Almacenes Éxito S.A.

Interim separate financial statements

At September 30, 2018 and December 31, 2017

Almacenes Éxito S.A.
Interim separate financial statements
At September 30, 2018 and December 31, 2017

Almacenes Éxito S.A.
Interim separate statements of financial position
At September 30, 2018 and December 31, 2017
(Amounts expressed in millions of Colombian pesos)

	Notes	September 30, 2018	December 31, 2017
Current assets			
Cash and cash equivalents	6	568,229	1,619,695
Trade receivables and other accounts receivable	7	145,062	189,750
Prepaid expenses	8	13,727	22,837
Accounts receivable from related parties	9	114,054	114,969
Inventories, net	10	1,338,863	1,111,981
Tax assets	22	118,916	173,580
Other non-financial assets	9	-	30,000
Other financial assets	11	26,559	10,462
Non-current assets held for trading	41	133,082	-
Total current assets		**2,458,492**	**3,273,274**
Non-current assets			
Property, plant and equipment, net	12	2,051,956	2,382,495
Investment property, net	13	202,450	339,704
Goodwill	14	1,453,077	1,453,077
Intangible assets other than goodwill, net	15	146,385	156,218
Investments accounted for using the equity method, net	16	6,665,628	8,287,426
Trade receivables and other accounts receivable	7	18,072	15,203
Prepaid expenses	8	10,370	5,432
Accounts receivable from related parties	9	4,371	7,587
Other financial assets	11	49,570	41,888
Deferred tax assets	22	34,294	-
Other non-financial assets		398	398
Total non-current assets		**10,636,571**	**12,689,428**
Total assets		**13,095,063**	**15,962,702**
Current liabilities			
Financial liabilities	18	948,533	799,920
Employee benefits	19	5,390	3,457
Other provisions	20	24,705	17,558
Trade payables and other accounts payable	21	2,327,495	3,301,661
Accounts payable to related parties	9	141,212	116,490
Tax liabilities	22	30,467	41,816
Other financial liabilities	23	96,032	128,239
Other non-financial liabilities	24	185,208	258,078
Total current liabilities		**3,759,042**	**4,667,219**
Non-current liabilities			
Financial liabilities	18	2,869,667	3,292,824
Employee benefits	19	28,430	28,430
Other provisions	20	17,654	19,699
Deferred tax liabilities	22	-	68,841
Other financial liabilities	23	1,307	13,915
Other non-financial liabilities	24	741	32,206
Total non-current liabilities		**2,917,799**	**3,455,915**
Total liabilities		**6,676,841**	**8,123,134**
Shareholders' equity, see accompanying statement		**6,418,222**	**7,839,568**
Total liabilities and shareholders' equity		**13,095,063**	**15,962,702**

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

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Almacenes Éxito S.A.
Interim separate statements of income
For the nine-month and three-month periods ended September 30, 2018 and September 30, 2017
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to September 30, 2018	January 1 to September 30, 2017 (1)	July 1 to September 30, 2018	July 1 to September 30, 2017 (1)
Continuing operations					
Revenue from ordinary activities under contracts with customers	27	7,942,028	7,886,718	2,656,237	2,643,984
Cost of sales	10	(6,104,644)	(6,047,518)	(2,043,143)	(2,048,959)
Gross profit		**1,837,384**	**1,839,200**	**613,094**	**595,025**
Distribution expenses	28	(1,027,432)	(1,028,325)	(354,409)	(342,769)
Administration and sales expenses	28	(126,626)	(110,353)	(44,253)	(36,451)
Employee benefit expenses	29	(582,892)	(587,648)	(201,101)	(198,784)
Other operating revenue	30	16,494	14,872	6,545	6,183
Other operating expenses	30	(38,928)	(44,413)	(811)	(1,714)
Other losses, net	30	(10,739)	(9,416)	(1,466)	(513)
Profit from operating activities		**67,261**	**73,917**	**17,599**	**20,977**
Financial revenue	31	105,171	98,551	20,381	9,028
Financial expenses	31	(379,293)	(410,732)	(113,441)	(105,187)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	32	259,164	178,259	51,589	45,039
(Loss) from continuing operations before income tax		**52,303**	**(60,005)**	**(23,872)**	**(30,143)**
Tax revenue (expense)	22	67,009	90,344	14,196	(1,188)
Net period profit (loss) from continuing operations		**119,312**	**30,339**	**(9,676)**	**(31,331)**
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share from continuing operations	33	266.56	67.78	(21.62)	(70.00)
Earnings per diluted share (*):					
Earnings (loss) per diluted share from continuing operations	33	266.56	67.78	(21.62)	(70.00)

(1) For comparison to 2018, these financial statements include certain reclassifications in cost of sales, distribution expenses, employee benefit expenses and other net losses.

(*) Amounts expressed in Colombian pesos.

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

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Almacenes Éxito S.A.
Interim separate statements of comprehensive income
For the nine-month and three-month periods ended September 30, 2018 and September 30, 2017
(Amounts expressed in millions of Colombian pesos)

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Net period profit	**119,312**	**30,339**	**(9,676)**	**(31,331)**
Other comprehensive income for the period				
Components of other comprehensive income that will not be reclassified to period results, net of taxes				
(Loss) from investments in equity instruments	(3,367)	-	(62)	-
Gain from new measurement of defined benefit plans	-	34	-	-
Total other comprehensive income that will not be reclassified to period results, net of taxes	**(3,367)**	**34**	**(62)**	**-**
Components of other comprehensive income that will be reclassified period results, net of taxes				
(Loss) from translation exchange differences	(1,301,847)	(94,771)	(265,298)	(144,012)
Gain (loss) from the hedging of cash flows	8,466	(9,632)	1,501	411
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	(74,121)	3,938	(9,539)	4,961
Total other comprehensive income that will be reclassified to period results, net of taxes	**(1,367,502)**	**(100,465)**	**(273,336)**	**(138,640)**
Total other comprehensive income	**(1,370,869)**	**(100,431)**	**(273,398)**	**(138,640)**
Total comprehensive income	**(1,251,557)**	**(70,092)**	**(283,074)**	**(169,971)**
Earnings per share (*)				
Earnings per basic share (*):				
(Loss) per basic share from continuing operations	(2,796.12)	(156.60)	(632.42)	(379.73)
Earnings per diluted share (*):				
(Loss) per diluted share from continuing operations	(2,796.12)	(156.60)	(632.42)	(379.73)

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Interim separate statements of cash flows
For the nine-month periods ended September 30, 2018 and September 30, 2017
(Amounts expressed in millions of Colombian pesos)

	January 1 to September 30, 2018	January 1 to September 30, 2017
Cash flows provided by operating activities		
Net income for the period	**119,312**	**30,339**
Adjustments to reconcile profit for the period		
Current income tax	40,295	35,698
Deferred income tax	(107,304)	(126,042)
Financial costs	337,542	367,538
Impairment of receivables	9,016	6,417
Reversal of receivable impairment	(8,396)	(3,753)
Reversal of inventory impairment	(4,888)	(20,115)
Impairment	3,307	1,481
Employee benefit provisions	1,932	1,951
Other provisions	47,074	33,719
Reversal of other provisions	(6,481)	(12,647)
Depreciation of fixed assets expense	150,022	153,585
Amortization of intangible assets expense	13,208	19,341
Gain from the application of the equity method	(259,164)	(178,259)
Loss from the disposal of non-current assets	7,260	6,677
Operating income before changes in working capital	**342,735**	**315,930**
Decrease in trade receivables and other accounts receivable	41,205	25,324
Decrease in prepaid expenses	4,171	1,393
Decrease (increase) in receivables from related parties	12,244	(11,032)
(Increase) in inventories	(222,829)	(134,728)
Decrease in tax assets	14,369	30,544
(Decrease) in other provisions	(35,491)	(25,407)
(Decrease) in trade payables and other accounts payable	(981,920)	(756,749)
(Decrease) in accounts payable to related parties	(2,390)	(78,870)
(Decrease) in tax liabilities	(11,349)	(14,652)
(Decrease) increase in other non-financial liabilities	(104,336)	242,565
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(75,709)	(74,148)
Net cash flows (used in) operating activities	**(1,019,300)**	**(479,830)**
Cash flows provided by investment activities		
Cash flows provided by reimbursement of contributions in subsidiaries or other businesses.	688,625	4,446
Cash flows used to maintain joint control in joint ventures	(5,000)	(2,875)
Acquisition of property, plant and equipment	(91,628)	(85,076)
Acquisition of investment property	(1,985)	(144,861)
Acquisition of intangible assets	(6,444)	(8,555)
Dividends received	39,102	106,286
Other cash (outflows) inflows	(2,629)	38
Net cash flows provided by (used in) investment activities	**620,041**	**(130,597)**
Cash flows provided by financing activities		
(Increase) decrease in other financial assets	(23,142)	4,901
(Decrease) in other financial liabilities	(32,817)	(7,504)
(Decrease) increase in financial liabilities	(272,189)	484,800
(Decrease) in financial liabilities under lease agreements	(2,356)	(2,729)
Dividends paid	(59,871)	(86,280)
Financial yields	75,711	72,713
Interest paid	(337,543)	(367,538)
Net cash flows (used in) provided by financing activities	**(652,207)**	**98,363**
Net (decrease) in cash and cash equivalents	**(1,051,466)**	**(512,064)**
Cash and cash equivalents at the beginning of period	**1,619,695**	**1,098,825**
Cash and cash equivalents at the end of period	**568,229**	**586,761**

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Almacenes Éxito S.A.
Interim separate statements of changes in shareholders' equity
For the nine-month periods ended September 30, 2018 and September 30, 2017
(Amounts expressed in millions of Colombian pesos)

	Issued share capital (Note 25)	**Premium on the issue of shares** (Note 25)	**Treasury shares repurchased** (Note 25)	Legal reserve (Note 26)	Occasional reserve (Note 26)	Reserve for the reacquisition of shares (Note 26)	Reserve for future dividends (Note 26)	Other reserves (Note 26)	**Total reserves** (Note 26)	**Other accumulated comprehensive income** (Note 26)	**Retained earnings**	**Other equity components**	**Total equity**
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,644,887	22,000	15,710	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**
Cash dividend declared (Note 38)	-	-	-	-	-	-	-	-	-	-	(21,771)	-	(21,771)
Net period results	-	-	-	-	-	-	-	-	-	-	30,339	-	30,339
Other comprehensive income	-	-	-	-	-	-	-	-	-	(100,431)	-	-	(100,431)
Appropriation for reserves	-	-	-	-	21,757	-	-	-	21,757	-	(21,757)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	(1,435)	-	-	2,229	794	-	77,453	43,368	121,615
Balance at September 30, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	7,901	**1,718,677**	**37,872**	**1,209,000**	**(59,324)**	**7,751,439**

	Issued share capital (Note 25)	**Premium on the issue of shares** (Note 25)	**Treasury shares repurchased** (Note 25)	Legal reserve (Note 26)	Occasional reserve (Note 26)	Reserve for the reacquisition of shares (Note 26)	Reserve for future dividends (Note 26)	Other reserves (Note 26)	**Total reserves** (Note 26)	**Other accumulated comprehensive income** (Note 26)	**Retained earnings**	**Other equity components**	**Total equity**
Balance at December 31, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	9,662	**1,720,438**	**(49,694)**	**1,312,737**	**10,873**	**7,839,568**
Cash dividend declared (Note 38)	-	-	-	-	-	-	-	-	-	-	(108,857)	-	(108,857)
Net period results	-	-	-	-	-	-	-	-	-	-	119,312	-	119,312
Other comprehensive income	-	-	-	-	-	-	-	-	-	(1,370,869)	-	-	(1,370,869)
Appropriation for reserves	-	-	-	-	108,856	-	-	-	108,856	-	(108,856)	-	-
(Decrease) from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(63,414)	(63,414)
Other increase (decrease) in shareholders' equity, net	-	-	-	-	(1,494)	-	-	15,100	13,606	-	(13,496)	2,372	2,482
Balance at September 30, 2018	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	24,762	**1,842,900**	**(1,420,563)**	**1,200,840**	**(50,169)**	**6,418,222**

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

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Note 1. General information

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

The Company is listed on the Colombia Stock Exchange (BVC) since 1994 and is under the surveillance of the Colombian Financial Superintendence.

The Company's main corporate purpose is:

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

The Company's ultimate controlling entity is Casino Guichard Perrachon S.A.(France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At September 30, 2018, the controlling entity has a 55.30% interest (December 31, 2017 - 55.30%) in the share capital of the Company.

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

Note 2. Basis for preparation

The interim consolidated financial statements for the nine-month and three-month periods ended September 30, 2018 and September 30, 2017, and for the year ended December 31, 2017 have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170. The Company did not apply any of the exceptions to the IFRS contained in such decrees.

Regulatory Decrees 2420 and 2496 of 2015, Regulatory Decree 2131 of 2016 and Regulatory Decree 2170 of 2017 rule the preparation of financial statements based on International Financial Reporting Standards (IFRS/IAS), Interpretations (IFRIC and SIC) and Conceptual Framework issued until December 31, 2014, published by the *International Accounting Standards Board - IASB* in 2015. Application of such regulatory framework is mandatory in Colombia as of January 1, 2017, regardless that the conceptual framework for financial reporting is mandatory as of January 1, 2016; earlier application of both regulations is permitted. The Company has decided for the earlier implementation of such regulations, to present financial information incorporating the amendments to the standards that reflect the requirements of the various information users.

Financial statements herein presented

These interim consolidated financial statements of the Company are made of the statements of financial position at September 30, 2018 and at December 31, 2017, the statements of income and of comprehensive income for the nine-month and three-month periods ended September 30, 2018 and September 30, 2017, and the statements of changes in shareholders' equity and the statements of cash flows for the nine-month periods ended September 30, 2018 and September 30, 2017.

These separate financial statements are prepared based on interim financial reporting requirements under IAS 34, and do not include all reporting disclosures required for annual financial statements under IAS 1. All disclosures required for annual financial statements have been included in the financial statements at December 31, 2017.

Statement of accountability

Company's management are responsible for the information contained in these separate financial statements. Preparing such financial statements pursuant to accounting and financial reporting standards accepted in Colombia, set out by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and without applying any of the exceptions to the IFRS therein contained, requires management's judgment to apply the accounting policies.

Estimates and accounting judgments

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

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

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

Distinction between current and non-current items

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

Functional currency

The separate financial statements are presented in Colombian pesos, which is the Company's functional currency. Figures shown have been stated in millions of Colombian pesos.

Company's functional currency is not part of a highly inflationary economy, and consequently the financial statements are not adjusted for inflation.

Foreign currency transactions

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

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

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

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

Accounting accrual basis

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

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

Fair value measurement

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

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used to determine the 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 who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Company's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Significant accounting policies

The attached interim separate financial statements at September 30, 2018 have been prepared using the same accounting policies, measurements and bases used to present the separate financial statements for the annual period ended December 31, 2017, except for the standards mentioned in note 4.2 that came into effect as of January 1, 2018 and regarding which there was no significant impact, pursuant to accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and without applying any of the exceptions to the IFRS therein contained.

The most significant policies applied to prepare the attached interim financial statements are the following, regarding which a summary was included in the separate financial statements for the annual period ended December 31, 2017:

Adoption of the new standards in force as of January 2018 mentioned in Note 4.2. did not result in significant changes in these accounting policies as compared to those applied in preparing the financial statements at December 31, 2017.

- Investments in subsidiaries, associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Put options *granted to the holders of non-controlling interests*
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading
- Leases
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
- Financial liabilities
- Embedded derivatives
- Derivative financial instruments

- Hedge accounting
- Employee benefits
- Provisions, contingent assets and liabilities
- Taxes
- Share capital
- Revenue from ordinary activities under contracts with customers
- Loyalty programs
- Costs and expenses
- Earnings per share

Note 4. New and modified standards and interpretations

Note 4.1. Standards issued during the nine-month period ended September 30, 2018

No Regulatory Decrees enabling the application of the new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the nine-month period ended September 30, 2018.

During the nine-month period ended September 30, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.

Amendment to IAS 19 "Employee Benefits" (January 2018)

The amendment specifies how a company account for a defined-benefits plan. IAS 19 requires a company to update its assumptions and remeasure its net defined benefit-related liabilities or assets upon occurrence of a plan event (e.g. a change, reduction or settlement). The amendment also clarifies that after a plan event, a company would use such updated assumptions to measure the cost of the current service and the net interest for the remaining of the reporting period following the plan event.

Note 4.2. Standards effective as of January 1, 2018

The following standards started to be applied as of January 1, 2018 according to the adoption date set by the IASB:
- Amendment to IAS 40. (*)
- Amendments to IFRS 4. (*)
- Amendments to IFRS 2. (*)
- Annual improvements cycle 2014-2016. (*)
- IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers. (**)
- IFRS 9 - Financial Instruments. (***)

(*) In Colombia, these standards were made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2170 of December 22, 2017. No material effects resulted from application of this IFRS.

(**) In Colombia, this standard was made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2496 of December 23, 2015. No material effects resulted from application of this IFRS.

(***) As mentioned in Note 4.8, the Company started the early application of this standard as of January 1, 2014.

Note 4.3. Standards applied earlier during the nine-month period ended September 30, 2018

During the nine-month period ended September 30, 2018 the Company did not apply the early adoption of standards.

Note 4.4. Standards not yet effective at September 30, 2018

During the year ended December 31, 2016 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 16 - Leases, to be applied as of January 2019.

During the year ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRIC 23 - Uncertainty over Income Tax Treatments, to be applied as of January 2019.
- IFRS 17 - Insurance Contracts, to be applied as of January 2021.
- Amendment to IAS 28, to be applied as of January 2019.
- Amendment to IFRS 9, to be applied as of January 2019.
- Annual improvements to IFRS standards cycle 2015-2017, to be applied as of January 2019.

During the nine-month period ended September 30, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.

During the nine-month period ended September 30, 2018 no Regulatory Decrees have been issued in Colombia that allow application of IFRIC 22 - Foreign Currency Transactions and Advance Consideration, which, according to the IASB, should have been applied as of January 2018.

Note 4.5. Standards issued during the year ended December 31, 2017

On December 22, 2017 the Colombian Ministry of Finance and Public Credit issued Regulatory Decree 2170 by means of which IFRS 16, amendments to IAS 40, IFRS 2 and IFRS 4, and the annual improvements cycle 2014-2016 are incorporated to Regulatory Decree 2420 of December 14, 2015. Such Regulatory Decree is applicable as of January 1, 2018.

During the year ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:

- IFRIC 23 - Uncertainty over Income Tax Treatments, to be applied as of January 2019.
- IFRS 17 - Insurance Contracts, to be applied as of January 2021.
- Amendment to IAS 28, to be applied as of January 2019.
- Amendment to IFRS 9, to be applied as of January 2019.
- Annual improvements to IFRS standards cycle 2015-2017, to be applied as of January 2019.

<u>IFRIC 23 - Uncertainties over Income Tax Treatments (June 2017)</u>

This interpretation clarifies how to account for the income tax regarding the effects of uncertainties, pursuant to IAS 12 - Income tax.

The purpose of the interpretation is to limit the diversity of views under which companies recognize and measure a tax liability or a tax asset when tax treatments are uncertain, given that there is no clarity regarding how to apply the tax law to a certain transaction, or whether the tax authority will accept the tax treatment given by the company.

<u>IFRS 17 - Insurance Contracts" (May 2017)</u>

This IFRS sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts, and supersedes IFRS 4 - Insurance Contracts.

This standard requires a company issuing insurance contracts to disclose such contracts in the statement of financial position as the aggregate of: (a) cash flows from compliance less current estimates of the amounts the company expects to collect on premiums, as well as claims, benefits and expense payouts, including an adjustment relevant to the timeliness and risk attached to such amounts; and (b) the contract margin associated with the service less the expected gain from providing the insurance coverage.
The expected gain from the insurance coverage is recognized in income during the term when the insurance coverage is provided.

Additionally, it requires the company to differentiate the groups of contracts from which it expects to obtain a gain and those from which it expects a loss, the latter being recognized in income as soon as the company identifies such expected losses.

On each reporting date, companies are required to update cash flows from compliance, using current estimates of the amount, timeliness and uncertainty of cash flows and discount rates.

Regarding measurement, historic cost changes to current value. This allows including committed cash flows (both rights and liabilities) and updating them on each reporting date.

<u>Amendment to IAS 28 "Investments in Associates and Joint Ventures" (October 2017)</u>

The amendment clarifies that a company applies IFRS 9 - Financial Instruments to long-term interests in an associate or joint venture that is part of the net investment in the associate or joint venture.

<u>Amendment to IFRS 9 "Financial Instruments" (October 2017)</u>

This amendment allows companies to measure financial assets terminated early with negative compensation at amortized cost or fair value through other comprehensive income provided a condition is met, instead of at fair value through income.

<u>Annual improvement to IFRS Cycle 2015-2017 (December 2017)</u>

Improvements include the following amendments:

- IFRS 3 - Business Combinations. The following paragraph is added: "When a party to a joint arrangement (as defined in IFRS 11) obtains control of a business that is a joint operation (as defined by IFRS 11), and it had title to the rights and obligations arising from the liabilities related with such joint operation immediately before acquisition date, the transaction is a business combination carried out in stages. Consequently, the acquirer shall apply the requirements relevant to a business combination carried out in stages, including the remeasurement of the interest previously held in the joint operation as described in section 42. In doing so, the acquirer shall remeasure all of its interest previously held in the joint operation".

- IFRS 11 - Joint Arrangements. The following paragraph is added: "A party that participates in a joint operation, but does not have joint control, may obtain joint control of the joint venture whose activity is a business, as defined by IFRS 3. In these events, the interests previously held in the joint operation are not remeasured".

- IAS 12 - Income Tax. Modifies the basis for the conclusions regarding the consequences of payments on financial instruments classified as equity in the income tax.

- IAS 23 - Loan Costs. Paragraph 14 is amended as follows: "Where funds are part of a general pool, and they are used to obtain a qualifying asset, such entity will determine the amount of costs eligible for capitalization by applying a capitalization rate to the expenditure on that asset. The capitalization rate will be the weighted average of loan costs applicable to all loans received by the entities outstanding during the period. Nevertheless, an entity will exclude from this calculation the loan costs applicable to loans specifically obtained to fund a qualifying asset until all activities required to prepare such asset for its foreseen use or sale are completed. The amount of borrowing costs that an entity is entitled to capitalize during the period will not exceed total loan costs incurred during the same period.

Note 4.6 Standards adopted earlier during the year ended December 31, 2017

During the year ended December 31, 2017 the Company did not apply any Standards earlier.

Note 4.7 Standards effective as of January 1, 2017

During the year ended December 31, 2016, the IASB issued several standards, as detailed in section 4.8. Out of such standards issued, the following started to be applied as of January 1, 2017 according to the adoption date set by the IASB:
- Amendment to IAS 12, applicable as of January 2017.
- Amendment to IAS 7, applicable as of January 2017.

<u>Amendment to IAS 12 - Income tax (January 2016)</u>

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

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

The amendments are effective for periods commencing on or after January 1, 2017. Earlier application was permitted. Earlier application was not considered. No material effects resulted from application of this amendment.

<u>Amendment to IAS 7 - Disclosure Initiative (January 2016)</u>

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

The amendments are effective for periods commencing on or after January 1, 2017. Earlier application is permitted. Earlier application was not considered. No material effects resulted from application of this amendment.

Note 4.8 Standards not yet effective at December 31, 2017

During the year ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRIC 23 - Uncertainty over Income Tax Treatments, to be applied as of January 2019.
- IFRS 17 - Insurance Contracts, to be applied as of January 2021.
- Amendment to IAS 28, to be applied as of January 2019.
- Amendment to IFRS 9, to be applied as of January 2019.
- Annual improvements to IFRS standards cycle 2015-2017, to be applied as of January 2019.

During the year ended December 31, 2016 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration, to be applied as of January 2018.
- Amendment to IAS 40, applicable as of January 2018.
- Amendment to IFRS 4, applicable as of January 2018.
- Amendment to IFRS 2, applicable as of January 2018.
- IFRS 16 - Leases, to be applied as of January 2019.

During the year ended December 31, 2014 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers, applicable as of January 2018.
- IFRS 9 - Financial Instruments, applicable as of January 2018.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration (December 2016).

This interpretation clarifies the accounting of transactions including the receipt or payment of advance consideration in foreign currency.

The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from payment or receipt of advance consideration before it recognizes the related asset, expense or revenue. It does not apply when an entity measures the related asset, expense or revenue on initial recognition at fair value or at the fair value of the consideration received or paid on a date other than the date of initial recognition of a non-monetary asset or a non-monetary liability. Also, it is not required to apply this interpretation to income taxes, insurance contracts or reinsurance contracts.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application is permitted. Earlier application was not considered. No material effects are expected from the application of this IFRIC.

Amendment to IAS 40 - Investment property (December 2016).

The amendment sets out that an entity will transfer a property to, or from, investment property, when and only when, there is evidence of a change in use, which occurs if the property meets, or ceases to meet, the definition of investment property. A change in management intentions regarding the use of a property is not evidence of a change in use by itself. The listing of situations that evidence a change in use of investment property provided by the standard was defined as a non-exhaustive listing of examples.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application is permitted. Earlier application was not considered. No material effects are expected from the application of this amendment.

Amendment to IFRS 4 - Insurance Contracts (September 2016).

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

The amendments are effective for periods commencing on or after January 1, 2018. This amendment is not applicable to the Company.

Amendment to IFRS 2 - Share-based Payments (June 2016)

The amendment relates to the following aspects:

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

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application is permitted. Earlier application was not considered. No material effects are expected from the application of this amendment.

IFRS 16 - Leases (January 2016)

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

IFRS 16 supersedes IAS 17 - Leases and relevant interpretations and is applicable to periods commencing on or after January 1, 2019; earlier application is permitted, if IFRS 15 - Revenue from Contracts with Customers has been applied. Earlier application was not considered.

Company management are assessing the quantitative impact on information systems and processes as well as changes in internal controls, arising from the new requirements set out by the standard.

IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers (May 2014).

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

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

An entity recognizes revenue from ordinary activities pursuant to such basic principle, by applying the following stages:
- Stage 1: Identify customer contract.
- Stage 2: Identify performance obligations under the contract.
- Stage 3: Define the transaction price.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize ordinary revenue when (or in as much as) the entity fulfills a performance obligation.

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

The standard is effective for periods commencing on or after January 1, 2018. Earlier application was not considered.

The Company has reviewed the changes in this standard as compared to what was required by previous standards, which were repealed by the former. No material effects are expected from the application of this IFRS.

Some of the aspects that have been reviewed include:
- Regarding the performance obligation, retail sales represent the only performance obligation; consequently, the Company does not expect an effect on the recognition of revenue, given that like under prior standards revenue is recognized when control over the asset is transferred to the customer, generally upon delivery thereof;
- The Company recognizes revenue from retail sales measured at the fair value of the consideration received or to be received, including returns and discounts;
- The Company does not grant volume discounts to its customers;
- The Company generally grants minor repair warranties but does not offer extended warranties under contracts with customers. The amount of such warranties is non-material;
- Regarding customer loyalty programs, no material changes are expected since liabilities representing points granted that have not been redeemed or expired are measured at the fair value of points and recognized as deferred revenue;
- The Company concluded that services provided to customers are delivered over time, taking into consideration that customers receive and consume benefits simultaneously. In line with this definition, revenue from such service contracts will continue to be recognized over time;
- Regarding disclosures and presentation requirements, the Company does not expect an enlargement of the notes to the financial statements given that there are no changes related with judgments applied in the definition of the transaction price, or in the disaggregation of the revenue recognized from contracts with customers, or in the information on revenue for each reporting segment.

<u>IFRS 9 - Financial Instruments (July 2014)</u>

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

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

Note 5. Business combinations

No business combinations were carried out at September 30, 2018 and at December 31, 2017.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	September 30, 2018	**December 31, 2017**
Cash at hand and in banks	567,700	1,601,621
Fiduciary rights (1)	529	16,194
Term deposit certificates	-	1,880
Total cash and cash equivalents	**568,229**	**1,619,695**

(1) The balance includes:

	September 30, 2018	**December 31, 2017**
Fiducolombia S.A.	168	5,555
Fondo de Inversión Colectiva Abierta Occirenta	104	-
Fiduciaria Bogota S.A.	83	4,069
BBVA Asset S.A.	69	504
Corredores Davivienda S.A.	53	6,062
Credicorp Capital	52	4
Total fiduciary rights	**529**	**16,194**

The Company recognized yields from cash and cash equivalents in amount of $4,970 (September 30, 2017 - $6,286), which were recorded as financial revenue as detailed in Note 31.

At September 30, 2018 and December 31, 2017, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 7. Trade receivables and other accounts receivable

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

	September 30, 2018	December 31, 2017
Other accounts receivable (Note 7.1)	92,383	100,997
Trade accounts receivable (Note 7.2)	70,751	103,956
Total trade receivables and other receivables	**163,134**	**204,953**
Current (Note 7.3)	**145,062**	**189,750**
Non-current (Note 7.3)	**18,072**	**15,203**

Note 7.1. Other accounts receivable

The balance of other accounts receivable is as follows:

	September 30, 2018	December 31, 2017
Employee funds and lending	51,716	61,197
Business agreements	18,620	20,211
Taxes collected receivable	7,560	165
Money remittances	4,017	5,902
Tax claims	1,360	1,360
Money transfer services	663	3,970
Sale of property, plant and equipment	11	2
Other accounts receivable	8,436	8,190
Total other accounts receivable	**92,383**	**100,997**

Note 7.2. Trade accounts receivable

The balance of trade receivables is as follows:

	September 30, 2018	December 31, 2017
Trade accounts	69,558	86,173
Rental fees and concessions receivable	6,125	8,552
Employee funds and lending	2,685	18,057
Impairment of receivables (1)	(7,617)	(8,826)
Total trade receivables	**70,751**	**103,956**

(1) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Company is of the opinion that these balances are recoverable, given the extensive credit risk analysis conducted on customers, including credit ratings when they are available in credit databases recognized in the market. During the nine-month period ended September 30, 2018 the net effect of the impairment of receivables in the statement of income represents an impairment loss in amount of $621 (December 31, 2017 - $541).

The development of the impairment of receivables during the period was as follows:

Balance at December 31, 2017	**8,826**
Impairment loss recognized during the period	9,016
Reversal of impairment losses	(8,396)
Receivables written-off	(1,829)
Balance at September 30, 2018	**7,617**

Note 7.3. Trade receivables and other accounts receivable classified as current and non-current

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

	September 30, 2018	December 31, 2017
Trade accounts	69,558	86,173
Other employee funds and lending	36,300	46,954
Business agreements	18,620	20,211
Taxes receivable	7,560	165
Rental fees and concessions receivable	6,125	8,552
Money remittances	4,017	5,902
Employee funds and lending	2,685	18,057
Tax claims	1,360	1,360
Money transfer services	663	3,970
Sale of property, plant and equipment	11	2
Other	5,780	7,230
Impairment of receivables	(7,617)	(8,826)
Total current	**145,062**	**189,750**
Other employee funds and lending	15,416	14,243
Other	2,656	960
Total non-current	**18,072**	**15,203**

Note 7.4. Trade receivables and other accounts receivable by age

The aging of trade receivables and other receivables, irrespective of impairment, is as follows:

			Overdue			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
September 30, 2018	170,751	87,924	36,973	25,612	902	19,340
December 31, 2017	213,779	72,966	104,296	6,442	1,656	28,419

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	September 30, 2018	December 31, 2017
Leases (1)	11,535	6,455
Maintenance (1)	8,259	11,139
Advertising (3)	2,238	28
Insurance	1,524	10,402
Other advance payments	541	245
Total prepaid expenses	**24,097**	**28,269**
Current	**13,727**	**22,837**
Non-current	**10,370**	**5,432**

(1) Includes rental fees paid in advance for the Éxito San Martin store in amount of $5,464 (2017 - $5,832), covering the lease contract until 2034, and rental fees paid in advance for the Carulla Castillo Grande store in amount of $5,000 (2017 - $0), covering the lease contract from September 2019 to September 2023.

(2) Includes advance payments in amount of $7,936 (2017 - $10,967) for software maintenance and support; $40 for software and hardware maintenance (2017 - $0), and $283 for hardware maintenance and support (2017 - $71).

(3) At September 30, 2018 represents an advance payment to Puntos Colombia S.A.S. for the future purchase of loyalty program points.

Note 9. Accounts receivable, other non-financial assets and accounts payable to related parties

The balance of accounts receivable from related parties and other non-financial assets associated with transactions carried out with related parties is made as follows:

	Accounts receivable		Other non-financial assets	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Joint ventures (1)	60,353	67,064	-	30,000
Subsidiaries (2)	53,279	48,947	-	-
Grupo Casino companies (3)	3,012	3,158	-	-
Controlling entity (4)	1,781	3,365	-	-
Key management personnel (5)	-	22	-	-
Total	**118,425**	**122,556**	**-**	**30,000**
Current	**114,054**	**114,969**	**-**	**30,000**
Non-current	**4,371**	**7,587**	**-**	**-**

(1) The balance receivable from joint ventures includes:
- Involvement in a corporate collaboration agreement $19,748 (2017 - $-) and reimbursement of shared expenses, collection of coupons and other items $28,638 (2017 - $66,977) with Compañía de Financiamiento Tuya S.A.
- Point redemption $11,941 (2017 - $-) and other services $26 (2017 - $87) with Puntos Colombia S.A.S.

The balance of other non-financial assets at December 31, 2017 related to a payment made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that at December 31, 2017 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, the amount disbursed was not recognized as an investment in such company; this balance was capitalized during the first quarter of 2018.

(2) The balance receivable from subsidiaries includes:
- Direct operations of Almacenes Éxito Inversiones S.A.S. where Almacenes Éxito S.A. acts as the payor to third parties under a mandate agreement, in amount of $3,352 (2017 - $2,184);
- Collection of dividends declared, administration services and reimbursement of expenses to Patrimonios Autónomos in amount of $21,371 (2017 - $18,655);
- Administration services, reimbursement of expenses and loans to Gemex O & W S.A.S. in amount of $21,616 (2017 - $19,589);
- Transfer of the put option contract to Spice Investments Mercosur S.A. por $3,460 (2017 - $3,460);
- Strategic direction to Libertad S.A. in amount of $2,151 (2017 - $1,292);
- Retail sales, administration services and reimbursement of expenses to Logística, Transporte y Servicios Asociados S.A.S. in amount of $285 (2017 - $2,297), and
- Other collections from other subsidiaries in amount of $1,044 (2017 - $1,470).

(3) Mainly relates to the balance receivable for expatriate payments from Casino Services in amount of $147 (2017 $152), from Distribution Casino France in amount of $82 (2017 - $104) and from Casino International in amount of $2,426 (2017 - $2,845), and for energy efficiency services received from Greenyellow Energía de Colombia S.A.S. in amount of $357 (2017 - $57).

(4) Represents the balance receivable under the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A.

(5) Balances from transactions with key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered between the parties. Key management personnel include the CEO, Vice-presidents, business corporate managers, directors, and their family members

Balances of accounts payable to related parties and collections and advance payments received from related parties are made as follows:

	Accounts payable		Other financial liabilities		Other non-financial liabilities	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Subsidiaries (1)	90,550	89,065	-	-	113,044	151,332
Controlling entity (2)	36,715	14,792	-	-	-	-
Joint ventures (3)	6,948	3,025	35,474	38,679	-	-
Grupo Casino companies (4)	6,946	9,593	-	-	-	-
Members of the Board	53	15	-	-	-	-
Total current	**141,212**	**116,490**	**35,474**	**38,679**	**113,044**	**151,332**

(1) The balance payable to subsidiaries relates to:
- Reimbursement of expenses to Gemex O & W S.A.S. in amount of $1,783 (2017 - $800);
- Loan received from Carulla Vivero Holding Inc. in amount of $4,509 (2017 - $4,527);
- Transport services received from Logística, Transporte y Servicios Asociados S.A.S. in amount of $5,853 (2017 - $5,039);
- Leases, purchase of merchandise and tax withholdings on dividends declared by Patrimonios Autónomos in amount of $6,747 (2017 - $5,838);
- Collections, purchase of tour packages and redemption of points to Éxito Viajes y Turismo S.A.S. in amount of $6 (2017 - $3,431);

- Lease of property and purchase of inventories and assets to Distribuidora de Textiles y Confecciones S.A.S. in amount of $70,860 (2017 - $69,430, which includes a balance pending capitalization in amount of $5,195).
- Capital contribution for the incorporation of subsidiary Marketplace Internacional Éxito y Servicios S.A.S. in amount of $20 (2017 - $-).
- Mobile refill collection services to Almacenes Éxito Inversiones S.A.S. in amount of $772 (2017 - $-).

At September 30, 2018 and at December 31, 2017, the balance of other non-financial liabilities relates to an advance payment from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 24).

(2) The balance of accounts payable relates to consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. in amount of $133 (2017 - $11,782) and dividends payable in amount of $36,582 (2017 - $3,010).

(3) At September 30, 2018 the balance relates to an account payable to Puntos Colombia S.A.S. arising from the issue of points (accumulation) in line with the change in the loyalty program implemented by the Company. The balance of accounts payable at December 31, 2017 relates to $3,000 payable to Puntos Colombia S.A.S. arising from the subscription of 9,000,000 shares and $25 intermediation fees payable to Compañía de Financiamiento Tuya S.A.

At September 30, 2018 and December 31, 2017, the balance of other financial liabilities represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 23).

(4) Accounts payable to Grupo Casino companies mainly arise from energy optimization services and intermediation in the import of goods.

Note 10. Inventories, net and Cost of sales

Note 10.1. Inventories, net

The net balance of inventories is as follows:

	September 30, 2018	December 31, 2017
Inventories available for trading	1,297,853	1,084,841
Inventories in transit	48,718	40,025
Materials, small spares, accessories and consumable packaging.	3,180	2,976
Raw materials	2,616	2,416
Production in process	719	-
Inventories of property under construction (1)	-	834
Inventory impairment (2)	(14,223)	(19,111)
Total inventories, net	**1,338,863**	**1,111,981**

(1) At December 31, 2017 the balance related to Cota Hotel real estate project then in the construction stage for trading purposes. This project was in a construction reorganization stage since 2015. At June 30, 2018 the asset was transferred to non-current assets held for trading (Note 41).

(2) The development of the provision during the period reported is as follows:

Balance at December 31, 2017	**19,111**
Reversal of impairment provisions (10.2)	(4,888)
Balance at September 30, 2018	**14,223**

At September 30, 2018 and at December 31, 2017 inventories are not subject to limitation or liens that restrict tradability or realization thereof and have been duly insured against all risks.

Pursuant to Company's policies, inventories are valued at cost or at net realizable value (fair value less selling costs), whichever is less. The adjustments to this valuation are included in the costs of sale for the period.

Note 10.2. Cost of sales

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

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Cost of goods sold (1)	6,669,867	6,667,706	2,227,720	2,245,370
Trade discounts and rebates on purchases	(976,170)	(1,003,755)	(329,719)	(331,530)
Logistics costs (2)	305,862	285,996	104,073	97,569
Damage and unknown reduction	109,973	117,686	37,731	43,261
(Reversal) impairment loss recognized during the period (3)	(4,888)	(20,115)	3,338	(5,711)
Total cost of sales (1)	**6,104,644**	**6,047,518**	**2,043,143**	**2,048,959**

(1) At September 30, 2018 includes $11,887 of depreciation and amortization cost (September 30, 2017 - $12,944.

(2) The following is a detail of items included in logistics costs:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Employee benefits	163,154	145,619	55,738	49,478
Public utilities	92,693	89,324	31,483	31,218
Leases	39,582	40,151	13,077	13,361
Depreciation and amortization	10,433	10,902	3,775	3,512
Total	**305,862**	**285,996**	**104,073**	**97,569**

(3) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage space at the distribution center, delimiting the exposure of goods at the warehouses. Also, they relate to a change in the management of physical counts (which are now managed through general inventories instead of revolving inventories), increase in post-season critical controls, assessment of critical merchandise and other activities.

Note 11. Other financial assets

The balance of other financial assets is as follows:

	September 30, 2018	December 31, 2017
Financial assets measured at amortized cost (1)	40,727	44,870
Derivative financial instruments (2)	33,221	5,934
Financial assets measured at fair value through income (3)	1,283	1,286
Derivative financial instruments designated as hedge instruments (4)	638	-
Financial assets measured at fair value through other comprehensive income	260	260
Total other financial assets	**76,129**	**52,350**
Current	**26,559**	**10,462**
Non-current	**49,570**	**41,888**

(1) Financial assets measured at amortized cost are investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Company has the intention and capability of holding until maturity. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At September 30, 2018 the nominal value amounts to $39,500 (2017 - $44,500) and maturities go from 1 to 10 years yielding CPI + 6%. Compañía de Financiamiento Tuya S.A. was capitalized in March 2018 maintaining the 50% interest in this company; bonds in amount of $5,000 were used to pay for this capitalization.

(2) Derivative financial instruments reflect the fair value of forward and swap contracts to hedge the fluctuation in the exchange rates and interest rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In its statement of financial position, the Company measures derivative financial instruments (forward and swap) at fair value, on each accounting closing date. The variation between September 30, 2018 and December 31, 2017 relates to the decrease in the closing rates used to measure forwards and swaps, below the average of the rates agreed upon with various financial players, giving rise to a right (asset) but not to an obligation (liability).

The detail of maturities of these instruments at September 30, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	6,568	5,860	-	-	-	12,428
Swap	-	511	-	10,124	10,158	20,793
	6,568	**6,371**	**-**	**10,124**	**10,158**	**33,221**

The detail of maturities of these instruments at December 31, 2017 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	31	353	171	135	-	690
Swap	-	-	4,514	730	-	5,244
	31	**353**	**4,685**	**865**	**-**	**5,934**

(3) Financial assets measured at fair value through income include investments in equity 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 income.

(4) As of 2017, derivative instruments designated as hedge instrument reflect swap transactions carried out by the Company under contracts executed with financial entities whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

At September 30, 2018 relates to the following transactions:

	Nature of risk hedged	Hedged item	Range of rates for the item hedged	Range of rates for hedging instruments	Fair value
Swap	Interest rate	Financial obligations	IBR 3M	4.4% - 6.0%	638

The detail of maturities of these hedge instruments at September 30, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	-	-	-	638	638

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

	September 30, 2018	December 31, 2017
Financial assets measured at amortized cost	3,496	4,528
Derivative financial instruments	23,063	5,934
Total current	**26,559**	**10,462**
Financial assets measured at amortized cost	37,231	40,342
Derivative financial instruments	10,158	-
Derivative financial instruments designated as hedge instruments	638	-
Financial assets measured at fair value through income	1,283	1,286
Financial assets measured at fair value through other comprehensive income	260	260
Total non-current	**49,570**	**41,888**

At September 30, 2018 and at December 31, 2017 there are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of the Company's investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued as part of the business collaboration agreement on Tarjeta Éxito.

None of the assets was impaired at September 30, 2018 or at December 31, 2017.

Note 12. Property, plant and equipment, net

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

	September 30, 2018	December 31, 2017
Land	442,904	632,046
Buildings	869,595	957,388
Machinery and equipment	704,758	657,169
Furniture and fixtures	400,623	390,358
Assets under construction	32,384	25,472
Improvements to third party properties	271,597	270,284
Vehicles and transportation equipment	5,285	5,284
Computers	147,727	141,535
Other property, plant and equipment	16,050	16,050
Total cost of property, plant and equipment	**2,890,923**	**3,095,586**
Accumulated depreciation	(838,967)	(713,091)
Total net property, plant and equipment	**2,051,956**	**2,382,495**

The development of the cost of property, plant and equipment, and depreciation thereof, during the reporting year, is as follows:

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Transportation equipment	Computers	Other	Total
Balance at December 31, 2017	**632,046**	**957,388**	**657,169**	**390,358**	**25,472**	**270,284**	**5,284**	**141,535**	**16,050**	**3,095,586**
Additions	-	1,892	9,083	2,272	73,352	4,206	-	830	-	91,635
(Decrease) increase from transfers (to) from investment property (Note 13) (1)	(446)	-	-	-	11,412	-	-	-	-	10,966
(Decrease) from transfers (to) non-current assets held for trading (Note 41)	(88,595)	(30,281)	-	-	(6,171)	(126)	-	-	-	(125,173)
Increase (decrease) from movements between property, plant and equipment accounts	1,920	3,688	40,017	9,267	(71,681)	10,632	5	6,152	-	-
(Derecognition) of property, plant and equipment (2)	-	(818)	(1,511)	(1,274)	-	(13,399)	(4)	(757)	-	(17,763)
(Decrease) from contribution to Patrimonios Autónomos (3)	(102,021)	(62,274)	-	-	-	-	-	-	-	(164,295)
Other minor changes	-	-	-	-	-	-	-	(33)	-	(33)
Balance at September 30, 2018	**442,904**	**869,595**	**704,758**	**400,623**	**32,384**	**271,597**	**5,285**	**147,727**	**16,050**	**2,890,923**
Accumulated depreciation										
Balance at December 31, 2017	**-**	**109,208**	**245,326**	**150,804**	**-**	**119,097**	**3,155**	**83,068**	**2,433**	**713,091**
Depreciation expense/cost	-	20,838	53,777	33,912	-	20,323	443	17,456	591	147,340
(Derecognition) of depreciation (2)	-	(818)	(1,511)	(1,254)	-	(6,150)	(4)	(757)	-	(10,494)
(Decrease) from contribution to Patrimonios Autónomos (3)	-	(7,574)	-	-	-	-	-	-	-	(7,574)
(Decrease) from transfers (to) non-current assets held for trading (Note 41)	-	(3,478)	-	-	-	(126)	-	-	-	(3,604)
Other minor changes	-	(3)	(6)	-	-	13	-	204	-	208
Balance at September 30, 2018	**-**	**118,173**	**297,586**	**183,462**	**-**	**133,157**	**3,594**	**99,971**	**3,024**	**838,967**

- Represents the transfer of amounts related with fire-control networks, air ducts and safety assets that were part of the Envigado building in construction under investment property. Later, such amounts were made part of the assets under machinery and equipment upon completion of the construction of the building.

(2) Includes the closure of the following stores: Éxito Barranquilla Alto Prado $3,007, Carulla Express Olaya Herrera $473, Surtimax San Carlos $389, Éxito Express Altos de la Carolina $319, Surtimax Los Olivos $309, Éxito Express Ciudadela $291, Éxito Express Costa de Oro $232, Éxito Mini Barzal $201, Éxito Express Avenida 60 $196, Surtimax El Real $184, Surtimax Ciudad Bolivar $167, Éxito Mini Parque de las Cigarras $132, Éxito Mini Yerbabuena $121. These values are the carrying amounts of the stores.

(3) Relates to the Envigado building that was delivered to Patrimonio Autónomo Viva Malls as part of the memorandum of understanding executed on December 23, 2016 with Fondo Inmobiliario Colombia.

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

The carrying amounts of property, plant and equipment under finance lease are as follows:

	September 30, 2018	December 31, 2017
Machinery and equipment	-	769
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**15,761**	**16,530**
Accumulated depreciation	(3,021)	(2,653)
Total net property, plant and equipment	**12,740**	**13,877**

The cost of property, plant and equipment does not include the balance of estimated dismantling and similar costs, since the assessment and analysis carried out by the Company made it clear that there are no contractual or legal obligations requiring such estimation at the time of acquisition.

At September 30, 2018 and at December 31, 2017 there are no limitations or liens imposed on property, plant and equipment that restrict realization or tradability thereof.

No insurance compensation has been received at September 30, 2018 on account of assets damaged (2017 - $1,202).

At September 30, 2018 no impairment of property, plant and equipment was recognized. At December 31, 2017 an impairment loss was recognized on Torre Sur Building in amount of $1,481, resulting from demolition thereof.

Note 13. Investment property, net

Company's investment properties are business premises and plots of land held to generate income from operating lease agreements or future appreciation of the price thereof.

The net balance of investment properties is made as follows:

	September 30, 2018	December 31, 2017
Land	57,562	65,103
Buildings	141,986	213,909
Construction in progress	10,992	67,682
Total cost of investment property	**210,540**	**346,694**
Accumulated depreciation	(8,090)	(6,990)
Total investment property, net	**202,450**	**339,704**

The development of the cost of investment property and depreciation thereof, during the reporting year, is as follows:

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2017	**65,103**	**213,909**	**67,682**	**346,694**
Additions	-	558	1,427	1,985
Increase (decrease) from transfers from (to) property, plant and equipment (Note 12).	446	-	(11,412)	(10,966)
(Decrease) from transfers to non-current assets held for trading (Note 41)	(7,987)	(3,000)	-	(10,987)
Transfers between investment property accounts	-	31,071	(31,071)	-
(Decrease) from contribution to Patrimonios Autónomos (1)	-	(100,552)	-	(100,552)
Other changes (2)	-	-	(15,634)	(15,634)
Balance at September 30, 2018	**57,562**	**141,986**	**10,992**	**210,540**

Accumulated depreciation	Buildings
Balance at December 31, 2017	**6,990**
Depreciation expense	2,682
(Decrease) from transfers (to) non-current assets held for trading (Note 41)	(308)
(Decrease) from contribution to Patrimonios Autónomos (1)	(1,274)
Balance at September 30, 2018	**8,090**

(1) Relates to a property in Envigado that was delivered to Patrimonio Autónomo Viva Malls as part of the memorandum of understanding executed on December 23, 2016 with Fondo Inmobiliario Colombia.

(2) Includes down payment and offsetting of constructions in progress under the mandate agreement entered between Almacenes Éxito S.A. and Patrimonio Autónomo Viva Malls.

At September 30, 2018 and at December 31, 2017 there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At September 30, 2018 and at December 31, 2017 the Company is not committed to acquire, build or develop investment property or to repair, maintain or improve such property, other than existing constructions. Also, it has not received compensations from third parties arising from the damage or loss of investment property, nor has it recognized impairment losses.

Investment property was not impaired at September 30, 2018 and at December 31, 2017.

Note 36 discloses the fair values of investment property, based on the appraisal carried out by an independent third party.

Note 14. Goodwill

The balance of goodwill is as follows:

	September 30, 2018	December 31, 2017
Carulla Vivero S.A. (1)	827,420	827,420
Super Inter (2)	453,649	453,649
Cafam (3)	122,219	122,219
Other (4)	49,789	49,789
Total goodwill	**1,453,077**	**1,453,077**

(1) Relates to goodwill from the business combination carried out in 2007 resulting from the merger with Carulla Vivero S.A. The amount was determined in the opening statement of financial position using the deemed cost option, pursuant to the exemption of IFRS 1 of not to restate business combinations.

(2) Includes $179,412 from the acquisition of 19 Súper Inter business establishments carried out in September 2014; $264,027 from the acquisition of 29 Súper Inter business establishment carried out in April 2015; and $10,210 from the acquisition of 7 business establishments carried out between February 23, 2015 and June 24, 2015.

(3) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that had been operated by the Company since 2010. Business establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $80,134, to Carulla $29,075 and to Surtimax $13,010.

(4) Minor acquisitions of other business establishments that were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $10,540, to Surtimax $28,566 and to Súper Inter $10,683.

Goodwill has indefinite useful life on the grounds of the Company's considerations thereon, and consequently it is not amortized.

Goodwill was not impaired at September 30, 2018 and at December 31, 2017.

Note 15. Intangible assets other than goodwill, net

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

	September 30, 2018	December 31, 2017
Computer software	114,874	129,008
Trademarks	81,131	81,131
Rights	26,986	26,986
Other	347	31
Total cost of intangible assets other than goodwill	**223,338**	**237,156**
Accumulated amortization	(76,953)	(80,938)
Total intangible assets other than goodwill, net	**146,385**	**156,218**

The development of intangible assets other than goodwill during the reporting year is as follows:

Cost	Trademarks (1)	Computer software (2)	Rights (3)	Other	Total
Balance at December 31, 2017	**81,131**	**129,008**	**26,986**	**31**	**237,156**
Additions	-	6,128	-	316	6,444
Disposal and derecognition of impaired assets	-	(20,262)	-	-	(20,262)
Other changes	-	-	-	-	-
Balance at September 30, 2018	**81,131**	**114,874**	**26,986**	**347**	**223,338**
Accumulated amortization					
Balance at December 31, 2017	**-**	**80,938**	**-**	**-**	**80,938**
Amortization expense/cost	-	13,208	-	-	13,208
Disposal and derecognition of impaired assets	-	(16,955)	-	-	(16,955)
Other changes	-	(238)	-	-	(238)
Balance at September 30, 2018	**-**	**76,953**	**-**	**-**	**76,953**
Accumulated impairment					
Balance at December 31, 2017	**-**	**-**	**-**	**-**	**-**
Amortization expense/cost	-	3,307	-	-	-
Disposals and derecognition	-	(3,307)	-	-	-
Balance at September 30, 2018	**-**	**-**	**-**	**-**	**-**

(1) Relates to Surtimax trademark in amount of $17,427 acquired in the merger with Carulla Vivero S.A., and Super Inter trademark acquired in the business combination with Comercializadora Giraldo Gómez y Cía. S.A. in amount of $63,704.

Such trademarks have indefinite useful life on the grounds of the Company's considerations thereon, and consequently they are not amortized.

(2) Represents the net value of the following computer software, used by the Company in its business operation:

	September 30, 2018	December 31, 2017
System application and products (SAP)	8,774	12,634
Sistema de información comercial (Sinco)	6,990	11,054
WMS	5,769	2,843
Demand forecasts	3,514	4,299
Databases	3,498	4,402
Single customer	2,196	3,091
Central equipment virtualizer	1,172	1,391
Rotar	901	-
Market Place Pragma (Seller Center)	683	-
Pos and pin pads	714	1,021
Sinemax	627	980
Direct trade (Éxito app, Carulla app and Mi Descuento app)	577	-
Slotting	514	762
Innovation at points of payment	202	-
Assortment and space (a)	-	708
Pricing (a)	-	1,904
Other minor items	1,790	2,981
Net total	**37,921**	**48,070**

(a) An impairment loss of such computer software was recognized at September 30, 2018 (Note 35).

(3) Recognitions of contracts executed in December 2017 in amount of $2,226, December 2016 in amount of $11,522 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises.

Given the relevant usage considerations that the Company has thereon, such rights have indefinite useful life, and consequently they are not amortized.

At September 30, 2018 and at December 31, 2017 intangible assets other than goodwill are not limited or subject to lien that would restrict realization or tradability thereof. In addition, there are no commitments to acquire or develop intangible assets other than goodwill.

Except for that mentioned in section 2(a) above, at September 30, 2018 and at December 31, 2017 no impairment was recognized for intangible assets other than goodwill.

Note 16. Investments accounted for using the equity method

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

Company	Classification	September 30, 2018	December 31, 2017
Onper Investment 2015 S.L.	Subsidiary	3,650,584	5,366,939
Spice Investment Mercosur S.A.	Subsidiary	1,695,110	1,858,653
Patrimonio Autónomo Viva Malls	Subsidiary	745,360	537,572
Compañía de Financiamiento Tuya S.A.	Joint venture	178,339	126,551
Distribuidora de Textiles y Confecciones S.A.S.	Subsidiary	138,610	134,172
Patrimonio Autónomo Viva Villavicencio	Subsidiary	108,524	108,124
Patrimonio Autónomo Centro Comercial	Subsidiary	57,089	57,294
Patrimonio Autónomo Viva Sincelejo	Subsidiary	41,027	41,947
Patrimonio Autónomo San Pedro Etapa I	Subsidiary	17,187	17,534
Cnova N.V.	Associate	9,222	9,222
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	6,461	4,121
Carulla Vivero Holding Inc.	Subsidiary	4,421	4,439
Fideicomiso Lote Girardot	Subsidiary	3,850	3,850
Éxito Viajes y Turismo S.A.S.	Subsidiary	3,345	3,755
Patrimonio Autónomo Iwana	Subsidiary	3,018	3,196
Puntos Colombia S.A.S.	Joint venture	2,918	7,213
Almacenes Éxito Inversiones S.A.S.	Subsidiary	543	2,844
Marketplace Internacional Éxito y Servicios S.A.S. (1)	Subsidiary	20	-
Total investments accounted for using the equity method		**6,665,628**	**8,287,426**

(1) A subsidiary incorporated on September 12, 2018, with 100% direct interest of the Parent.

Note 17. Changes in the classification of financial assets

During the nine-month period ended September 30, 2018, there were no material changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 18. Financial liabilities

The balance of financial liabilities is as follows:

	September 30, 2018	December 31, 2017
Bank loans (1)	945,028	796,390
Finance leases	3,505	3,530
Total current financial liabilities	**948,533**	**799,920**
Bank loans (1)	2,860,217	3,281,044
Finance leases	9,450	11,780
Total non-current financial liabilities	**2,869,667**	**3,292,824**

(1) In August 2015, the Company 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 $3,027.20 Colombian pesos) for the acquisition of the operations in Brazil and Argentina through the Spanish company Onper Investment 2015 S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of $14,332.

Under both agreements, the 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 will automatically grant authorization if the occurrence index is complied with, measured using the latest financial statements released by the Company, among others.

During January 2016 and April 2016, the Company requested disbursements in amount of $400,000 and $100,000, respectively, against the revolving trench under the credit agreement executed in July 2015. The revolving credit in amount of $500,000 with a term of two years, and the revolving cash credit with a term of one year, were restructured in August 2016.

$97,495 of the balance of non-current bank loans were repaid in August 2016; $55,000 and $500,000 of current bank loans were repaid in November 2016 and December 2016, respectively.

In February 2017 the Company obtained a loan in amount of $530,000; in March 2017, $70,000; in April 2017, $158,380; in May 2017, $79,216; and in September $120,000.

In February 2017 and in August 2017, $194,990 ($97,495 each month) were repaid of the outstanding balance of non-current bank loans; other repayments: in June 2017 $200,000; in August 2017 $50,000; in October 2017 120,000; in November 2017 $100,000 and in December 2017 $150,000 of current bank loans (syndicated revolving credit).

On December 22, 2017 the Company obtained a new syndicated revolving credit in amount of USD 450 million, maturing in December 2020. These resources allowed paying in advance the US Dollar syndicated credit outstanding at that date in the same amount, maturing in December 2018. Also, the peso revolving syndicated credit in amount of $500,000 was restructured to extend maturity from August 2018 to August 2020; all other contract conditions remain unchanged. The Company's debt level after the above two transactions does not vary; however, the average term of the debt goes from 2.2 years to 2.9 years, optimizing the Company's future payment outflows.

The Company requested disbursements in amount of $120,000, $350,000 and $30,000 during January, February and May 2018, respectively, against the syndicated revolving credit.

$97,495, $73,015 and $97,495 of the non-current bank loan balance were repaid in February, June and August 2018, respectively.

$120,000 and $380,000 of the balance of syndicated revolving loans were repaid in July and August 2018, respectively.

Below is a detail of annual maturities of outstanding non-current bank loans and finance leases outstanding at September 30, 2018, discounted at present value:

Year	**Total**
2019	187,477
2020	1,802,527
2021	272,046
>2022	607,617
	2,869,667

Note 18.1. Commitments undertaken under credit contracts (financial obligations)

The purpose of commitments undertaken under credit contracts is to ensure compliance with the financial clauses applicable to debt and loans obtained in August 2015 and December 2017 that define the capital structure requirements (covenants) and other debtor obligations. Failure to comply with such financial clauses would result in the banks' promptly claiming repayment of debt and loans. No failure to comply with financial clauses has been reported regarding any interest-bearing debt or loan during the current period.

The Company has committed to pay in advance such obligations without accruing any prepayment commission or penalty, in the following events:

a. Sale of assets: When at any time during the loan term the Company dispose of its own assets, in one single or several transactions, which in the aggregate exceed 20% of the assets included in (i) 2014 financial statements, or (ii) the latest available annual financial statements, whichever is higher, it shall prepay an amount equivalent to 40% or 80% of the net proceeds of such sales, except (i) arising from disposals in the ordinary course of business, or (ii) if the net cash proceeds of the sale are reinvested in other assets within 12 months of receipt.

b. Insurance compensations: When at any time, during the credit term, the Company receive one or several insurance compensations as payment for one or several claims arising from the loss or damage of one or several of its assets, whose aggregate amount exceed 20% of the assets included in the latest available annual financial statements, the Company shall prepay an amount equivalent to 40% or 80%$ of the net payments received, in accordance with the time when the prepayment is to be made, except if reinvestment of such resources begins within 18 months of receipt of the net cash compensation.

c. Prepayments under bridge credit agreements: Wherever the Company intends to prepay bank credits in foreign currency, the Company shall prepay the short-term trench in proportion to the amount prepaid of bank credits in foreign currency, and in proportion to each creditor.

Note 18.2. Obligations undertaken under credit contracts (financial obligations)

a. Financial: The Company is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio will be measured annually on April 30 based on audited consolidated financial statements at each period closing.

b. Indebtedness: The Company is committed to refrain from: (i) incurring new debts in the event of being in default of the financial liability and/or if incurring the new debt would result in failure to comply with an existing financial liability, and (ii) incurring additional debt without the authorization of creditors.

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

Note 19. Employee benefits

The following are the balances of employee benefits:

	September 30, 2018	December 31, 2017
Defined benefit plans	31,653	29,885
Long-term benefit plan	2,167	2,002
Total employee benefits	**33,820**	**31,887**
Current	**5,390**	**3,457**
Non-current	**28,430**	**28,430**

Note 20. Other provisions

The balance of other provisions is made as follows:

	September 30, 2018	December 31, 2017
Legal proceedings (1)	13,130	12,675
Taxes other than income tax (2)	8,377	10,288
Restructuring (3)	5,755	1,268
Other (4)	15,097	13,026
Total other provisions	**42,359**	**37,257**
Current Note 20.1	**24,705**	**17,558**
Non-current Note 20.1	**17,654**	**19,699**

At September 30, 2018 and at December 31, 2017 the Company did not recognize provisions for contracts for consideration.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from labor and civil lawsuits brought against the Company, assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of $9,726 (2017 - $8,965) for labor lawsuits and $3,404 (2017 - $3,710) for civil lawsuits.

(2) Provisions for taxes other than income tax relate to the industry and trade tax in amount of $2,217 (2017 - $2,217), real estate tax in amount of $2,926 (2017 - $2,926) and value added tax payable in amount of $3,234 (2017 - $5,145).

(3) The increase in restructuring provision relates to reorganization processes announced to the employees of stores, corporate and distribution centers during the first quarter of 2018 that will affect Company activities. The provision is based on cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation are expected to be carried out during 2018. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provision relates to:

	September 30, 2018	December 31, 2017
Gemex O&W S.A.S. (a)	11,839	9,209
Provision to protect against the loss of merchandise "*VMI*"	3,258	3,817
Total other provisions	**15,097**	**13,026**

(a) Represents liabilities carried to recognize additional subsidiary losses exceeding the value of the amount invested in them by the Company. Company management have decided to carry such liability to recognize cash outflows probably required to settle these subsidiaries' liabilities.

Balances and development of provisions during the period are as follows:

	Legal Proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2017	**12,675**	**10,288**	**1,268**	**13,026**	**37,257**
Increase	4,217	-	36,161	6,696	47,074
Uses	(3)	-	-	(82)	(85)
Payments	(1,024)	-	(30,704)	(3,678)	(35,406)
Reversal of unused amounts	(2,735)	(1,911)	(970)	(865)	(6,481)
Balance at September 30, 2018	**13,130**	**8,377**	**5,755**	**15,097**	**42,359**

Note 20.1. Other provisions classified as current and non-current

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

	September 30, 2018	December 31, 2017
Legal proceedings	3,853	3,264
Restructuring	5,755	1,268
Other	15,097	13,026
Total current	**24,705**	**17,558**
Legal proceedings	9,277	9,411
Taxes other than income tax	8,377	10,288
Total non-current	**17,654**	**19,699**

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at September 30, 2018 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	3,853	-	5,755	15,097	24,705
More than one year	9,277	8,377	-	-	17,654
Total estimated payments	**13,130**	**8,377**	**5,755**	**15,097**	**42,359**

Note 21. Trade payables and other accounts payable

The balance of trade payables and other accounts payable is as follows:

	September 30, 2018	December 31, 2017
Suppliers	1,833,918	2,642,486
Costs and expenses payable	233,473	331,585
Employee benefits	135,978	141,763
Financing for the acquisition of assets	49,249	87,241
Tax withholdings payable	30,203	37,135
Dividends payable	25,688	3,793
Other	18,986	18,724
Taxes collected payable	-	38,934
Total trade payables and other accounts payable	**2,327,495**	**3,301,661**

Note 22. Income tax

Tax rules applicable to the Company

a. For 2018, the applicable income tax rate is 33% and for 2017 was 34%; for domestic companies the surcharge on income tax is 4% and 6% for 2017, assessed on taxable income higher than $800. The income tax for equality CREE and surcharge thereon were eliminated as of 2017.

   For 2017, the income tax rate applicable to the Company was 33%, under the tax stability contract.

b. As of 2017, the taxable base to assess the income tax cannot be less than 3.5% of the net equity held on the last day of the immediately preceding taxable period.

   For 2017, the base to assess the Company's income tax is 3% under the tax stability contract.

c. Comprehensive inflation adjustments were eliminated for tax purposes as of 2007, and the tax on occasional gains was reinstated at a current rate of 10%, payable by legal entities on total occasional gains obtained during the taxable year.

d. A tax on dividends paid to individuals resident in Colombia was established as of 2017 at a rate of 5% triggered when the amount distributed is between 600 UVT ($19 for 2017) and 1000 UVT ($32 for 2017) and 10% on higher amounts when such dividends have been taxed upon the distributing companies.

For non-resident individuals and foreign companies, the tax rate is 5% when such dividends have been taxed upon the distributing companies.

When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders will be 35%.

e. As of 2017 the tax base adopted is the accounting system pursuant to the accounting technical rules framework in force in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at 31 December 2014, regulated in Colombia by Regulatory Decree 2450 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, with certain exceptions regarding the realization of revenue, recognition of costs and expenses and the accounting effects of the opening balance upon adoption of these standards.

f. The tax on financial transactions is a permanent tax.

g. The annual adjustment applicable at December 31, 2017 to movable assets and real estate deemed fixed assets is 4.07%.

Tax stability

As of 2007 and until taxable 2009, the deduction of effective investments made in productive fixed assets is 40%, and application thereof does not give rise to profits taxed on partners or shareholders.

Taxpayers who acquire depreciable productive fixed assets as of January 1, 2007 and use such deduction, are only allowed to depreciate such assets under the straight-line method and will not be entitled to the audit benefit, even if they meet the requirements to claim such benefit pursuant to tax regulations. Prior to January 1, 2007 the same deduction applied to investments in productive fixed assets without the obligation of depreciating such assets using the straight-line method. Wherever the assets on which the above-mentioned deduction benefit was applied cease to be used in an income-producing activity, or wherever they are sold, the proportion of such deduction equivalent to the remaining useful life at the time of abandonment or sale becomes income taxable at applicable rates.

Law 1370 of 2009 reduced from 40% to 30% the deduction rate arising from effective investments in productive fixed assets for 2010; Law 1430 of 2010 eliminated the special deduction from investment in productive fixed asset as of taxable 2011. However, the possibility of stabilizing such regulation for a maximum term of three years is authorized to investors who prior to November 1, 2010 filed a request to be part to a tax stability agreement.

Up to 2017, the Company may request in its income tax return 40% of said investments, given that section 158-3 of the Tax Code is an integral part of the Legal Stability Contract EJ-03, under Law 963 of July 2005, entered with the Colombian government for ten years as of August 2007.

Tax credits

Pursuant to tax regulations in force as of 2017, the time limit to offset tax losses is 12 years following the year in which the loss was incurred.

Excess presumptive income over ordinary income obtained as of taxable 2007 may be offset against ordinary net income assessed within the following five (5) years.

Company losses are not transferrable to shareholders. In no event tax losses arising from revenue other than income and occasional gains, and from costs and deductions not directly related with the generation of taxable income will be offset against the taxpayer's net income.

Pursuant to sections 188 and 189 of the Tax Code, at September 30, 2018 and at December 31, 2017 the Company assessed its income tax by applying the presumptive income system.

At September 30, 2018 the Company has accrued $408,176 (December 31, 2017 - $293,218) excess presumptive income over net income.

At September 30, 2018 the Company has accrued $836,563 (December 31, 2017 - $245,681) tax losses.

Closing of tax returns

As of 2017, the general term to close tax returns is 3 years, and 6 years for taxpayers required to report transfer pricing information. Tax returns where tax losses are assessed will be closed in 12 years and those including offsetting of tax losses will be closed in 6 years.

The income tax return for 2017 where tax losses and a balance receivable were assessed is open for review for 12 years as of filing of the balance receivable; income tax return for 2016 where tax losses and a balance receivable were assessed is open for review for 3 years as of filing of the balance receivable; income tax for equality CREE return for 2016 showing a balance receivable is open for review for 3 years as of filing of the balance receivable; income tax return for 2015 showing a balance receivable is open for review for 2 years as of filing of the balance receivable; income tax for equality CREE return for 2015 is open for review for 2 years as of filing date. Tax advisors and Company management are of the opinion that no additional taxes will be assessed, other than those for which a provision has been recorded at September 30, 2018.

Transfer pricing

Company transactions with its parent, subsidiaries and/or foreign related parties have been carried out in accordance with the arm's length principle as if they were independent parties, as required by Transfer Pricing provisions set forth by domestic tax regulations. Independent advisors updated the transfer pricing survey as required by tax regulations, aimed at demonstrating that transactions with foreign related parties were carried out at market values during 2017. For this purpose, the Company filed an information statement and has the mentioned survey available as of September 13, 2018.

Foreign controlled entities

Under the special regime applicable to foreign subsidiaries that are investment vehicles, as of 2017 the standard sets out that passive revenue obtained by such vehicles must be included in the year of accrual and not in the year of effective distribution of profits.

Note 22.1. Current tax assets and liabilities

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

Current tax assets

	September 30, 2018	December 31, 2017
Total income tax balance receivable (1)	91,243	138,796
Tax discounts from taxes paid abroad	12,176	21,288
Industry and trade tax advances and withholdings	15,497	13,496
Total current tax assets	**118,916**	**173,580**

(1) The balance is comprised of:

	September 30, 2018	December 31, 2017
Income tax withholdings	133,831	187,166
Subtotal	**133,831**	**187,166**
Income tax (expense) (Note 22.2)	(42,588)	(48,370)
Total income tax balance receivable	**91,243**	**138,796**

Current tax liabilities

	September 30, 2018	December 31, 2017
Industry and trade tax payable	30,136	41,816
Real estate tax	331	-
Total current tax liabilities	**30,467**	**41,816**

Note 22.2. Income tax

The reconciliation of accounting income to taxable income, and the tax expense estimation are as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017	December 31, 2017
Earnings (loss) before income tax	**52,303**	**(60,005)**	**(23,872)**	**(30,143)**	**140,323**
Add					
Non-deductible expenses	32,319	3,052	9,280	403	158,314
Tax on financial transactions	6,336	6,061	2,288	1,534	7,158
Taxes taken on and revaluation	3,966	2,850	391	1,403	4,637
Fines, penalties and litigation	736	1,680	139	607	2,312
Non-deductible inventory losses	606	3,252	98	1,673	4,678
Non-deductible taxes	20	15	-	(2)	15
Net income - recovery of depreciation of fixed assets sold	5	970	5	970	6,955
Tax on wealth	-	19,804	-	-	19,804
Accounting provisions and receivables written off (recoveries)	-	9,731	-	259	13,597
Reimbursement of deduction from income-generating fixed assets	-	117	-	117	1,989
Less					
IFRS adjustments with no tax effects	(299,688)	(35,335)	(65,025)	(54,185)	(193,475)
Tax-exempt dividends received from subsidiaries	(27,739)	(50,149)	(7,770)	-	(51,849)
Goodwill tax deduction, in addition to the accounting deduction	(15,263)	(143,829)	(5,088)	38,499	(279,655)
Impairment of receivables	(1,955)	-	(1,849)	-	-
Revenue from loss insurance compensation	(1,389)	-	(758)	-	-
Disabled employee deduction	(334)	(733)	(112)	(181)	(1,406)
Derecognition of gain from the sale of fixed assets reported as occasional gain	(13)	(5,094)	(37)	(1,440)	(18,993)
40% deduction of investment in income-generating assets	-	(84,908)	-	(26,363)	(54,363)
Recovery of provisions	-	(425)	-	(41)	(5,722)
Net (loss)	**(250,090)**	**(332,946)**	**(92,310)**	**(66,890)**	**(245,681)**
Current period presumptive income	**115,626**	**107,125**	**38,542**	**21,068**	**144,009**
Net taxable income	**115,626**	**107,125**	**38,542**	**21,068**	**144,009**
Income tax rate	33%	33%	33%	33%	33%
Subtotal income tax (expense)	**(38,157)**	**(35,351)**	**(12,719)**	**(6,090)**	**(47,523)**
Income tax surcharge	(4,601)	-	(1,533)	-	-
Occasional gains tax (expense)	-	(347)	-	(80)	(1,097)
Tax discounts	170	-	108	-	250
Total income tax (expense)	**(42,588)**	**(35,698)**	**(14,144)**	**(6,170)**	**(48,370)**
Recovery of prior year's tax	**2,293**	**-**	**-**	**-**	**789**
Total current income tax (expense)	**(40,295)**	**(35,698)**	**(14,144)**	**(6,170)**	**(47,581)**

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

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Total current income tax (expense)	(40,295)	(35,698)	(14,144)	(6,170)
Deferred income tax revenue (Note 22.3)	107,304	126,042	28,340	4,982
Total income tax revenue (expense)	**67,009**	**90,344**	**14,196**	**(1,188)**

Presumptive income was determined as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017	December 31, 2017
Net shareholders' equity	3,367,808	3,635,130	1,122,602	1,132,659	4,885,686
Less net shareholders' equity to be excluded	(64,818)	(64,286)	(21,605)	(20,580)	(85,396)
Net shareholders' equity base	**3,302,990**	**3,570,844**	**1,100,997**	**1,112,079**	**4,800,290**
Presumptive income	**115,605**	**107,125**	**38,535**	**21,068**	**144,009**
Add: Taxed dividends	21	-	7	-	-
Total presumptive income	**115,626**	**107,125**	**38,542**	**21,068**	**144,009**

Note 22.3. Deferred tax

The Company recognizes deferred taxes receivable or payable, arising from temporary differences representing a lower or higher payment of the current year income tax, estimated at expected recovery rates (2018 tax rates in force 33%), provided there is reasonable expectation that such differences will revert in future. Should there be any deferred tax asset, an analysis will be made of whether the Company will generate enough taxable income in future to offset the asset, in full or in part.

Deferred tax carried in the statement of financial position and the breakdown of deferred tax assets and liabilities are as follows:

	September 30, 2018			December 31, 2017		
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets (liabilities), net	Deferred tax assets	Deferred tax liabilities	Deferred tax assets (liabilities), net
Goodwill	4,883	(207,750)	(202,867)	7,989	(139,142)	(131,153)
Buildings	122,904	(212,065)	(89,161)	129,990	(223,952)	(93,962)
Investments in subsidiaries and joint ventures	273,848	(345,691)	(71,843)	235,734	(311,951)	(76,217)
Other property, plant and equipment	564,254	(593,462)	(29,208)	584,542	(614,792)	(30,250)
Investment property	-	(11,495)	(11,495)	-	(12,814)	(12,814)
Other financial assets	25	(9,962)	(9,937)	32	(1,967)	(1,935)
Land	5,309	(14,922)	(9,613)	5,309	(27,160)	(21,851)
Intangible assets other than goodwill	109,234	(117,419)	(8,185)	95,147	(104,435)	(9,288)
Trade and other payables	856	(7,831)	(6,975)	-	(12,497)	(12,497)
Non-current assets held for trading	-	(6,314)	(6,314)	-	-	-
Construction in progress	192	(1,079)	(887)	133	(2,643)	(2,510)
Accounts receivable from related parties	-	(55)	(55)	91	(26)	65
Other non-financial assets	-	(22)	(22)	-	(22)	(22)
Tax losses	275,876	-	275,876	81,075	-	81,075
Excess presumptive income	134,698	-	134,698	96,762	-	96,762
Tax credits	39,834	-	39,834	40,771	-	40,771
Other provisions	6,806	-	6,806	9,111	(4,037)	5,074
Employee benefit provisions	5,312	(602)	4,710	5,489	(1,416)	4,073
Prepaid expenses	4,101	-	4,101	15,951	(12,995)	2,956
Financial liabilities	3,769	-	3,769	53,593	(1,066)	52,527
Other non-financial liabilities	9,922	(6,405)	3,517	9,790	(459)	9,331
Other financial liabilities	3,339	-	3,339	12,478	-	12,478
Trade and other receivables	4,119	(1,795)	2,324	15,891	(1,635)	14,256
Inventories	1,561	-	1,561	4,408	-	4,408
Accounts payable to related parties	395	(119)	276	11	(62)	(51)
Cash and cash equivalents	105	(60)	45	45	(112)	(67)
Total	**1,571,342**	**(1,537,048)**	**34,294**	**1,404,342**	**(1,473,183)**	**(68,841)**

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

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Deferred income tax	109,420	139,449	28,406	17,993
Deferred occasional gains tax	(2,116)	(13,463)	(66)	(13,011)
Retained earnings of subsidiaries in Uruguay and Brazil	-	56	-	-
Total deferred income tax	**107,304**	**126,042**	**28,340**	**4,982**

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

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Gain from derivative financial instruments designated as hedge instruments	(4,169)	4,766	(739)	196
Total	**(4,169)**	**4,766**	**(739)**	**196**

The reconciliation of the development of the net deferred tax (liabilities), between September 30, 2018 and December 31, 2017 to the statement of income and the statement of other comprehensive income is as follows:

	September 30, 2018
Deferred tax recognized in income for the period.	107,304
Deferred tax recognized in other comprehensive income for the period.	(4,169)
Total decrease in net deferred tax (liabilities) between September 30, 2018 and December 31, 2017	**103,135**

No deferred tax assets generated by certain Colombian and foreign subsidiaries and other minor investments that have shown losses during the current or prior periods have been recognized. The amount of losses is as follows:

	September 30, 2018	December 31, 2017
Other	(2,919)	(2,919)
Total	**(2,919)**	**(2,919)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at September 30, 2018 amount to$346,366 (2017 - $1,118,113).

Note 23. Other financial liabilities

The balance of other financial liabilities is as follows:

	September 30, 2018	December 31, 2017
Collections received on behalf of third parties (1)	84,703	104,343
Derivative financial instruments designated as hedge instruments (2)	8,082	7,326
Derivative financial instruments (3)	3,247	16,570
Total current	**96,032**	**128,239**
Derivative financial instruments designated as hedge instruments (2)	1,307	13,915
Total non-current	**1,307**	**13,915**

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

	September 30, 2018	December 31, 2017
Éxito Card collections (a)	35,474	38,679
Non-banking correspondent	37,665	53,701
Direct trading (market place)	4,202	5,114
Money transfer services	-	1,594
Other collections	7,362	5,255
Total	**84,703**	**104,343**

(a) Represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 9).

(2) As of 2017, derivative instruments designated as hedge instrument reflect swap transactions carried out by the Company under contracts executed with financial entities whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

Financial bartering is used to hedge exchange rate and/or interest rate risks of financial liabilities arising from the acquisition of property, plant and equipment, as well as from the business combinations of Companhia Brasileira de Distribuição - CBD and of Libertad S.A. The coverage ratio is 100% of the item hedged, this being the total or a portion of the relevant financial liability.

The Company maintains supporting evidence of accounting hedging relationships and conducts efficacy testing from initial recognition and along the hedging relationship to its derecognition. No inefficacy has been identified during the periods reported.

At September 30, 2018 relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial obligations	IBR 3M	5.1% - 6.0%	8,701
Swap	Interest and exchange rates	Financial obligations	Libor USD 1M + 2.22%	9.06%	689
					9,390

The detail of maturities of these hedge instruments at September 30, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	1,177	2,438	4,468	1,307	**9,390**

At December 31, 2017 relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial obligations	IBR 3M	5.1% - 6.0%	20,287
Swap	Interest and exchange rates	Financial obligations	Libor USD 1M + 2.22%	9.06%	954
					21,241

The detail of maturities of these hedging instruments at December 31, 2017 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	-	1,121	6,205	13,915	**21,241**

(3) Derivative financial instruments reflect the fair value of forward and swap contracts to hedge the fluctuation in the exchange rates and interest rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In its statement of financial position, the Company measures derivative financial instruments (forward and swap) at fair value, on each accounting closing date. The variation between September 30, 2018 and December 31, 2017, relates to the variation of closing valuation rates for forwards and swaps, which reached values over the average rates agreed upon with the various financial players.

The detail of maturities of these instruments at September 30, 2018 is as follows:

	Less than 3 mos	From 3 to 6 mos	From 6 to 12 mos	More than 12 mos	Total
Forward	1,545	1,559	-	-	3,104
Swap	-	143	-	-	143
					3,247

The detail of maturities of these instruments at December 31, 2017 is as follows:

	Less than 3 mos	From 3 to 6 mos	From 6 to 12 mos	More than 12 mos	Total
Forward	10,448	4,710	1,412	-	**16,570**

Note 24. Other non-financial liabilities

The balance of other non-financial liabilities is as follows:

	September 30, 2018	December 31, 2017
Advance payments for real estate projects (1)	113,044	151,332
Revenue received in advance (2)	39,573	63,666
Customer loyalty programs (3)	29,966	37,797
Instalments received under "plan resérvalo"	1,542	850
Advance payments under lease agreements and other projects	1,036	3,948
Repurchase coupon	47	485
Total current	**185,208**	**258,078**
Advance payments under lease agreements and other projects	741	32,206
Total non-current	**741**	**32,206**

(1) Relates to advance payments from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 9).

(2) Mainly relates to revenue received in advance from third parties on the sale of various products through means of payment and strategic alliances.

	September 30, 2018	December 31, 2017
Gift card	26,426	47,851
Cafam comprehensive card	8,615	11,089
Exchange card	3,147	3,518
Fuel card	824	794
Other	561	414
Total	**39,573**	**63,666**

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At September 30, 2018, the effect of the valuation, issue, redemption and expiry of points related with these programs, in Company results, was a higher value in sales revenue in amount of $7,831 (September 30, 2017 higher value in sales revenue in amount of $741).

Note 25. Share capital, treasury shares repurchased and premium on the issue of shares

At September 30, 2018 and at December 31, 2017 the Company's authorized capital is represented in 530,000,000 common shares with a nominal value of $10 (*) each; subscribed and paid-in capital amounts to $4,482; the number of outstanding shares is 447,604,316 and the number of treasury shares reacquired is 635,835 valued at $2,734.

(*) Expressed in Colombian pesos.

The rights attached to the shares are speaking and voting rights per each share. No privileges have been granted on the shares, nor are they restricted in any way. Additionally, there are no option contracts on Company 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 September 30, 2018 and at December 31, 2017. 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.

Note 26. Reserves, Retained earnings and Other comprehensive income

Reserves

Reserves are appropriations of prior period results by the General Meeting of Shareholders. In addition to the legal reserve, there is an occasional reserve for the reacquisition of shares and the payment of future dividends.

Retained earnings

Retained earnings include the effect on shareholders' equity of the convergence to IFRS in amount of $1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170.

Other accumulated comprehensive income

The balance of each component of other comprehensive income in the statement of financial position is as follows:

	September 30, 2018			December 31, 2017		
	Gross amount	**Tax effect**	**Net amount**	**Gross amount**	**Tax effect**	**Net amount**
Measurement of financial assets at fair value through other comprehensive income (1)	(6,343)	-	(6,343)	(2,976)	-	(2,976)
Measurement of defined benefit plans (2)	(4,449)	1,472	(2,977)	(4,449)	1,472	(2,977)
Translation exchange differences (3)	(1,320,751)	-	(1,320,751)	(18,904)	-	(18,904)
(Loss) from the hedging of cash flows (4)	(6,881)	2,271	(4,610)	(19,516)	6,440	(13,076)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	(85,882)	-	(85,882)	(11,761)	-	(11,761)
Total other accumulated comprehensive income	**(1,424,306)**	**3,743**	**(1,420,563)**	**(57,606)**	**7,912**	**(49,694)**

(1) Relates to accumulated gains or losses arising from the valuation at fair value of investments in financial instruments through equity, less amounts transferred to retained earnings upon sale of such investments. Changes in fair value are not reclassified to income for the period.

(2) Represents the accumulated value of actuarial gains or losses arising from the Company's and its subsidiaries' defined benefit plans under the equity method. The net value of the new measurements is transferred to retained earnings and is not reclassified to income for the period.

(3) Represents the accumulated value of exchange differences arising from the translation to the Company's presentation currency of assets, liabilities, equity and results of operations abroad under the equity method. Accumulated translation differences are reclassified to period results upon disposition of the foreign operation.

(4) Represents the accumulated value of the effective portion of gains or losses arising from changes in the fair value of hedging instruments in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transaction has an effect on period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a non-financial hedged item.

(5) Value allocated to the Company of the other comprehensive income from its investments in associates and joint ventures through direct investment or through subsidiaries.

Note 27. Revenue from ordinary activities under contracts with customers

The balance of revenue from ordinary activities under contracts with customers is as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Total retail sales (1)	7,655,190	7,666,684	2,546,788	2,563,439
Service revenue (2)	210,139	188,843	75,737	70,997
Other ordinary revenue (3)	76,699	31,191	33,712	9,548
Total revenue from ordinary activities under contracts with customers	**7,942,028**	**7,886,718**	**2,656,237**	**2,643,984**

(1) The balance of retail sales represents the sale of goods net of returns and rebates.

(2) The balance of service revenue relates to:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Distributors	71,269	74,690	23,576	25,185
Advertising	48,805	56,220	19,179	25,545
Lease of real estate	46,234	18,118	18,139	5,850
Commissions	15,782	15,613	5,213	5,418
Non-banking correspondent	12,649	11,245	4,341	3,998
Money transfers	5,628	5,534	1,801	1,930
Administration of trade premises	4,205	3,565	1,453	1,771
Lease of physical space	1,319	12	397	12
Other services	4,248	3,846	1,638	1,288
Total service revenue	**210,139**	**188,843**	**75,737**	**70,997**

(3) The balance of other revenue relates to:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Involvement in collaboration agreement (a)	39,821	-	19,748	-
Exploitation of assets	9,574	6,304	4,540	1,121
Latam strategic direction (Note 34)	7,326	7,413	2,448	2,155
Marketing events	7,889	7,326	3,529	2,442
Royalties	6,259	5,996	1,617	3,006
Financial services	1,824	1,457	517	336
Use of parking spaces	1,204	1,137	346	446
Technical assistance	704	524	(29)	(370)
Other	2,098	1,034	996	412
Total other ordinary revenue	**76,699**	**31,191**	**33,712**	**9,548**

(a) Relates to the involvement in the corporate collaboration agreement with Compañía de Financiamiento Tuya S.A.

Note 28. Distribution expenses and Administration and sales expenses

The balance of distribution expenses is as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Leases	218,928	208,793	80,566	74,728
Fuels and power	125,659	123,960	42,593	40,887
Depreciation and amortization	124,493	131,886	42,117	43,686
Taxes other than income tax	114,552	119,181	32,732	34,201
Advertising	76,917	87,422	29,600	26,934
Repairs and maintenance	67,322	66,049	22,996	24,783
Security services	47,978	47,059	15,121	16,068
Public utilities	34,081	36,610	9,290	12,959
Administration of trade premises	30,392	28,878	10,302	9,822
Cleaning services	29,111	27,750	9,630	9,149
Commissions on debit and credit cards	20,343	20,105	6,710	6,440
Transport	20,176	18,288	7,041	6,567
Fees	17,956	17,879	5,757	6,904
Insurance	14,761	19,944	5,475	5,804
Packaging and marking materials	11,931	21,619	4,509	6,896
Cleaning and cafeteria	6,940	7,114	2,546	2,020
Impairment expense	6,362	4,874	3,743	230
Travel expenses	4,083	4,680	1,553	1,746
Legal expenses	2,596	2,971	633	722
Contributions and affiliations	957	1,004	308	330
Other	51,894	32,259	21,187	11,893
Total distribution expenses	**1,027,432**	**1,028,325**	**354,409**	**342,769**

The balance of administration and sales expenses is as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Fees	30,423	30,048	10,486	11,243
Depreciation and amortization	26,848	28,096	9,112	9,811
Taxes other than income tax	14,234	16,070	5,016	2,839
Leases	10,626	1,691	3,164	762
Public utilities	8,594	3,089	1,288	1,353
Repairs and maintenance	7,815	5,116	3,041	2,266
Travel expenses	4,307	5,155	1,444	1,691
Legal provision expense	4,217	182	4,170	108
Impairment expense	2,655	1,528	509	232
Outsourced employees	2,513	2,219	927	613
Commissions	2,395	2,565	863	857
Insurance	2,266	1,523	549	367
Fuels and power	1,724	1,852	638	588
Telephone services	1,658	2,334	606	757
Transport	1,127	1,107	442	347
Contributions and affiliations	978	1,307	537	743
Fines, penalties and litigation	295	402	97	64
Legal expenses	274	1,141	20	96
Other	3,677	4,928	1,344	1,714
Total administration and sales expenses	**126,626**	**110,353**	**44,253**	**36,451**

Note 29. Employee benefit expense

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

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Wages and salaries	486,220	477,719	167,366	161,390
Contributions to the social security system	7,419	8,178	2,483	2,735
Other short-term employee benefits	32,981	35,643	10,690	11,722
Total short-term employee benefit expense	**526,620**	**521,540**	**180,539**	**175,847**
Post-employment benefit expenses, defined contribution plans	42,516	53,085	14,658	18,091
Post-employment benefit expenses, defined benefit plans	2,481	2,218	804	676
Total post-employment benefit expenses	**44,997**	**55,303**	**15,462**	**18,767**
Termination benefit expenses	1,512	1,477	532	180
Other long-term employee benefits	224	168	94	53
Other personnel expenses	9,539	9,160	4,474	3,937
Total employee benefit expenses	**582,892**	**587,648**	**201,101**	**198,784**

Note 30. Other operating revenue, other operating expenses and other net gains

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

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

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Other operating revenue				
Recurring				
Recovery of allowance for trade receivables	8,396	3,753	3,303	-
Recovery of other provisions related to civil lawsuits	1,721	868	1,184	868
Compensation from insurance companies	1,389	4,391	759	417
Reimbursement of ICA-related costs and expenses	193	208	1	40
Recovery of other provisions related to labor lawsuits	1,014	592	1,014	491
Reimbursement of tax-related costs and expenses	1,911	2,197	-	1,980
Recovery of other provisions	865	1,682	39	1,682
Total recurring	**15,489**	**13,691**	**6,300**	**5,478**
Non-recurring				
Recovery of other provisions	1,005	904	245	705
Revenue from insurance compensation	-	277	-	-
Total non-recurring	**1,005**	**1,181**	**245**	**705**
Total other operating revenue	**16,494**	**14,872**	**6,545**	**6,183**
Other operating expenses				
Restructuring expenses (1)	(36,161)	(22,174)	(210)	(1,640)
Other expenses (2)	(2,767)	(2,435)	(601)	(74)
Tax on wealth expense (3)	-	(19,804)	-	-
Total other operating expenses	**(38,928)**	**(44,413)**	**(811)**	**(1,714)**
Other net losses				
Derecognition of property, plant and equipment (4)	(7,260)	(6,677)	(1,466)	(56)
Expenses from the disposition of assets	(172)	(1,258)	-	(457)
Impairment (5)	(3,307)	(1,481)	-	-
Total other net losses	**(10,739)**	**(9,416)**	**(1,466)**	**(513)**

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

(1) Refers to expenses from the Company's restructuring plan provision, which include the purchase of the operating excellence plan and corporate retirement plan.

(2) For 2018, relates to expenses arising from the closure of shops and stores in amount of $1,386, expenses from the restructuring of shops in amount of $1,271 and other minor expenses in amount of $110. For 2017, relates to expenses incurred in establishing real estate vehicles in amount of $1,427; expenses arising from the closure of shops and stores in amount of $268; costs of the transaction related with the acquisition of the operations in Brazil and Argentina in amount of $315 and other minor expenses in amount of $425.

(3) For 2017 refers to the tax on wealth introduced by the National Government by means of Law 1739 of December 23, 2014.

(4) Includes the closure of the following stores: Éxito Barranquilla Alto Prado $3,007, Carulla Express Olaya Herrera $473, Surtimax San Carlos $389, Éxito Express Altos de la Carolina $319, Surtimax Los Olivos $309, Éxito Express Ciudadela $291, Éxito Express Costa de Oro $232, Éxito Mini Barzal $201, Éxito Express Avenida 60 $196, Surtimax El Real $184, Surtimax Ciudad Bolivar $167, Éxito Mini Parque de las Cigarras $132, Éxito Mini Yerbabuena $121. For 2017, includes the loss from the closure of Cedi Envigado in amount of $4,610 and the closure of Carulla San Jerónimo in amount of $1,152.

(5) At September 30, 2018 represents an impairment loss related with computer software in amount of $3,307 (Note 15). For 2017, represents an impairment loss related with Edificio Torre Sur arising from demolition thereof (Note 12).

Note 31. Financial revenue and expenses

The balance of financial revenue and expenses is as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Gain from exchange difference	29,286	64,824	(13,851)	54,579
Gain from derivative financial instruments	64,876	16,302	30,104	(50,563)
Other financial revenue	6,039	11,139	1,689	3,021
Revenue from interest, cash and cash equivalents (Note 6)	4,970	6,286	2,439	1,991
Total financial revenue	**105,171**	**98,551**	**20,381**	**9,028**
Interest, loans and finance lease expenses	(233,418)	(249,291)	(76,063)	(77,601)
Loss from derivative financial instruments	(104,497)	(115,107)	(15,557)	(32,514)
Loss from exchange difference	(35,919)	(34,849)	(19,645)	6,529
Other financial expenses	(2,398)	(9,766)	(743)	(1,019)
Commission expense	(3,061)	(1,719)	(1,433)	(582)
Total financial expenses	**(379,293)**	**(410,732)**	**(113,441)**	**(105,187)**

Note 32. Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method

The share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method is as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Onper Investments 2015 S.L.	126,521	58,659	17,161	(2,835)
Spice Investments Mercosur S.A.	78,995	76,517	13,181	17,104
Patrimonio Autónomo Viva Malls	20,470	17,900	10,787	7,206
Compañía de Financiamiento Tuya S.A.	16,789	(8,615)	(980)	3,532
Patrimonio Autónomo Viva Villavicencio	7,428	6,639	2,117	1,952
Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.) (4)	7,351	16,717	8,257	17,083
Patrimonio Autónomo Centro Comercial	2,422	2,296	797	722
Éxito Viajes y Turismo S.A.S.	2,148	2,379	845	679
Patrimonio Autónomo Viva Sincelejo	2,011	2,167	569	806
Logística, Transportes y Servicios Asociados S.A.S.	1,640	2,019	490	122
Patrimonio Autónomo Fideicomiso San Pedro Etapa I	826	906	274	304
Patrimonio Autónomo Centro Comercial Viva Riohacha (1)	-	385	-	-
Patrimonio Autónomo Centro Comercial Viva Barranquilla (2)	-	899	-	458
Carulla Vivero Holding Inc.	(18)	23	61	(170)
Patrimonio Autónomo Iwana	(154)	(49)	(20)	(4)
Almacenes Éxito Inversiones S.A.S.	(340)	8,809	(183)	1,224
Gemex O & W S.A.S.	(2,630)	(4,949)	(859)	(1,546)
Puntos Colombia S.A.S. (3)	(4,295)	(1,704)	(908)	(1,706)
Distribuidora de Textiles y Confecciones S.A. (4)	-	(2,739)	-	108
Total	**259,164**	**178,259**	**51,589**	**45,039**

(1) Patrimonio Autónomo Centro Comercial Viva Riohacha was settled in February 2017.

(2) Patrimonio Autónomo Centro Comercial Viva Barranquilla was contributed to Patrimonio Autónomo Viva Malls in December 2017.

(3) Joint venture established on April 19, 2017 jointly with Banca de Inversión Bancolombia S.A.

(4) A merger between Cdiscount Colombia S.A.S. and Distribuidora de Textiles y Confecciones S.A. was completed on December 29, 2017, where the acquiring company was Cdiscount Colombia S.A.S. As a result of this merger, Cdiscount Colombia S.A.S. changed its name to Distribuidora de Textiles y Confecciones S.A.S.

Note 33. Earnings per share

Earnings per share are classified as basic and diluted. The purpose of basic earnings is to give a measure of the participation of each ordinary share of the controlling entity in the Company's performance during the reporting periods. The purpose of diluted earnings is to give a measure of the participation of each ordinary share in the performance of the Company taking into consideration the dilutive effect (decrease in profits or increase in losses) of outstanding potential ordinary shares during the period.

At September 30, 2018 and at December 31, 2017 the Company has not carried out transactions with potential ordinary shares, or after the closing date or at the date of release of these financial statements.

Below is information regarding earnings and number of shares used in the calculation of basic and diluted earnings per share:

<u>In period results:</u>

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Net gain (loss) attributable to continuing operations	119,312	30,339	(9,676)	(31,331)
Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**119,312**	**30,339**	**(9,676)**	**(31,331)**
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in Colombian pesos)	266.56	67.78	(21.62)	(70.00)

In total period comprehensive results:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Net (loss) attributable to total comprehensive income	(1,251,557)	(70,092)	(283,074)	(170,992)
Net (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**(1,251,557)**	**(70,092)**	**(283,074)**	**(170,992)**
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
(Loss) per basic and diluted share (in Colombian pesos)	**(2,796.12)**	**(156.59)**	**(632.42)**	**382.02**

Note 34. Transactions with related parties

Note 34.1. Key management personnel compensation

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

Compensation of key management personnel is as follows:

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Short-term employee benefits (1)	32,031	30,752	10,401	9,254
Post-employment benefits	1,225	1,136	403	375
Termination benefits	1,289	105	273	105
Long-term employee benefits	56	-	56	-
Total	**34,601**	**31,993**	**11,133**	**9,734**

(1) A portion of short-term employee benefits is being reimbursed by Casino Guichard Perrachon S.A. and Libertad S.A. under a Latin American strategic direction service agreement entered with these companies. Revenue from Latam strategic direction was recognized during the nine months ended September 30, 2018 in amount of $7,326 (September 30, 2017 - $7,413) as described in Note 27.

Note 34.2. Transactions with related parties

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

Revenue

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Controlling entity (1)	5,268	5,240	1,775	1,535
Subsidiaries (2)	33,139	12,334	10,227	4,451
Grupo Casino companies (3)	151	1,135	38	23
Joint ventures (4)	55,825	20,748	24,399	7,048
Total	**94,383**	**39,457**	**36,439**	**13,057**

Costs and expenses

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Controlling entity (1)	20,432	19,602	6,814	7,274
Subsidiaries (2)	356,166	339,112	124,574	138,433
Grupo Casino companies (3)	7,856	9,839	3,128	2,483
Joint ventures (4)	15,155	1,868	13,730	564
Members of the Board	1,029	903	315	371
Total	**400,638**	**371,324**	**148,561**	**149,125**

Other transactions

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Subsidiaries (2)	788	2,823	-	-
Total	**788**	**2,823**	**-**	**-**

(1) Revenue from the controlling entity relate to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A.

Costs and expenses accrued with the controlling entity arise from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V.

(2) Revenue from subsidiaries relate to the sale of goods to Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.); provision of administration services to Almacenes Éxito Inversiones S.A.S., Gemex O & W S.A.S., Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos (stand-alone trust funds), and installments on lease of property to Patrimonios Autonomos and to Éxito Viajes y Turismo S.A.S.

Cost and expenses arising from transactions with subsidiaries mainly refer to the purchase of goods from Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.); transportation services provided by Logística, Transporte y Servicios Asociados S.A.S.; leases and real estate management activities with Patrimonios Autónomos; purchase of corporate plans from Almacenes Éxito Inversiones S.A.S.; and services received, purchase of goods and reimbursements with other subsidiaries.

The following is the detail of revenue, cost and expense transactions:

Revenue

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Almacenes Éxito Inversiones S.A.S.	18,520	2,224	5,541	434
Patrimonios Autónomos (Stand-alone trust funds)	7,513	5,963	2,410	1,618
Gemex O & W S.A.S.	2,173	1,124	764	437
Libertad S.A.	2,058	1,595	673	1,595
Distribuidora de Textiles y Confecciones S.A.S. (a)	1,382	52	499	11
Éxito Viajes y Turismo S.A.S.	858	153	234	-323
Logística, Transporte y Servicios Asociados S.A.S.	564	410	106	56
Companhia Brasileira de Distribuição - CBD	62	-	-	-
Devoto Hermanos S.A.	9	-	-	-
Distribuidora de Textiles y Confecciones S.A. (a)	-	813	-	623
Total	**33,139**	**12,334**	**10,227**	**4,451**

Costs and expenses

	January 1 to September 30, 2018	January 1 to September 30, 2017	July 1 to September 30, 2018	July 1 to September 30, 2017
Distribuidora de Textiles y Confecciones S.A.S. (a)	198,360	-	68,752	-
Logística, Transporte y Servicios Asociados S.A.S.	95,721	67,001	33,644	30,151
Patrimonios Autónomos (Stand-alone trust funds)	43,762	33,894	16,076	11,125
Almacenes Éxito Inversiones S.A.S.	16,955	9,231	5,168	1,722
Gemex O & W S.A.S.	1,061	197	858	0
Éxito Viajes y Turismo S.A.S.	197	318	76	141
Libertad S.A.	110	-	-	-
Distribuidora de Textiles y Confecciones S.A. (a)	-	228,471	-	95,294
Total	**356,166**	**339,112**	**124,574**	**138,433**

(a) A merger between Cdiscount Colombia S.A.S. and Distribuidora de Textiles y Confecciones S.A. was completed on December 29, 2017, where the acquiring company was Cdiscount Colombia S.A.S. As result of this merger, Cdiscount Colombia S.A.S. changed its name to Distribuidora de Textiles y Confecciones S.A.S.

Other transactions at September 30, 2018 relate to the purchase of fixed assets from Distribuidora de Textiles y Confecciones S.A.S. in amount of $788 and at September 30, 2017 relate to a loan granted to subsidiary Gemex O & W S.A.S.

(3) Revenue mainly relates to the provision of services. Costs and expenses accrued mainly arise from energy optimization services received and intermediation in the import of goods.

(4) Revenue mainly relates to the lease of real estate property to Compañía de Financiamiento Tuya S.A. and to Puntos Colombia S.A.S. and to revenue from involvement in the corporate collaboration agreement with Compañía de Financiamiento Tuya S.A.

Costs and expenses mainly relate to commissions on means of payment generated with Compañía de Financiamiento Tuya S.A. and to the purchase of points of the Puntos Colombia loyalty program.

Note 35. Asset impairment

Note 35.1. Financial assets

No material losses arising from impairment of financial assets were recognized during the reporting periods.

Note 35.2. Non-financial assets

At December 31, 2017 the Company completed the annual impairment testing by cash-generating units, which is duly supported in the financial statements at the closing of such year.

Additionally, in September 2017 the Company tested Edificio Torre Sur property for impairment given that it then was in the process of being demolished for the construction of Centro Comercial Viva Envigado. At December 31, 2017, the building was fully demolished. The recoverable value of the building was estimated using the depreciated reposition cost method, which consists of establishing a fair value of the asset based on an estimation of the total cost of a similar asset at market prices less accumulated depreciation, implementing a system that takes into consideration the age and state of preservation of the assets appraised, in this case affected by dismantling costs. Such appraisal determined $539 as the recoverable value of the asset, and the Company recognized impairment in its financial statements in amount of $1,481.

During the nine-month period ended September 30, 2018 as part of the current modernization process of certain technological platforms, the Company tested certain computer software for impairment. Based on the analyses conducted, it was identified that such assets show a high degree of obsolescence, they are useless for the operation, do not provide economic benefit and additionally the estimated remaining useful life does not reflect the expected time for realization of the asset. Consequently, the recoverable value of such assets was defined as $0, and the Company recognized a $3,307 impairment loss in its financial statements.

Except for the above, during the nine-month period ended September 30, 2018 no significant losses were recognized from the impairment of non-financial assets.

Note 36. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities of the Company at September 30, 2018 and at December 31, 2017 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	September 30, 2018		December 31, 2017	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	32,294	28,606	33,538	31,434
Investments in private equity funds (Note 11)	1,283	1,283	1,286	1,286
Equity investments (Note 11)	260	260	260	260
Investment in bonds (Note 11)	40,727	40,862	44,870	44,157
Forward contracts measured at fair value through income (Note 11)	12,428	12,428	690	690
Swap contracts measured at fair value through income (Note 11)	20,793	20,793	5,244	5,244
Swap contracts denominated as hedge instruments (Note 11)	638	638	-	-
Non-financial assets				
Investment property (Note 13)	202,450	300,827	339,704	455,614
Financial liabilities				
Financial liabilities at amortized cost (Note 18)	3,805,245	3,817,215	4,077,434	4,080,377
Finance leases at amortized cost (Note 18)	12,955	12,943	15,310	15,306
Forward contracts measured at fair value through income (Note 23)	3,104	3,104	16,570	16,570
Swap contracts measured at fair value through income (Note 23)	143	143	-	-
Swap contracts denominated as hedge instruments (Note 23)	9,390	9,390	21,241	21,241
Non-financial liabilities				
Customer loyalty liability (Note 24)	29,966	29,966	37,797	37,797

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the preclosing value for the day, divided by the total number of fund units at the closing of operations for the day. The fund administrator appraises the assets daily.	N/A
Forward contracts measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The "*forward*" rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. *Swap* LIBOR curve. Treasury Bond curve. CPI 12 months
Equity investments	Level 1	Market quote prices	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 deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants may generate costs higher than the value of benefits.	N/A
Investment in bonds	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for investments under similar conditions on the date of measurement in accordance with maturity days.	CPI 12 months + Basis points negotiated
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of goods from a survey of recent offers or transactions for goods that are similar and comparable to those being appraised.	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Investment property	Level 3	Discounted cash flows method	This technique provides the opportunity to identify the increase in revenue over a previously defined period of the investment. Property value is equivalent to the discounted value of future benefits. Such benefits represent annual cash flows (both, positive and negative) over a period, plus the net gain arising from the hypothetical sale of the property at the end of the investment period.	Weighted average cost of capital. Growth in lessee sales. Vacancy. Growth in revenue
Investment property	Level 3	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity days.	Reference Banking Index (RBI) + Negotiated basis points. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. *Swap* LIBOR curve. Treasury Bond curve. CPI 12 months
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The "*forward*" rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using market curves and discounting them at present value, using *swap* market rates.	Swap curves calculated by Forex Finance Market Representative Exchange Rate (TRM)
Customer loyalty liability (1)	Level 3	Market value	The customer loyalty liability is updated in accordance with the point average market value for the last 12 months and the effect of the expected redemption rate, determined on each customer transaction.	Number of points redeemed, expired and issued. Point value. Expected redemption rate.

(1) The development of the measurement of customer loyalty liability during the period is as follows:

Balance at December 31, 2017	**37,797**
Issue	66,404
Maturity	(18,915)
Redemption	(58,319)
Valuation	2,999
Balance at September 30, 2018	**29,966**

The Company determines whether transfers between fair value hierarchy levels have occurred, through a change in valuation techniques, in such a way that the new measurement is the most accurate picture of the new fair value of the appraised asset or liability.

Changes in hierarchies may occur if new information is available, certain information used for valuation is no longer available, there are changes resulting in the improvement of valuation techniques or changes in market conditions.

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

Note 37. Contingent assets and liabilities

Note 37.1. Contingent assets

The Company has no significant contingent assets at September 30, 2018 and at December 31, 2017.

Note 37.2. Contingent liabilities

Contingent liabilities at September 30, 2018 and at December 31, 2017 are as follows:

a. The following nullity of resolutions and restoration of rights proceedings, seeking that the Company be exempted from paying the amounts claimed by the complainant entity:

  - Proceedings seeking nullity of the resolution on changes to the Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of $11,830 (2017 - $11,830).

  - Proceedings related with the assessment of property valuation in amount of $1,163 (2017 - $1,163)

  - Proceedings seeking nullity of resolutions on the inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (2017 - $1,088).

  - Proceedings seeking nullity of the resolutions issued by the Bogotá Treasury Secretary's office regarding changes to the Industry and Trade tax returns for the bi-monthly periods 2, 3, 4, 5 and 6 of 2012 in amount of $5,000 (2017 - $5,000). The purpose of the nullity and restoration of rights action is that the Company be exempted from paying the amounts claimed by the claimant entity.

  - Proceedings seeking nullity of resolution on errors in the assessment of contributions to the Social Security System in amount of $900 (2017 - $900).

  - Proceedings seeking nullity filed before the Superintendence of Industry and Trade on the grounds of accumulation of customer claims in amount of $781 (2017 - $0).

  - Statement of accountability on the improper use of the "Éxito para todos, todo" trademark in amount of $696 (2017 - $0).

  - Proceedings seeking nullity of the official assessment by DIAN, seeking that the VAT return for the first bi-monthly period of taxable 2013 be declared firm and closed, in amount of $544 (2017 - $544).

  - Claim filed by the Superintendence of Industry and Trade on the grounds of elimination of personal data in amount of $273 (2017 - $0).

b. Other proceedings:

  - Third-party liability lawsuit amounting to $1,531 (2017 - $1,531) for alleged injuries to a customer at Éxito Santa Marta store premises.

  - Third-party liability lawsuit amounting to $700 (2017 - $700) for alleged damages to the plaintiff's property during the demolition of Club Campestre Sincelejo and subsequent construction of Almacén Éxito Sincelejo on the same land.

c. Other contingent liabilities:

  - On June 1, 2017 the Company granted a guarantee on behalf of Almacenes Éxito Inversiones S.A.S. in amount of $2,631 to cover a potential failure to comply with its obligations with one of its main suppliers.

These contingent liabilities, whose nature is that of potential liabilities, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Note 38. Dividends declared and paid

At September 30, 2018

The Company's General Meeting of Shareholders held on March 23, 2018, declared a dividend of $108,857, equivalent to an annual dividend of $243.20 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2018, and January 2019.

Dividends paid during the nine-month period ended September 30, 2018 amounted to $59,871.

(*) Expressed in Colombian pesos.

At December 31, 2017

The Company's General Meeting of Shareholders held on March 31, 2017, declared a dividend of $21,771, equivalent to an annual dividend of $48.64 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2017, and January 2018.

Dividends paid during the year ended December 31, 2017 amounted to $91,920.

Dividends paid during the nine-month period ended September 30, 2017 amounted to $86,280.

(*) Expressed in Colombian pesos.

Note 39. Seasonality of transactions

The seasonality of the Company's operation cycles is reflected in its operating and financial results, with peaks during the last quarter of the year, particularly at Christmas time, and the second most important promotion event of the year "Special Price Days".

Note 40. Risk management policy

During the nine-month period ended September 30, 2018, there have not been significant changes to the Company's risk management policies, or changes in the analysis of risk factors that might have an effect on the Company, such as the general risk management framework, financial risk management, credit risk, market risk, interest rate risk, currency risk, stock pricing risk and liquidity risk.

At December 31, 2017 the Company submitted a detail of its risk management policies, which are duly supported in the financial statements at the closing of such year.

Note 41. Non-current assets held for trading

As of June 2018, Company management started a plan to sell certain property to structure projects that allow using such real estate property, increase the potential future selling price and generate resources to the Company. Consequently, certain property, plant and equipment, certain investment property and a project that was carried as inventory of buildings under construction were classified as non-current assets held for trading.

The balance of non-current assets held for trading at September 30, 2018 as included in the statement of financial position is as follows:

	September 30, 2018
Property, plant and equipment (1)	122,263
Investment property (2)	10,819
Total	**133,082**

(2) Represents the following real estate property:

	September 30, 2018
Cedi and Industria Montevideo (land)	68,481
Cedi and Industria Montevideo (building)	26,803
Cedi and Industria Montevideo (construction in progress)	1,513
Hotel Cota plot of land and project (land)	16,489
Lote Viva Copacabana (land)	7,500
Lote Viva Copacabana (construction in progress)	1,477
Total	**122,263**

(2) Represents the following real estate property:

	September 30, 2018
Apartment 802 El Retiro (land)	203
Apartment 802 El Retiro (building)	497
Lote La Secreta (land)	5,960
Lote La Secreta (construction in progress)	139
Kennedy trade premises (land)	1,229
Kennedy trade premises (building)	1,640
Pereira Plaza trade premises (building)	556
Lote Casa Vizcaya (land)	595
Total	**10,819**

The Company believes that such assets will be sold during 2019.

No revenue or expense have been recognized in income or in other comprehensive income related with the group of assets for disposal.

Note 42. Relevant facts

At September 30, 2018

General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 23, 2018, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2017 and approval of dividend distribution to shareholders.

Appointment of new members of the Board of Directors

On March 23, 2018, the General Meeting of Shareholders appointed the following Directors:

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

b) Equity Members:
   1. Jean Paul Mochet
   2. Philippe Alarcon
   3. Bernard Petit
   4. Hervé Daudin
   5. Guillaume Humbert

At December 31, 2017

New syndicated credit in US Dollars and restructuring of the syndicated revolving credit in Colombian pesos

On December 22, 2017 the Company obtained a new syndicated revolving credit in amount of USD 450 million, maturing in December 2020. These resources allowed paying in advance the US Dollar syndicated credit outstanding at that date in the same amount, maturing in December 2018. Also, the peso revolving syndicated credit in amount of $500,000 was restructured to extend maturity from August 2018 to August 2020; all other contract conditions remain unchanged.

The Company's debt level after the above two transactions does not vary; however, the average term of the debt goes from 2.2 years to 2.9 years, optimizing the Company's future payment outflows.

Damages at Éxito Buenaventura store

The structure, inventories and property and equipment of Éxito Buenaventura store were damaged on May 19, 2017 as result of a situation of public order in the municipality of Buenaventura. The Company properly filed supporting evidence of items damaged before the insurance company. The store was reopened on June 28, 2017. Compensation for damages was fully received in 2017.

New customer loyalty program "Puntos Colombia"

On April 19, 2017, The Company executed a shareholders' agreement with Banca de Inversión Bancolombia S.A., a subsidiary of Bancolombia S.A., to create a new company whose corporate purpose is developing a customer loyalty program called Puntos Colombia.

This program will supersede the existing customer loyalty programs of the Company and Grupo Bancolombia and become the new customer loyalty program through which the customers of both companies and other partners that join the program will be able to accumulate and redeem points in the customer loyalty ecosystem.

The Puntos Colombia program will be operated by an independent company based in Colombia, of which the Company and Grupo Bancolombia will be shareholders, each with 50% interest. The estimated initial capital investment to incorporate the Company amounts to $9,000, which will be paid-in within 12 months.

It is expected that by virtue of the shareholders' agreement, during the forthcoming years the Company will purchase points for its on-line customers using the points it currently grants under its Éxito and Carulla points programs.

Under this agreement, the Company not only seeks to strengthen the loyalty of its existing customers, but gain the loyalty of new customers through Puntos Colombia, improving consumption of its products and services.

The creation of this new Company solely devoted to managing the Puntos Colombia customer loyalty program will offer a powerful loyalty tool both to the Company and to Grupo Bancolombia, and to all partners who join the program, thus turning itself into a potential lever to unveil the value of an activity currently embedded in the Retail operation.

General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 31, 2017, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2016 and approval of dividend distribution to shareholders.

Note 43. Events after the reporting period

No events have occurred after the reporting period that entail significant changes in the Company.