in that the request of plaintiff is inappropriate. To that extent, the Group presented its opposition and has requested the Judge to reject the Acción de Tutela.

Damage to Almacén Éxito Las Flores in Valledupar

On 23 June 2015, Almacén Éxito Las Flores in Valledupar underwent serious structural damage caused by an act of God - gale - occurred in this city. Technical studies on the building were carried out subsequent to the event, reaching conclusion that the store needs to be rebuilt. Such rebuilding activity will require investment of 21 billion pesos approximately; reopening has been planned for the first half of 2016.

Currently the Group is in the process of supporting all items affected: fixed assets, inventories, loss of profits and extraordinary expenses.

Changes in administrative structure

The 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.

28. Net financial debt

In accordance with commitments acquired by the Parent company by virtue of loans obtained to gain control of Companhia Brasileira de Distribuição – CBD and Libertad S.A. (See note 27 Relevant events during the period), below is the calculation of the net financial debt at 30 September 2015:

	30/09/2015
Short-term liabilities	
Current financial liabilities (1)	3,329,311
Other current financial liabilities (2)	1,001,980
Other current financial assets (3)	(184,868)
Long-term liabilities	
Non-current financial liabilities (1)	7,131,606
Other non-current financial liabilities (2)	703,300
Other non-current financial assets (4)	(386,009)
Total gross liabilities	**11,595,320**
Cash and cash equivalents	(4,965,340)
Net debt	**6,629,980**
EBITDA proforma (*)	***4,658,242***
Net debt/EBITDA proforma (*)	1.4

(*) EBITDA proforma accrued for the last 12 months, considering subsidiaries acquired during 2015 as if such even had taken place back in October 2014.

The calculation of Grupo Éxito's net financial debt includes the balances in the following accounting accounts:

(1) Loans for CDCI (Crédito Direto ao Consumidor por Interveniência) acquired by Companhia Brasileira de Distribuição - CBD, of which $1,688,327 (R $2,154 million) are short-term and $95,588 (R $122 million) are long-term.

The Group is in the process of analyzing this transactions under IFRS applicable in Colombia for its financial statements report as of the closing of 31 December 2015.

(2) Represents liabilities arising from the valuation of financial derivatives held by the Group in amount of $1,359 and the accrued balance of the debt from bonds issued by Companhia Brasileira de Distribuição - CBD in amount of $1,000,621 for the current portion and $700,300 for the non-current portion.

(3) Represents rights arising from the valuation of financial derivatives held by the Group. The remaining balance in the accounting account as presented in the statement of financial position includes: $25,014 investments in foreign currency, classified pursuant to IFRS 9 as financial assets with changes in income.

(4) Represents rights arising from the valuation of financial derivatives held by the Group. The remaining balance in the accounting account as presented in the statement of financial position includes: $147,332 investments classified as financial assets and $801,673 deposits for judicial proceedings, corresponding to Companhia Brasileira de Distribuição - CBD.

29. First-time adoption

The Group prepared and presented its consolidated financial statements up to 31 December 2014 in compliance with Decree 2649 of 1993 and other rules applicable to the Group as issued by the Financial Superintendence.

Pursuant to legal regulations, the Group prepared the opening statement of financial position under IFRS at 1 January 2014, and that of the transition period at 31 December 2014. The interim condensed consolidated financial statements at 31 December 2015 will be the first consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), enacted in Colombia pursuant to Law 1314 of 2009 and applicable regulatory decrees, e.g. Decree 2784 of 2012 amended by Decree 3023 of 2013 and Decree 2615 of 2014, including International Financial Reporting Standard IAS 34 - Interim Financial Reporting, approved for Colombia pursuant to Decree 2784 of 2012 and the amendments thereto. Decree 2784 of 2012 and Decree 3023 of 2013 rule the preparation of financial statements based on the Standards (IFRS/IAS), Interpretations (IFRIC and SIC) and Conceptual Framework issued until 31 December 2012, published by the IASB in 2013.

The first-time adoption of IFRS requires the Group to apply standards and interpretations in force, on a retroactive basis. The above means going back to the time of first recognition of an item of assets, liabilities and equity, and adjust it to the IFRS requirements from such a time until the time of the opening statement of financial position. The standard prohibits retroactive application of certain standards and defines voluntary exemptions to such retroactivity principle.

The exemptions selected and exceptions applied by the Group on the date of transition to IFRS relate to:

Property, plant and equipment, and Investment property

- The cost attributable to real estate property will be the fair value, which is the value of the technical appraisal under IFRS on the date of transition.
- The cost attributable to movable assets will be the restated value, which is the latest technical appraisal carried out pursuant to Accounting Principles Generally Accepted in Colombia.

Intangible assets

- Fair value for trademarks
- Restatement of the cost of intangible assets to eliminate non-capitalizable outflows of resources pursuant to the IFRS.

Capitalization of costs from loans in suitable assets.

- Prospective application of IAS 23, which means capitalize the costs from loans in suitable assets as from the date of transition to the IFRS.

Business combinations, investments in associated companies and joint ventures in the consolidated financial statements and non-controlling interests.

- No restatement of business combinations and acquisitions carried out, on the date of transition to the IFRS, in the consolidated and individual financial statements for goodwill arising from mergers.
- For the subsidiaries, associated companies and joint ventures which adopted the IFRS prior to the Parent company, the measurement of assets and liabilities in the Group's consolidated financial statements will be the amounts in the books contained in the financial statements of subsidiary companies and joint ventures, after the relevant adjustments upon consolidation and application of the equity method.

Accumulated translation differences in the consolidated financial statements.

- No restatement of the accumulated translation differences in a foreign business. The above implies that the accumulated translation differences of foreign businesses will be deemed null on the date of transition to the IFRS.

Designation of previously recognized financial instruments.

- Financial instruments previously recognized under Accounting Principles Generally Accepted in Colombia will be classified on the date of transition to IFRS.

Measure at fair value of financial assets or financial liabilities in the initial recognition.

- Apply prospectively the requirements of IFRS 9 to transactions carried out as from the date of transition to the IFRS.

Derecognition of financial assets and liabilities

- Apply prospectively the requirements of IFRS 9 to derecognition of financial assets and liabilities as from the date of transition to the IFRS.

Embedded derivative instruments

- The analysis of separating an embedded derivative from the main contract, under the conditions existing on the latest of the following dates:
- The date on which the Group become a party to the contract.
- The date on which amendments were introduced to the contract, resulting in significant changes to contract flows.

Hedge accounting

- Not to reflect in the opening statement of financial position, the hedge relations that do not comply with the hedge accounting conditions set forth in IAS 39 Financial Instruments: recognition and measurement.
- Apply hedge accounting for derivatives designated as hedge instruments under Accounting Principles Generally Accepted in Colombia, which on the date of the opening statement of financial position comply with all hedge accounting requirements.

Embedded leases

- Not to assess again whether or not an agreement in force on the date of transition to IFRS contain an embedded lease, if such assessment was previously carried out by the Group under Accounting Principles Generally Accepted in Colombia.
- Assess whether or not an agreement in force on the date of transition to IFRS, not previously assessed under Accounting Principles Generally Accepted in Colombia, contain an embedded lease, under the conditions existing on the date of the opening balance sheet.

Below are the significant adjustments made upon transition of the consolidated financial statements prepared under Accounting Principles Generally Accepted in Colombia prior to IFRS:

Equity reconciliation

	Note	01/01/2014	31/12/2014
Equity local GAAP	**Note**	**7,860,630**	**8,159,057**
Changes in assets			
Other (decrease) in debtors	A	(500)	(495)
Adjustment to amortized cost of other financial assets	B	(630)	(16,323)
Adjustment to the fair value of financial assets	C	(127)	(4,502)
Other (decrease) in current assets	D	(64,924)	(75,698)
Adjustment from changes in the application or elimination of equity method in investments	E	39,668	(38,864)
Adjustment from measurement at cost attributable in property, plant and equipment	F	758,417	752,156
Adjustments from depreciation of property, plant and	F	-	150,940
Elimination of revaluation in property, plant and equipment	F	(1,311,642)	(1,347,320)
Elimination of deferred charges	G	5,850	7,009
Adjustment in the cost of intangible assets	H	146,640	186,303
Finance lease adjustment	I	207	2,316
Other assets	J	-	80,916
Total (decrease) in assets		**(427,041)**	**(303,562)**
Changes in liabilities			
Adjustment amortized cost in financial liabilities	K	(127)	159
Recognition or adjustment in provisions	L	16,520	15,561
Adjustment retirement pension liabilities	M	4,894	4,894
Adjustment other long-term employee benefit liabilities	M	26,081	27,130
Booking of credit deferred tax	N	13,977	84,670
Adjustment customer loyalty programs	O	-	11,652
Adjustment to tax on equity	P	(1,715)	(1,715)
Other liabilities	Q	(992)	(619)
Total increase in liabilities		**58,638**	**141,732**
Minority interest adjustment	R	228,789	267,625
Total equity increase		**228,789**	**267,625**
Total IFRS adjustments		**(256,890)**	**(177,669)**
IFRS equity value		**7,603,740**	**7,981,388**

Reconciliation of total comprehensive income

	Note	30/09/2014
Value of profits local GAAP (*)	**Note**	**280,717**
Adjustment to the amortized cost of other financial assets	B	(11,810)
Other (decrease) in current assets	D	(11,297)
Adjustment by measurement to cost attributable to property, plant and y equipment	F	194
Adjustment from depreciation of property, plant and equipment	F	123,743
Elimination of deferred assets	G	935
Financial lease adjustment	I	1,305
Other assets	J	3,999
Total increase in assets		**107,069**
Changes in liabilities		
Adjustment amortized cost in financial liabilities	K	1,967
Recognition or adjustment in provisions	L	(11,414)
Adjustment in long-term other employee benefit liabilities	M	3,391
Booking of credit deferred tax	N	72,282
Adjustment customer loyalty programs	O	5,930
Other liabilities	Q	1,124
Total increase in liabilities		**73,280**
Ajdjustment minority interest	R	(8,129)
Total (decrease) in equity		**(8,129)**
Total IFRS adjustments		**25,660**
Profit IFRS		**306,377**

Notes to equity reconciliation at 1 January 2014 and 31 December 2014 and comprehensive income for the period ended 30 September 2014 of local GAAP to IFRS.

Note A: Accounts receivable

According to IFRS, assets that do not generate future economic benefits are not recognized in the financial statements; in this respect, the Group analyzed the recoverability of advance payments and wrote off those not complying with the recognition criteria under IFRS.

Note B: Amortized cost of financial assets

Certain investments and accounts receivable were reclassified to amortized cost in accordance with existing conditions on the date of the opening balance sheet pursuant to the exemption of IFRS 1 elected by the Group, given that as part of its business model, Company management has the intention and the capability of collecting contract cash flows under the instrument.

In accordance with the above, and considering that to measure such financial instruments IFRS 1 does not set forth a voluntary exemption to ease the transition to IFRS, the Group carried the measurement of financial assets at amortized cost using the effective interest rate method on a retrospective basis, including loans at rates below market rates.

Note C: Fair value of financial assets
The adjustment recognized in equity includes:

- The application of requirements of IAS 39 on hedge accounting to derivatives designated as hedge instruments under local GAAP, which on the date of the opening balance sheet comply with hedge accounting requirements. Such hedge instruments were recognized at fair value, which is determined by a valuation technique commonly used by market participants.

- The measurement of investments at fair value with changes in other comprehensive income where the Group used the exemption of designating these financial instruments on the date of transition to IFRS on the grounds of events and circumstances existing on the date of transition to IFRS. The fair value of such investments is determined as reference to the prices listed in active markets if the instruments are listed in such markets; in all other cases, the fair value was measured at the book value under local GAAP, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants might generate higher costs than the value of benefits.

Note D: Other adjustments in current assets
Under IFRS, the cost of inventories includes all costs arising from acquisition and conversion, as well as other costs incurred to bring them to the current condition and location, net of trade discounts, rebates and the like. Under local GAAP, financial discounts and other discounts related with the purchase of inventories are recognized as revenue in the Group's statement of profit or loss. Resulting from the application of IFRS criteria to the opening balance sheet, the cost of inventories included discounts granted by suppliers in the acquisition of inventories.

Note E: Equity method in associated companies and joint ventures
The Group includes in its consolidated financial statements certain joint ventures, which had adopted the IFRS on a date prior to the date of the opening balance sheet. In accordance with the exemption under IFRS 1, the net assets of such joint ventures in the consolidated financial statements were recognized at the same book values included in the financial statements of the joint ventures under IFRS, after the adjustments from the application of the equity method pursuant to IAS 28 and the guidelines of the Financial Superintendence. The effect of applying such procedure was recognized in retained earnings.

Note F: Property, plant and equipment
On the date of the opening statement of financial position, the Group decided to measure the elements of investment property, plant and equipment under the following options, according to IFRS 1:

- The cost attributed of real estate property was determined based on its fair value on the date of transition, pursuant to IFRS 13 "Measurement at fair value", according to the estimation of an independent firm that used discounted cash flows as valuation technique.

- The cost attributed to movable assets was determined based on revalued GAAP, which corresponds to the latest technical appraisal carried out pursuant to Accounting Principles Generally Accepted in Colombia (COLGAAP) on the date of transition or on a previous date, and recalculate the depreciation from the date of the technical appraisal until the date of the opening balance sheet with the remaining technical useful life determined on the date of the appraisal.

- The cost attributed to real estate property not appraised at fair value and to other movable assets not included in the preceding paragraph, was determined based on the restated cost, which was established as the book value under local GAAP.

Note G: Deferred charges

Under local GAAP, goods or services received from which economic benefit is expected in future periods are recognized as deferred charges, and they are amortized over the time expected to use or receive such benefit. In accordance with recognition criteria under IAS 38 for intangible assets, the Group derecognized the deferred disbursements on account of advertisement and other concepts capitalized in improvement to third party property, which do not meet the definition of assets under IFRS.

Note H: Goodwill and intangible assets other than goodwill

Under local GAAP, goodwill recognized in subsidiaries in Uruguay were amortized as part of the process of standardization of accounting policies. According to the options offered by IFRS 1, the balances of assets and liabilities in the consolidated financial statements of subsidiaries that adopted IFRS earlier than the Parent company, may be recognized at the same book values as they appear in the financial statements of the subsidiary, after consolidation adjustments; the above, implied the reversal of the amortization of goodwill of the Uruguayan subsidiary, which is not amortized by the affiliated since its adoption of IFRS, and the inclusion of inflation adjustments for such goodwill by the affiliated in its first-time adoption balance sheet on 1 January 2012.

For the trademark Surtimax, received upon merging with Carulla Vivero S.A., the Group determined its costs attributed in the opening balance sheet at the option of the fair value using the revenue approach, particularly the royalty method.

For all other intangible assets other than goodwill and trademarks, according to the options offered by IFRS 1, the cost attributed was determined based on the restatement option, which means to determine the cost attributed taken the cost of acquisition, recalculate the amortization from the purchase date until the date of the opening balance sheet with the technical useful life for intangible assets with a finite useful life, and measure the impairment of assets.

According with the above procedure, intangible assets not complying with the recognition criteria were derecognized and a loss was recognized from the impairment of the trademark Surtimax.

Note I: Lease agreements

Under local GAAP, certain lease agreements where the Group is the lessor were classified as operating lease. Under IFRS, the Group analyzed the transfer of the risks and benefits under such agreements on the date of commencement of the obligation, considering that IFRS 1 does not establish a voluntary exemption in the classification and measurement of IAS 17 Leases. As a result, lease agreements are classified as financial leases in the opening balance sheet, recognizing the relevant asset and liability in the opening statement of financial position.

Note J: Other assets

They refer to the effects of the translation into the Group's presentation currency, of assets and liabilities of foreign interests that show difference in the book values between local GAAP and IFRS.

Note K: Amortized cost of financial assets

Pursuant to measurement requirements set forth in IFRS 9, the Group valued its financial liabilities at amortized cost using the effective interest rate method, adding or deducting any premium or discount over the remaining life of the instrument, from the date of commencement of the obligation; in other words, the measurement is carried out on a retrospective basis given that there is no a voluntary exemption in the IFRS regarding the measurement of these financial instruments.

Note L: Provisions
The Group recognized existing obligations on the date of the opening balance sheet, where an outflow of resources will be probably required to settle such obligations. The value accounted for represents the best estimation of the outflow of resources required for settlement. Additionally, provisions that did not meet the recognition criteria under IAS 37 Provisions, contingent assets and liabilities, were derecognized.

Note M: Retirement pension liabilities and other long-term benefits
The Group made the estimation of retirement pension liabilities and other long-term benefits using actuarial calculation by applying the projected credit unit method foreseen in IAS 19. The effects of such measurement were recognized in retained earnings.

Note N: Deferred tax
Under local GAAP, the deferred tax is determined based on temporary differences between accounting results and results for tax purposes. Under IFRS, the deferred tax is determined based on temporary differences of the balances of assets and liabilities in the statement of financial position and tax-related balances, and including deferred tax assets arising from taxable losses, taxable credits and the excess presumptive income, wherever there is probability of future recovery.

Note O: Loyalty program
Relates to the measurement of liabilities from customer loyalty at fair value.

Note P: Tax on equity
At 1 January 2014, the Group has a tax on equity-related liability. Such tax is triggered by the wealth held on 1 January 2011, equal to or exceeding one billion Colombian pesos (1,000,000,000). For the purpose of this tax, wealth means the net equity of the taxpayer at 1 January 2011. Pursuant to tax regulations, such tax is to be paid in 8 equal installments during 4 years (2 installments per year), according to the terms established by National Government. In accordance with Colombian regulations, the tax on equity may be recognized as a debit to the Equity Revaluation account (equity accumulated inflation adjustments).

Taking into consideration that no particular IFRS defines how a long-term tax liability that does not meet the definition of financial instrument should be measured, the Group applied the criteria defined in IAS 8 Changes in Accounting Policies, Estimations and Errors, and carried out the measurement of such long-term liability at its discounted value, and recognized the effects of the valuation in retained earnings.

Note Q: Other liabilities
Under local GAAP, the Group has recognized the inflation adjustments to constructions in progress and to non-monetary deferred charges in pre-operating stage until 31 December 20016 as a credit deferred monetary and amortization thereof is applied as from the date on which revenue begins to be perceived and during the term established for the relevant deferred charge.

Also, the Group recognized inflation adjustments on the proportion of equity regarding assets that generated a credit in the credit deferred monetary correction and the debit deferred monetary correction, and amortization thereof is applied as from the date on which revenue begins to be perceived and during the term established for the relevant deferred charge.

Given that under IFRS the inflation adjustments are not applicable to the Group since none of the subsidiaries is located at a hyper-inflationary economy in accordance with the guidelines of IAS 29, such balances were recognized in retained earnings.

Note R: Minority interest
As of the date of the opening balance sheet, the Group conducted a control, joint control and significant influence analysis pursuant to IFRS requirements regarding stand-alone trust funds which under local standards are classified as investments. As result, the Group classified such investments as subsidiaries and they are incorporated into assets and liabilities by global consolidation, as well as recognition of non-controlling interests.

Note Q: Equity revaluation
Under local GAAP, the Group recognized in equity the inflation adjustments of balances in equity accounts accrued until 31 December 2006, excluding the revaluation surplus. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the Company, or upon capitalization of this value. With the enactment of Law 1111 of 27 December 2006, the National Government eliminated the comprehensive inflation adjustments for tax purposes. For accounting purposes, they were eliminated as from 1 January 2007 by Decree 1536 of 7 May 2007.

Given that under IFRS the inflation adjustments are not applicable to the Group since none of the subsidiaries is located at a hyper-inflationary economy in accordance with the guidelines of IAS 29, such balances were recognized in retained earnings.