Almacenes Éxito S.A.

Separate financial statements

At December 31, 2017 and 2016

Almacenes Éxito S.A.
Separate financial statements
At December 31, 2017 and December 31, 2016

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Almacenes Éxito S.A.
Certification by the Company's Legal Representative and Head Accountant

Envigado, February 19, 2018

To the Shareholders of
Almacenes Éxito S.A.

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., each of us duly empowered and under whose responsibility the attached financial statements have been prepared, do hereby certify that the separate financial statements of the Company at December 31, 2017 and at December 31, 2016 have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the Company's separate financial statements do exist and all transactions included in such separate financial statements have been carried out during the years ended on such dates.

2. All economic events achieved by the Company during the years ended December 31, 2017 and December 3, 2016, have been recognized in the financial statements.

3. Assets represent likely future economic benefits (rights) and liabilities represent likely future economic sacrifice (obligations) obtained by or in charge of the Company at December 31, 2017 and December 31, 2016.

4. All items have been recognized at proper values.

5. All economic events having an impact on the Company have been properly classified, described and disclosed in the separate financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned Legal Representative of Almacenes Éxito S.A., does hereby certify that the separate financial statements and the operations of the Company at December 31, 2017 and December 31, 2016, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

I do certify the above assertion pursuant to section 46 of Law 964 of 2005.

Carlos Mario Giraldo Moreno
Legal Representative

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.
Separate statements of financial position
At December 31, 2017 and December 31, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2017	December 31, 2016 (1)
Current assets			
Cash and cash equivalents	6	1,619,695	1,098,825
Trade receivables and other accounts receivable	7	189,750	183,330
Prepaid expenses	8	22,837	16,728
Accounts receivable from related parties	9	114,969	95,621
Inventories, net	10	1,111,981	1,077,659
Tax assets	22	173,580	191,292
Other non-financial assets	9	30,000	15,973
Other financial assets	11	10,462	12,252
Total current assets		**3,273,274**	**2,691,680**
Non-current assets			
Property, plant and equipment, net	12	2,382,495	2,497,016
Investment property, net	13	339,704	312,047
Goodwill	14	1,453,077	1,453,077
Intangible assets other than goodwill, net	15	156,218	174,413
Investments accounted for using the equity method, net	16	8,287,426	8,207,810
Trade receivables and other accounts receivable	7	15,203	21,546
Prepaid expenses	8	5,432	12,638
Accounts receivable from related parties	9	7,587	5,641
Other financial assets	11	41,888	73,842
Other non-financial assets		398	398
Total non-current assets		**12,689,428**	**12,758,428**
Total assets		**15,962,702**	**15,450,108**
Current liabilities			
Financial liabilities	18	799,920	469,362
Employee benefit provisions	19	3,457	3,267
Other provisions	20	17,558	23,801
Trade payables and other accounts payable	21	3,301,661	2,968,282
Accounts payable to related parties	9	116,490	183,309
Tax liabilities	22	41,816	43,920
Other financial liabilities	23	128,239	87,457
Other non-financial liabilities	24	258,078	151,277
Total current liabilities		**4,667,219**	**3,930,675**
Non-current liabilities			
Financial liabilities	18	3,292,824	3,499,454
Employee benefit provisions	19	28,430	26,762
Other provisions	20	19,699	23,093
Deferred tax liabilities	22	68,841	201,049
Other financial liabilities	23	13,915	-
Other non-financial liabilities	24	32,206	47,388
Total non-current liabilities		**3,455,915**	**3,797,746**
Total liabilities		**8,123,134**	**7,728,421**
Shareholders' equity, see attached statement		**7,839,568**	**7,721,687**
Total liabilities and shareholders' equity		**15,962,702**	**15,450,108**

(1) Some minor reclassifications to property, plant and equipment, investment properties, trade payables, other accounts payable, trade receivables and other accounts receivable, other non-financial assets, accounts receivable from related parties, accounts payable to related parties and tax liabilities were included in these financial statements for comparison to 2017.

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

Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 19, 2018)

Almacenes Éxito S.A.
Separate statements of income
For the years ended December 31, 2017 and December 31, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2017	December 31, 2016 (1)
Continuing operations			
Revenue from ordinary activities	27	10,904,958	11,266,801
Cost of sales	10	(8,336,713)	(8,535,678)
Gross profit		**2,568,245**	**2,731,123**
Distribution expenses	28	(1,369,693)	(1,294,549)
Administration and sales expenses	28	(152,420)	(155,035)
Employee benefit expenses	29	(786,619)	(785,336)
Other operating revenue	30	16,720	33,021
Other operating expenses	30	(50,317)	(67,549)
Other gains, net	30	813	7,791
Profit from operating activities		**226,729**	**469,466**
Financial revenue	31	228,502	243,993
Financial expenses	31	(644,152)	(703,703)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method.	32	329,244	106,441
Profit before income tax from continuing operations		**140,323**	**116,197**
Tax revenue (expense)	22	77,390	(72,669)
Net period profit from continuing operations		**217,713**	**43,528**
Earnings per share (*)			
Basic earnings per share (*):			
Basic earnings per share from continuing operations	33	486.40	97.25
Diluted earnings per share (*):			
Diluted earnings per share from continuing operations	33	486.40	97.25

(1) For comparison to 2017, these financial statements include certain reclassifications in cost of sales, distribution expenses, administration and sales expenses, employee benefit expenses and other operating revenue.

(*) Amounts expressed in Colombian pesos.

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

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Almacenes Éxito S.A.
Separate statements of comprehensive income
For the years ended December 31, 2017 and December 31, 2016
(Amounts expressed in millions of Colombian pesos)

	December 31, 2017	December 31, 2016
Net period profit	**217,713**	**43,528**
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results, net of taxes		
(Loss) from new measurements of defined benefit plans	(1,570)	(2,107)
Total other comprehensive income that will not be reclassified to period results, net of taxes	**(1,570)**	**(2,107)**
Components of other comprehensive income that will be reclassified to period results, net of taxes		
(Loss) gain from translation exchange differences	(169,428)	529,748
(Loss) from investment hedges in foreign businesses	-	(169)
(Loss) from the hedging of cash flows	(13,076)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results.	(3,923)	(3,866)
Total other comprehensive income that will be reclassified to period results, net of taxes	**(186,427)**	**525,713**
Total other comprehensive income	**(187,997)**	**523,606**
Total comprehensive income	**29,716**	**567,134**
Earnings per share (*)		
Basic earnings per share (*):		
Basic earnings per share from continuing operations	66.39	1,267.04
Diluted earnings per share (*):		
Diluted earnings per share from continuing operations	66.39	1,267.04

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Separate statements of cash flows
For the years ended December 31, 2017 and December 31, 2016
(Amounts expressed in millions of Colombian pesos)

	December 31, 2017	December 31, 2016
Cash flows provided by operating activities		
Net income for the year	**217,713**	**43,528**
Period profit reconciliation adjustment		
Income tax	(77,390)	72,669
Financial costs	338,990	361,784
Financial revenue	(20,669)	(13,221)
(Increase) decrease in inventories	(34,322)	64,147
(Increase) in trade receivables	(73,722)	(9,490)
Decrease (increase) in other accounts receivable provided by operating activities	27,955	(8,578)
(Increase) decrease in prepaid expenses	(5,739)	1,354
(Decrease) in trade payables	(187,172)	(362,802)
Increase in other accounts payable provided by operating activities	708,041	995,417
Depreciation and amortization of fixed assets and intangible assets	237,039	230,677
Decrease in provisions	(7,297)	(32,522)
Loss (gain) from net unrealized exchange difference	163,851	(7,709)
Loss from reappraisal at fair value	6,982	-
Undistributed (profit) from the application of the equity method	(329,244)	(106,441)
Other adjustment from items other than cash	(178,562)	2,132
(Gain) from the disposal of non-current assets	(4,870)	(30,088)
Total adjustments to reconcile net profit for the year	**563,873**	**1,157,329**
Net cash flows provided by operating activities	**781,586**	**1,200,857**
Income tax paid	(152,461)	(196,066)
Other cash inflows	126,741	-
Net cash flows provided by operating activities	**755,866**	**1,004,791**
Cash flows provided by investment activities		
Cash flows used to gain control of subsidiaries or other joint ventures	(17,126)	(47,282)
Revenue from the reimbursement of contributions in investments with equity method	51,051	145,000
Proceeds from the sale of other long-term assets	9,777	184,589
Proceeds from the sale of property, plant and equipment	81,388	93,267
Acquisition of property, plant and equipment	(181,646)	(508,501)
Acquisition of intangible assets	(63,676)	(46,883)
Acquisition of other long-term assets	-	(9,500)
Dividends received	179,124	213,400
Interest received	11,912	13,428
Net cash flows provided by investment activities	**70,804**	**37,518**
Cash flows provided by financing activities		
Borrowings	2,284,947	555,000
Loan repayments	(2,152,224)	(652,495)
Settlement of finance lease liabilities	(3,174)	(3,877)
Dividends paid	(91,920)	(291,680)
Interest paid	(343,112)	(361,641)
Net cash flows provided by (used in) financing activities	**(305,483)**	**(754,693)**
Net increase in cash and cash equivalents, before the effects of changes in exchange rates	**521,187**	**287,616**
Effects of the variation in the exchange rates on cash and cash equivalents	(317)	562
Net increase in cash and cash equivalents	**520,870**	**288,178**
Cash and cash equivalents at the beginning of period	**1,098,825**	**810,647**
Cash and cash equivalents at the end of period	**1,619,695**	**1,098,825**

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Almacenes Éxito S.A.
Separate statements of changes in shareholders' equity
At December 31, 2017 and December 31, 2016
(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)	Donations reserve (Note 26)	Other reserves (Note 26)	**Total reserves** (Note 26)	**Other accumulated comprehensive income** (Note 26)	**Retained earnings**	**Other equity components**	**Total shareholders' equity**
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	-	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**
Cash dividend declared (Note 39)	-	-	-	-	-	-	(15,709)	-	-	(15,709)	-	(286,748)	-	(302,457)
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	43,528	-	43,528
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	523,606	-	-	523,606
Appropriation for reserves	-	-	-	-	279,937	-	-	6,810	-	286,747	-	(286,747)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	-	-	-	-	5,672	5,672	-	(15,468)	(61,676)	(71,472)
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**
Cash dividend declared (Note 39)	-	-	-	-	-	-	-	-	-	-	-	(21,771)	-	(21,771)
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	217,713	-	217,713
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(187,997)	-	-	(187,997)
Appropriation for reserves	-	-	-	-	21,757	-	-	-	-	21,757	-	(21,757)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	5,375	-	-	(6,810)	3,990	2,555	-	(6,184)	113,565	109,936
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**

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

Carlos Mario Giraldo Moreno
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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 Board of Directors authorized the issuance of the Company's financial statements for the periods ended December 31, 2017 and December 31, 2016, as reflected in the Minutes of such corporate body dated February 19, 2018 and February 27, 2017, respectively.

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 December 31, 2017, the controlling entity had a 55.30% interest (2016 - 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 separate financial statements for the years ended December 31, 2017 and December 314, 2016 have been prepared in accordance with 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. 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 separate financial statements include the financial statements of the Company and the statements of financial position and statements of changes in shareholders' equity at December 31, 2017 and December 31, 2016, as well as the statements of income, the statements of comprehensive income and the statements of cash flows for the years ended on December 31, 2017 and December 31, 2016.

These separate financial statements are prepared and include all reporting disclosures required for annual financial statements under IAS 1.

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

Such estimations are based on the best information available regarding the facts analyzed as at the date of preparation of the attached financial statements, which may give rise to future changes by 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 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 a transaction carried out by market participants on the date of measurement.

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used 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 separate financial statements at December 31, 2017 have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 2016, 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 accounting policies applied in the preparation of the attached financial statements are the following:

Investments in subsidiaries, associates and joint arrangements

Subsidiaries are entities under Company's control.

An associate is an entity over which the Company is in a position of exercising significant influence, but not control or joint control, through the power of participating in the decisions on the operating and financial policies of the associate. In general, significant influence is alleged in those cases where the Company has an ownership interest higher than 20%, even though such influence, as well as the control, must be assessed.

A joint arrangement is an agreement by means of which two or more parties maintain joint control. Joint arrangements can be joint businesses or joint ventures. There is joint control only when decisions on significant activities require the unanimous consent of the parties sharing control. Acquisitions of such arrangements are recorded using the principles applicable to business combinations set out by IFRS 3.

A joint venture is a joint agreement by which the parties having joint control over the arrangement are entitled to the net assets of the arrangement. Such parties are known as participants in a joint venture.

A joint operation is a joint arrangement by means of which the parties having joint control over the arrangement are entitled to the assets and liability-related obligations associated with the arrangement. Such parties are known as joint operators.

Investments in subsidiaries, associates or joint ventures are recognized using the equity method.

Under the equity method, upon initial recognition the investment in associates and joint ventures is recorded at cost and subsequently the book value is increased or decreased to recognize the Parent's share of the invested company's comprehensive results. Such share will be recognized in period income or in other comprehensive income, as appropriate. Profit distributions or dividends received from the invested company are deducted from the book value of the investment.

Wherever the Company's share of the losses of a subsidiary, associate or joint venture equals or exceeds its interest therein, the Company ceases to recognize its share of further losses. A provision is recognized once the Company's interest comes to zero, only in as much as the Company has incurred legal or implicit liabilities.

Unrealized gains or losses from transactions between the Company and subsidiaries, associates or joint ventures are eliminated in the proportion of the Company's interest in such entities upon application of the equity method.

Once the equity method has been applied, the Company decides whether there is need to recognize impairment losses related with its interest in the invested company.

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

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

Related parties

All transfers of resources, services and obligations between the Company and its related parties are deemed to be related party transaction.

The Company has defined as related parties: its parent; its subsidiaries, associates and joint ventures; those entities having joint control or significant influence over the Company; key senior management, including Board directors, CEOs and senior officers, with the capacity of directing, planning and controlling Company activities; companies over which key senior management can exercise control or joint control; and the immediate family of key senior management with ability to influence the Company.

No transaction contains special terms and conditions; transactions carried out are like those carried out with third parties, and do not involve market price differences for similar transactions; sales and purchases are carried out arms' length.

Business combinations and goodwill

Business combinations are booked using the acquisition method; this involves the identification of the acquirer, the definition of the acquisition date, the recognition and measurement of identifiable assets acquired, liabilities taken on and the recognition and measurement of goodwill.

If at the closing of the accounting period during which a business combination takes place the initial booking is incomplete, the Company will inform in its financial statements the provisional amounts of assets and liabilities whose booking is incomplete, and within 12 months of the measurement period, the Company will retroactively adjust such provisional amounts recognized to reflect the new information obtained from the Purchase Price Allocation (PPA) survey.

The measurement period will end as soon as the Company has received information on the purchase price allocation survey or concludes that no further information can be obtained, but in any event one year after the acquisition date at the latest.

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

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

The Company recognizes acquired identifiable assets and liabilities taken from a business combination, regardless of whether they had been recognized prior to the acquisition in the financial statements of the business acquired. Identifiable assets acquired, and liabilities taken on are booked at fair values on the date of acquisition. Excess consideration transferred, and the fair value of identifiable assets acquired (including intangible assets not previously recognized) and liabilities taken on (including contingent liabilities) are recognized as goodwill.

For each business combination, the Company measures non-controlling interests at fair value and as a proportion of the acquiree's identifiable net assets.

In the event of a business combination achieved in stages, the previous ownership interest in the acquiree is remeasured at fair value on the date control is gained. The difference between the fair value and the book value of such ownership interest is directly recognized in period results.

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

On the date of acquisition, goodwill is measured at fair value and subsequently monitored at the level of the cash-generating unit or groups of cash-generating units benefited from the business combination. Goodwill is not amortized and is subject to impairment testing within one year or earlier, should there be indications of impairment. Impairment losses applied to goodwill are booked to period results and the effect thereof is not reverted.

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

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

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

Intangible assets

They refer to non-monetary assets, without physical substance, controlled by the Company because of past events and from which future economic benefit may be expected.

An intangible asset is recognized as such wherever the item is identifiable, severable and will bring future economic benefit. It is identifiable wherever the asset is severable or arises from rights. An asset is controllable if the company has the power to control future economic benefits associated to the asset.

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

Intangible assets acquired separately are initially recognized at cost, and intangible assets acquired under a business combination are recognized at fair value.

Internally-generated trademarks are not recognized in the statement of financial position.

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

Intangible assets having indefinite useful lives are not amortized, but are subject to impairment testing, on an annual basis or wherever there is indication that value thereof has been impaired.

Intangible assets having a defined useful life are amortized using the straight-line method over their estimated useful lives. The most significant useful lives are:

Acquired software	Between 3 and 5 years
ERP-like acquired software	Between 5 and 8 years

Intangible assets are subsequently measured using the cost model, and amortization as a function of the estimated useful lives and impairment losses are deducted from the amount initially recognized. The effects of amortization and potential impairment are taken to income for the period unless amortization has been booked as a higher value in the construction or production of a new asset.

An intangible asset is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the carrying amount of the asset. Such effect is recognized in period results.

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

Research and development costs

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

- The technical feasibility of completing the intangible asset to have it available for use or sale;
- Its intention of completing the asset and the ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;

- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

Development costs not complying with these criteria for capitalization are taken to period results. Development costs recognized as intangible assets are subsequently measured using the cost model.

Property, plant and equipment

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

- It is probable that the Company will obtain future economic benefit from the asset;
- The cost may be accurately measured;
- The Company has taken the risks and benefits arising from the use or possession of the asset, and
- They are assets whose individual acquisition cost exceeds 50 UVT (Tax-Value Units), except for those assets defined by Company management as related to the core business purpose and there is an interest in controlling them given that the Company procures them frequently and in significant amounts.

Property, plant and equipment are initially measured at cost; subsequently they are measured at cost less accumulated depreciation and accumulated impairment loss.

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

Costs incurred for expansion, modernization, improvements that increase productivity, capacity or efficiency, or an increase in the useful lives thereof, are carried as a higher value of the asset. Maintenance and repair costs from which no future benefit is foreseen are taken to period results.

Land and buildings are deemed to be individual assets, wherever they are significant and physical separation is feasible from a technical viewpoint, even if they have been jointly acquired.

Constructions in progress are transferred to operating assets upon completion of the construction or commencement of operation and depreciated as of that moment.

The useful life of land is unlimited and consequently it is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, considering nil residual value. The groups of property, plant and equipment and relevant useful lives are as follows:

Low-value assets	3 years
Computers	5 years
Vehicles	5 years
Machinery and equipment	From 10 to 20 years
Furniture and office equipment	From 10 to 12 years
Other transportation equipment	From 5 to 20 years
Surveillance team armament	10 years
Buildings	From 40 to 50 years
Improvements to third party properties	40 years or the term of the lease agreement or the remaining of the lease term (*), whichever is less.

(*) Urban improvements related to the construction or delivery of environmental resources and/or related to the visual or architectural improvement of the zone affected by the construction or work under the responsibility of the Company, are recognized in period results.

The Company estimates depreciation by components, which means applying individual depreciation to the components of an asset with useful lives that are different from the asset and has a material cost in relation to the entire fixed asset. Cost is deemed material when the component exceeds 50% of the total asset value, or when it can be individually identified, based on an individual cost of the component of 32 Minimum Legal Monthly Wages in force (SMMLV).

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

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

Investment property

Is property held to obtain revenue or capital gains and not for use in the production or supply of goods or services, or for administrative use or sale in the normal course of business. This category includes the shopping malls and other real estate property owned by the Company.

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

Investment properties are depreciated using the straight-line method over their estimated useful lives, regardless their residual value. The useful life estimated to depreciate buildings classified as investment property is from 40 to 50 years.

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

Situations that can lead to transfer are:

- The Company occupies an asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The Company starts a development on investment property or property, plant and equipment towards its sale, provided there is a significant advance in the development of tangible assets or in the project to be sold as a whole. In these events, the asset is reclassified to inventories,
- The Company enters into an operating lease agreement with a third party on a property, plant and equipment item. In this event, the asset is reclassified to investment property.

An investment property is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof.

The gain or loss from derecognition of investment properties is estimated as the difference between the net proceeds of sale and the book value of the asset. The effect is taken to income during the period where the asset was derecognized.

The fair values of investment property are updated on an annual basis for the purposes of disclosure in the financial statements.

Leases

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

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

<u>Finance leases</u>

a. If the Company acts as the lessee

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

   Such assets are depreciated or amortized with the same criteria applied to the property, plant and equipment elements, or intangible assets for own use, regarding useful life, provided the property of the asset is transferred to the Company at the end of the contract, via purchase option or else; otherwise, the useful life is set as the term of the agreement or the useful life of the property, plant and equipment element, whichever is less. Lease instalments are split between interest and the decrease of the principal. Financial expenses are recognized in the statement of income for the period.

b. If the Company acts as the lessor

   Wherever the Company acts as the lessor of an asset under finance lease, the leased asset is not shown as property, plant and equipment given that the risks associated to the property have been transferred to the lessee; instead, a financial asset is recognized for the present value of the minimum lease instalments receivable plus the unsecured residual value.

   Lease instalments received are split between interest and the decrease of the principal. Interest-related financial revenue is recognized in the statement of income for the period.

<u>Operating leases</u>

Are lease agreements under which all substantial risks and benefits attached to the asset remain with the lessor. The Company has assets received and delivered under operating lease agreements.

Payments or collections because of operating lease are recognized as expenses or revenue in the statement of income on a linear basis over the term of the lease agreement. Contingent payments or collections are recognized during the period they are incurred.

Wherever the Company makes or receives advance payments because of lease agreements, related to the usage of assets, such payments are booked as expenses paid in advance and collections are booked as revenue received in advance, and both are amortized over the term of the lease agreement.

Loan costs

Loan costs directly attributable to the acquisition, construction or manufacturing of a qualifying asset, in other words an asset that necessarily takes a substantial period (generally more than six months) to become ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other loan costs are accounted for as expenses during the period they are incurred. Loan costs are made of interest and other costs incurred for securing the loan.

Impairment of non-financial assets

At the closing of each annual period, the Company assesses whether there is indication that the value of an asset may be impaired. Assets with a defined useful life are subject to impairment testing, provided there is objective evidence that, as result of one or more events after initial recognition, the book value thereof cannot be recovered, in full or in part.

Intangible assets with an indefinite useful life not subject to amortization are tested for impairment at the closing of each year, except for those intangible assets attached to a business combination still undergoing a measuring period where the purchase price allocation (PPA) survey has not been completed.

Impairment indicators as defined by the Company, in addition to external data sources (economic environment and the market value of the assets, among other), are based on the nature of assets:

- Movable assets attached to a cash-generating unit: ratio between the net book value of the assets related to each store and sales value (VAT included). Should this proportion be higher than the percentage defined for each format, then there is indication of impairment;
- Real estate: comparison of the net book value of assets to the market value thereof.

To assess impairment losses, assets are grouped at the level of a cash-generating unit or groups of cash-generating units as applicable, and estimation is made of the recoverable value thereof. The Company has defined each store or each shop as an individual cash-generating unit; regarding capital gains, the generating units are grouped based on the brand, which represents the lowest value at which capital gains are monitored.

The recoverable value is the higher of the fair value less costs of sale of the cash-generating unit or groups of cash-generating units and the value in use. This recoverable value is estimated for an individual asset unless such asset does not generate any cash flows independently from the cash inflows obtained by other assets or groups of assets.

Impairment losses are recognized with charge to period results in amount of the excess of book value of the asset over recoverable value thereof, first reducing the book value of the goodwill allocated to the cash-generating unit or group of cash-generating units; should there be a remaining balance, to all other assets of the cash-generating unit or group of units as a function of the book value of each asset until such book value reaches zero.

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

To assess the value in use:

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

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

Inventories

Inventories include goods acquired with the purpose of being sold in the ordinary course of business, goods in process of manufacturing or construction with a view to such sale, and goods to be consumed in the process of production or provision of services.

Inventories in transit are recognized upon receipt of all substantial risks and benefits attached to the asset, according to procurement conditions.

Inventories include real estate where an urban development or project on the property has started with a view of selling it.

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

Inventories are valued at period closing at the lower of cost and net realization value.

The Company assesses whether the impairment losses previously recognized in the inventory no longer exist or have decreased; in these events, the book value of inventories is the lower of cost and net realizable value. This reversal is recognized as a decrease in impairment cost.

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

Financial assets

Financial assets are recognized in the statement of financial position when the Company becomes a party pursuant to the contract terms and conditions. Financial assets are classified in the following categories:

- Financial assets at fair value through income;
- Financial assets measured at amortized cost, and
- Financial assets at fair value through other comprehensive income.

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

a. Financial assets measured at fair value through income

   Includes financial assets incurred mainly seeking to manage liquidity through frequent sales of the instrument. These instruments are measured at fair value and the variations in value are taken to income upon their occurrence.

b. Financial assets measured at amortized cost

   These are non-derivative financial assets with known payments and fixed maturity dates, for which there is an intention and capability of collecting the cash flows from the instrument under a contract.

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

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

c. Financial assets at fair value through other comprehensive income

   They represent variable-income investments not held for trading nor deemed an acquirer's contingent consideration in a business combination. Regarding these investments, upon initial recognition irrevocable decision was made of presenting the gains or losses in other comprehensive income based on a subsequent measurement at fair value.

   The gains and losses arising from the new measurement at fair value are recognized in other comprehensive income until the asset is derecognized. In this event, the gains and losses previously recognized in equity are reclassified to retained earnings.

   These financial assets are included as non-current assets, unless the intention is to dispose of the investment within 12 months following the date of the statement of financial position.

d. Derecognition

   A financial asset, or a portion thereof, is derecognized upon its sale, transfer, expiry or loss of control over contract rights or over the cash flows from the instrument. When substantially all risks and benefits of ownership are retained by the Company, the financial asset continues being recognized in the statement of financial position at its full value.

e. Effective interest method

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

f. Impairment of financial assets

Given that trade accounts receivable and other accounts receivable are deemed to be short-term receivables of less than 12 months as of the date of issue and not containing a significant financial component, impairment thereof is estimated from initial recognition and on each presentation date as the expected loss for the following 12 months.

For financial assets other than those measured at fair value, expected losses are measured over the life of the relevant asset. For this purpose, determination is made of whether the credit risk arising from the asset assessed on an individual basis has significantly increased, by comparing the risk of default on the date of presentation against that on the date of initial recognition; if so, an impairment loss is recognized in period results in the amount of the credit losses expected over the following 12 months.

g. Loans and accounts receivable

Loans and accounts receivable are financial assets issued or acquired in exchange for cash, goods or services delivered to a debtor.

Accounts receivable from sales transactions are measured at invoice values less accrued impairment losses. These accounts receivable are recognized when all risks and benefits have been transferred to a third party.

Long-term loans (more than one year of issuance date) are valued at amortized cost using the effective interest method wherever the amounts involved are material. Impairment losses are recognized in the statement of income.

These instruments are included as current assets, except for those maturing after 12 months following the date of the statement of financial position, which are classified as non-current assets. Accounts receivable whose collection is expected over a period of more than 12 months and include payments during the first 12 months, are allotted to non-current portion and current portion, respectively.

h. Cash and cash equivalents

Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, investments should meet the following criteria:
- Short-term investments, in other words, with terms less than or equal to three months as of acquisition date;
- High-liquidity investments;
- Readily converted into cash, and
- Subject to a low risk of change in value.

In the statement of financial position, the accounting accounts showing actual overdrafts with financial institutions are classified as financial liabilities. In the statement of cash flows such overdrafts are shown as a component of cash and cash equivalents, provided they are an integral part of the Company's cash management system.

Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Company becomes a party pursuant to the contractual terms and conditions governing an instrument. Financial liabilities are classified as financial liabilities at fair value through income and financial liabilities measured at amortized cost.

a. Financial liabilities measured at fair value through income

Financial liabilities are classified under this category when held for trading or when upon initial recognition they are designated at fair value through income.

b. Financial liabilities measured at amortized cost

Include loans received and bonds issued, which are initially recognized at the amount of cash received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method, recognizing interest expenses based on the effective return.

c. Derecognition

A financial liability or a part thereof is derecognized upon settlement or expiry of the contract obligation.

d. Effective interest method

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

Embedded derivatives

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

Derivative financial instruments

Derivative financial instruments are recognized at fair value, both initially and subsequently. Derivative instruments are recognized as financial assets when its fair value involves a right, and as financial liabilities when its fair value involves an obligation.

The fair value of these instruments is estimated on the closing date of presentation of the financial statements.

The gains or losses arising from changes in the fair value of derivative instruments are directly recognized in the statement of income, except those maintained under hedge accounting and deemed to be cash flow hedges or net investment hedges abroad.

Derivative transactions involve *"forwards" and "swaps"*, aimed at reducing the market risk of assets and liabilities by using the best hedging structures available in the market, being able to stabilize debt service cash flows.

Regarding *"forwards"* the intention is to manage the foreign exchange risk and regarding *"swaps"* additionally to manage the interest rate risk in foreign currency. The effects of both, derivative financial instruments and elements hedged are recognized in the statement of income under the net financial results line item.

Even if it is true that the Company does not use derivative financial instruments for speculative purposes, in these financial statements such derivatives have not been deemed hedge instruments given that they do not meet the requirements of International Financial Reporting Standards adopted in Colombia.

"Forwards" and "swaps" that meet hedge accounting requirements are recognized pursuant to the hedge accounting policy.

Financial derivatives are measured at fair value using financial valuation techniques based on discounted cash flows. The variables used for valuation are exchange rates in force on the valuation date applicable to the currencies agreed upon in the instrument and the interest rates associated thereto.

Hedge accounting

The Company carries out hedge transactions under future-performance "*forward"* contracts and "swap" contracts, to cover the risks associated with changes in the exchange rates applicable to its investments and in the exchange rates and interests rates applicable to its liabilities.

Hedge instruments are measured at fair value and hedge accounting shall only be used if:

- The hedge relationship has been clearly defined and documented initially, and
- The efficacy of the hedge may be evidenced initially and throughout its life.

Documents include the identification of the hedge instrument, the item or transaction hedged, the nature of the risk being hedged and the way the efficacy of the hedge instrument will be measured when offsetting the exposure to changes in the fair value of the item hedged or to changes in the cash flows attributable to the hedged risk.

Hedges are deemed to be efficient when there is an economic relationship between the item hedged and the hedge instrument, the effects of the credit risk do not prevail over the value changes arising from such economic relationship, and the hedge ratio is the same as that arising from the item hedged and the amount of the hedge instrument used.

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

Hedges are classified and booked as follows, upon compliance with strict hedge accounting criteria:

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

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

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

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

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

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

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

- Net investment hedges abroad: this category includes hedges covering exposure to the variation in exchange rates arising from the translation of foreign businesses to the Company's presentation currency.

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

  If the Company would dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of income.

Employee benefits

a. Defined contribution plans

   Post-employment benefit plans under which there is an obligation to make certain predetermined contributions to a separate entity (a retirement fund or insurance company) and there is no further legal or constructive obligation to pay additional contributions. Such contributions are recognized as expenses in the statement of income, in as much as the relevant contributions are enforceable.

b. Defined post-employment benefit plans

   Post-employment benefit plans are those under which there is an obligation to directly provide retirement pension payments and retroactive severance pay, pursuant to Colombian legal requirements. The Company has no specific assets intended for guaranteeing the defined benefit plans.

   Defined post-employment benefit plan liabilities are estimated severally for each plan, with the support of independent third parties, applying the projected credit unit's actuarial valuation method, using actuarial assumptions on the date of the period reported, such as: salary increase expectations, average time of employment, life expectancy and personnel turnover. For 2017 and 2016, information on actuarial assumptions is taken as a reference to Regulatory Decree 2131 of December 22, 2016. Actuarial gains or losses are recognized in other comprehensive income. Interest expense on defined post-employment benefits, as well as settlements and plan reductions, are recognized in period results as financial costs

c. Long-term employee benefits

   These are benefits not expected to be fully settled within twelve months following the closing date of the statement of financial position regarding which employees render their services. These benefits relate to time-of-service bonuses and similar benefits. The Company has no specific assets intended for guaranteeing the long-term benefits.

   The liability for long-term benefits is determined separately for each plan with the support of independent third parties, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. The cost of current service, cost of past service, cost for interest, actuarial gains and losses, as well as settlements or reductions in the plan are immediately recognized in the statement of income.

d. Short-term employee benefits

   These are benefits expected to be fully settled within twelve months and after the closing date of the statement of financial position regarding which the employees render their services. Such benefits include a share of profits payable to employees based on performance. Short-term benefit liabilities are measured based on the best estimation of disbursements required to settle the obligations on the closing date of the reporting period.

e. Employee termination benefits

   The Company pays to employees certain benefits upon termination, wherever it decides to terminate a labor contract earlier than on the ordinary retirement date, or wherever an employee accepts an offer for benefits in exchange for termination of his labor contract.

Termination benefits are classified as short-term employee benefits and are recognized in period results when they are expected to be fully settled within 12 months of the closing of the reporting period; and are classified as long-term employee benefits when they are expected to be settled after 12 months of the closing of the reporting period.

Provisions, contingent assets and liabilities

The Company recognizes as provisions all liabilities outstanding on the date of the statement of financial position, resulting from past events, which may be reliably measured, and settlement thereof may require an outflow of resources incorporating economic benefits and which timing and/or amount are uncertain.

Provisions are recognized at the present value of the best estimation of cash outflows required to settle the liability. In those cases where there is expectation that the provision will be reimbursed, in full or in part, the reimbursement is recognized as an independent asset with a revenue to income as balancing entry, only when such reimbursement is virtually certain.

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

Current obligations under contracts for consideration are recognized as provisions wherever unavoidable costs to be incurred in performing under the contract exceed the economic benefits expected to be received thereunder.

A business reorganization provision is recognized wherever there is a constructive obligation to conduct a reorganization when a formal and detailed plan of reorganization has been prepared and has raised a valid expectation in those affected because its overall conditions were announced prior to the closing of the reporting period.

Contingent liabilities are obligations arising from past events, which existence is subject to the occurrence or non-occurrence of future events not entirely under the control of the Company; or current obligations arising from past events, from which the amount of the obligation cannot be accurately estimated, or it is not probable that an outflow of resources will occur for settlement of the obligation. Contingent liabilities are not included in the financial statements; instead they are disclosed in notes to the financial statements, except for those individually included in the purchase pricing report under a business combination, whose fair value may be accurately established.

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

Taxes

Taxes include liabilities payable to Government by the Company, estimated based on private assessments made during the relevant taxable periods, and include, among other: income tax, income tax for equality -CREE-, tax on wealth and tax standardization, real estate tax, and industry and trade tax.

<u>Current income tax</u>

The income tax for the Company is assessed on the higher of the presumptive income and the taxable net income at the official tax rate applicable annually on each year of presentation of financial statements. In addition to the income tax, for 2016 there is the tax for equality CREE, and for 2015 and 2016 a CREE surtax, assessed on the same base as the income tax with certain additional clearance items. The income tax expense is recognized with charge to income.

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

<u>Deferred income tax</u>

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

Deferred income tax assets are only recognized if it is probable that there will be future taxable income against which such deductible temporary differences may be offset. Deferred income tax liabilities are always recognized. Deferred tax assets and liabilities arising from a business combination have an impact on goodwill.

The effects of deferred taxes are recognized in income for the period or in other comprehensive income depending on where the originating profits or losses were booked, and they are shown in the statement of financial position as non-current items.

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

No deferred income tax liabilities are carried for the total of the differences that may arise between the accounting balances and the tax balances of investments in subsidiaries, associates and joint ventures, since the exception contained in IAS 12 is applied when recording such deferred tax liabilities.

Share capital

The Company's contributed capital is made of common shares.

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

Ordinary revenue

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

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

Revenue from retail sales is recognized when significant risks and benefits attached to the ownership of goods are transferred to purchaser, in most cases upon transfer of legal title, such revenue can be reliably measured and there is a probability that economic benefits from the transaction will be received.

Revenue from services is recognized in the period during which services are rendered. Wherever the provision of a service is subject to compliance with several commitments, analysis is made of the proper timing for recognition. Consequently, revenue or retail sales can either be recognized immediately (when the service is deemed rendered) or be deferred over the period during which the service is provided, or the commitment is fulfilled.

When goods are sold along with customer loyalty incentives, the revenue is allotted to retail sales and to the sale of incentives, at fair values. Deferred revenue from the sale of incentives is recognized in the statement of income upon customer redemption of products, or upon expiry.

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

Revenue from dividends is recognized when the right to receive payment from investments classified as financial instruments arise; dividends received from investments in subsidiaries, associates and joint ventures are recognized as a lower value of the investment.

Revenue from royalties is recognized upon fulfilment of the conditions set out in the agreements.

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

Revenue from interest is recognized using the effective interest method.

Revenue from barter transactions is recognized: (i) upon actual bartering, assets are recognized at the fair value of the consideration received on the date of exchange; (ii) or at the fair value of goods delivered.

Loyalty programs

Under its loyalty program, the Company awards its customers points on their purchases, which may be exchanged in future for benefits such as: prizes or goods available at the stores, means of payment or discounts, redemption with allies and continuity programs, among other. Points are measured at fair value, which is the value of each point received by the customer, taking the various redemption strategies into consideration. The fair value of each point is estimated at the end of each accounting period.

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

Costs and expenses

Costs and expenses are recognized in period results upon a decrease in economic benefits, associated with a decrease in assets or an increase in liabilities, and the value thereof may be reliably measured.

Costs and expenses include all cash outflows necessary to complete the sales as well as the expenses required to provide the services, such as depreciation of property, plant and equipment, personnel expenses, payments under service agreements, repairs and maintenance, operating costs, insurance, fees and lease expenses, among other.

Earnings per share

The basic profit per share is calculated by dividing the net profit for the period attributable to the Company, not including the average number of company shares held by any subsidiary, if any, by the weighted average of common shares outstanding during the period, excluding, if any, common shares acquired by the Company and held as Treasury shares.

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

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

Note 4. New and modified standards and interpretations

Note 4.1. 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 amendments to IAS 40, IFRS 2 and IFRS 4 as well as annual improvements cycle 2014-2016 are incorporated to Regulatory Decree 2420 of December 22, 2016. Such Regulatory Decree is in force as of January 1, 2018.

During the year ended December 31, 2017 the International Accounting Standards Board (IASB) did not issue new standards or amendments to standards already issued.

Note 4.2. 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 4.3. Standards effective as of January 1, 2017

During the year ended December 31, 2016, the IASB issued several standards, as detailed in section 4.4. Out of such standards issued, the following started to be applied as of January 1, 2017 according to the adoption date by the IASB:
- Amendment to IAS 12, in force as of January 2017.
- Amendment to IAS 7, in force 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. No earlier application was 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 4.4. Standards not in force at December 31, 2017

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 year ended December 31, 2017.

During the year ended December 31, 2016 the International Accounting Standards Board IASB issued the following standards and amendments, which are not in force at December 31, 2017:
- IFRIC 22 - Foreign currency transactions and advance consideration, in force as of January 2018.
- Amendment to IAS 40, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.
- Amendment to IFRS 2, in force as of January 2018.
- IFRS 16 - Leases, in force as of January 2019.

During the year ended December 31, 2014 the International Accounting Standards Board IASB issued the following standards and amendments, which are not in force at December 31, 2017:
- IFRS 15 - Revenue from ordinary activities under contracts with customers, in force as of January 2018.
- IFRS 9 - Financial instruments, in force as of January 2018.

IFRIC 22 - Foreign currency transactions and advance consideration (December 2016).

This interpretation clarifies the accounting of transactions including the receipt 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. No early application was 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 the 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 customer;
- 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.

IFRS 9 - "Financial Instruments" (July 2014)

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

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

Note 4.5. Standards applied earlier at December 31, 2016

During the year ended December 31, 2016, and based on section 4.4, the Company has not applied any Standards earlier.

Note 5. Business combinations

No business combinations were carried out at December 31, 2017 and 2016.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	December 31, 2017	December 31, 2016
Cash at hand and in banks	1,601,621	1,066,830
Fiduciary rights	16,194	31,995
Term deposit certificates	1,880	-
Total cash and cash equivalents	**1,619,695**	**1,098,825**

The Company recognized yields from cash at hand and in banks and cash equivalents in amount of $9,153 (2016 - $6,540), which were recorded as financial revenue as detailed in Note 31.

At December 31, 2017 and 2016, 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:

	December 31, 2017	December 31, 2016
Trade accounts receivable (7.1)	103,956	84,962
Other accounts receivable (7.2)	100,997	119,914
Total trade receivables and other receivables	**204,953**	**204,876**
Current (7.3)	**189,750**	**183,330**
Non-current (7.3)	**15,203**	**21,546**

Note 7.1. Trade accounts receivable

The balance of trade receivables is as follows:

	December 31, 2017	December 31, 2016
Trade accounts	86,173	79,862
Employee funds and lending	18,057	3,903
Rental installments and concessions receivable	8,552	9,482
Impairment of receivables (1)	(8,826)	(8,285)
Total trade receivables	**103,956**	**84,962**

(1) The impairment of receivables is calculated on an individual basis based on receivables with due dates beyond the behavior of historic payments. Impairment is recognized as expense in period results. However, even if impaired, the Company believes 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. The net effect of the impairment of receivables on the statement of income at December 31, 2017 relates to an expense in amount of $541 (at December 31, 2016 related to revenue from recovery in amount of $3,106).

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

Balance at December 31, 2016	**8,285**
Impairment loss recognized during the period	8,461
Reversal of impairment losses	(3,753)
Receivables written-off	(4,167)
Balance at December 31, 2017	**8,826**

Note 42, Policies on financial risk management, includes the considerations on the credit risk for trade debtors.

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	December 31, 2017	December 31, 2016
Employee funds and lending	61,197	58,787
Business agreements	20,211	39,386
Money remittances	5,902	3,026
Money transfer services	3,970	1,227
Tax claims	1,360	1,405
Taxes receivable	165	165
Sale of property, plant and equipment (1)	2	13,357
Other accounts receivable	8,190	2,561
Total other accounts receivable	**100,997**	**119,914**

(1) The balance is comprised of:

	December 31, 2017	December 31, 2016
Tacmo S.A.S.	2	-
Arquitectura y Comercio S.A.	-	13,351
Ángel María Alarcón Gómez	-	6
Total	**2**	**13,357**

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:

	December 31, 2017	December 31, 2016
Trade accounts	86,173	79,862
Other employee funds and lending	46,954	38,504
Business agreements	20,211	39,386
Employee funds and lending	18,057	3,903
Rental instalments and concessions receivable	8,552	9,482
Other	7,230	1,298
Money remittances	5,902	3,026
Money transfer services	3,970	1,227
Tax claims	1,360	1,405
Taxes receivable	165	165
Sale of property, plant and equipment	2	13,357
Impairment of receivables	(8,826)	(8,285)
Total current	**189,750**	**183,330**
Other employee funds and lending	14,243	20,283
Other	960	1,263
Total non-current	**15,203**	**21,546**

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**
December 31, 2017	213,779	72,966	104,296	6,442	1,656	28,419
December 31, 2016	213,161	12,094	143,545	36,726	927	19,869

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	December 31, 2017	December 31, 2016
Maintenance (1)	11,139	4,877
Insurance	10,402	10,309
Leases (2)	6,455	13,232
Advertising	28	-
Other advance payments	245	948
Total prepaid expenses	**28,269**	**29,366**
Current	**22,837**	**16,728**
Non-current	**5,432**	**12,638**

(1) Includes advance payments in amount of $6,015 (2016 - $4,834) for software maintenance and support; $4,952 for software licenses (2016 - $43), and $71 for hardware maintenance and support (2016 - $0).

(2) Includes the lease installments of the Éxito San Martin store paid in advance in amount of $5,832 (2016 - $12,638) that covers contract term to 2034.

Note 9. Accounts receivable from and accounts payable to related parties

Transactions with related parties represent sales of goods, loans, purchase of goods for trading, provision of services, collections and advance payments received.

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

	Accounts receivable		Other non-financial assets	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Joint ventures (1)	67,064	40,601	30,000	15,973
Subsidiaries (2)	48,947	53,770	-	-
Controlling entity (3)	3,365	3,606	-	-
Grupo Casino companies (4)	3,158	3,256	-	-
Key management personnel (5)	22	29	-	-
Total	**122,556**	**101,262**	**30,000**	**15,973**
Current	**114,969**	**95,621**	**30,000**	**15,973**
Non-current	**7,587**	**5,641**	**-**	**-**

(1) Relates to a balance receivable from Compañía de Financiamiento Tuya S.A. arising from royalties, reimbursement of shared expenses and coupon-related charges, that will be paid in the short term.

The balance of other non-financial assets at December 31, 2017 relates 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. The balance at December 31, 2016 also includes a payment to Compañía de Financiamiento Tuya S.A. for the subscription of shares; like in 2017, at the closing of 2016 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase before December 31, 2016; this balance was capitalized during the first quarter of 2017.

(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 $2,184 (2016 - $9,942);
- Collection of dividends declared, administration services and reimbursement of expenses to Patrimonios Autónomos in amount of $18,655 (2016 - $22,926);
- Administration services, reimbursement of expenses and loans to Gemex O & W S.A.S. in amount of $19,589 (2016 - $12,096);
- Transfer of the put option contract to Spice Investments Mercosur S.A. in amount of $3,460 (2016 - $3,460);
- Strategic direction to Libertad S.A. in amount of $1,292 (2016 - $2,726);
- Sale of goods, administration services and reimbursement of expenses to Logística, Transporte y Servicios Asociados S.A.S. in amount of $2,297 (2016 - $2,341), and
- Other collections from other subsidiaries in amount of $1,470 (2016 - $279).

(3) Relates to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A.

(4) Relates to the balance receivable from Casino Services for expatriate payments in amount of $152 (2016 - $21), from Distribution Casino France in amount of $104 (2016 - $173) and from Casino International in amount of $2,845 (2016 - $2,813), and for power efficiency services received from Greenyellow Energía de Colombia S.A.S. in amount of $57 (2016 - $249).

(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 family members thereof

The balance of accounts payable to related parties and collections and advance payments received from related parties is made as follows:

	Accounts payable		Other financial liabilities		Other non-financial liabilities	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Joint ventures (1)	3,025	558	38,679	27,812	-	-
Subsidiaries (2)	89,065	124,789	-	-	151,332	53,746
Controlling entity (3)	14,792	52,988	-	-	-	-
Grupo Casino companies (4)	9,593	4,881	-	-	-	-
Members of the Board	15	93	-	-	-	-
Total	**116,490**	**183,309**	**38,679**	**27,812**	**151,332**	**53,746**
Current	**116,490**	**183,309**	**38,679**	**27,812**	**151,332**	**53,746**
Non-current	**-**	**-**	**-**	**-**	**-**	**-**

(1) 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.

The balance of other financial liabilities includes collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 23).

(2) The balance payable to subsidiaries relates to:
- Purchase of merchandise and lease of properties payable to Distribuidora de Textiles y Confecciones S.A. in amount of $0 (2016 - $96,907);
- Reimbursement of expenses to Gemex O & W S.A.S. in amount of $800 (2016 - $7);
- Loan received from Carulla Vivero Holding Inc. in amount of $4,527 (2016 - $4,575);
- Transport services received from Logística, Transporte y Servicios Asociados S.A.S. in amount of $5,039 (2016 - $4,511);
- Leases, purchase of merchandise and tax withholdings on dividends declared by Patrimonios Autónomos in amount of $5,838 (2016 - $7,898);
- Collections, purchase of tour packages and redemption of points to Éxito Viajes y Turismo S.A.S. in amount of $3,431 (2016 - $1,981);
- Purchase of inventories, assets, lease of property and balance pending capitalization to Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.) in amount of $ 69,430 (2016 - $8,714).

The balance of other non-financial assets relates to advance payments from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 24).

(3) 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 $11,782 (2016 - $11,170) and dividends payable in amount of $3,010 (2016 - $41,818).

(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 net inventories is as follows:

	December 31, 2017	December 31, 2016
Inventories available for trading	1,084,841	1,058,160
Inventories in transit	40,025	31,004
Materials, small spares, accessories and consumable packaging.	2,976	12,596
Product in process	-	2,604
Raw materials	2,416	2,313
Inventories of property under construction (1)	834	1,897
Inventory impairment (2)	(19,111)	(30,915)
Total inventories, net	**1,111,981**	**1,077,659**

(1) For 2017, relates to Cota Hotel real estate project currently in the construction stage, for trading purposes. This project is in a construction reorganization stage since 2015.

For 2016, related to Cota Hotel and Univalledupar real estate projects, in the construction stage for trading purposes. Since 2015 these projects were in a construction reorganization stage.

(2) The development of the provision during the year presented is as follows:

Balance at December 31, 2016	**30,915**
Reversal of impairment provisions (10.2)	(11,804)
Balance at December 31, 2017	**19,111**

At December 31, 2017 and 2016 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 policy, inventories are valued at cost or 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 December 31, 2017	January 1 to December 31, 2016
Cost of goods sold (1)	9,202,913	9,362,080
Trade discounts and rebates on purchases	(1,377,478)	(1,329,944)
Logistics costs (2)	375,333	362,314
Damage and unknown reduction	147,749	139,828
(Reversal) impairment loss recognized during the period (3)	(11,804)	1,400
Total cost of sales	**8,336,713**	**8,535,678**

(1) Includes cost of depreciation and amortization in amount of $17,192 (2016 - $11,308) and provision for doubtful trade accounts in amount of $237 (2016 - $194).

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

	January 1 to December 31, 2017	January 1 to December 31, 2016
Services	123,481	134,473
Employee benefits	183,989	161,205
Leases	53,338	53,729
Depreciation and amortization	14,525	12,907
Total	**375,333**	**362,314**

(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:

	December 31, 2017	December 31, 2016
Financial assets measured at amortized cost (1)	44,870	75,157
Derivative financial instruments (2)	5,934	9,547
Financial assets measured at fair value through income (3)	1,286	1,142
Financial assets measured at fair value through other comprehensive income (4)	260	248
Total other financial assets	**52,350**	**86,094**
Current	**10,462**	**12,252**
Non-current	**41,888**	**73,842**

(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 December 31, 2017 the nominal value amounts to $44,500 (2016 - $74,500) and maturities go from 1 to 10 years yielding CPI + 6%. Compañía de Financiamiento Tuya S.A. was capitalized in November and December 2017 maintaining the 50% interest in this company; bonds in amount of $30,000 were used to pay for this capitalization.

(2) Derivative financial instruments reflect the fair value of forward contracts to hedge the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants 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) at fair value, on each accounting closing date. The variation between December 31, 2017 and December 31, 2016 relates to the decrease in the valuation of closing rates for forwards and swaps, below the average of the rates agreed upon with various financial players, giving rise to an obligation (a liability) but not to a right (an asset).

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**

The detail of maturities of these instruments at December 31, 2016 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	41	1,219	309	-	-	1,569
Swap	-	2,279	952	-	4,747	7,978
	41	**3,498**	**1,261**	-	**4,747**	**9,547**

(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) Financial assets measured at fair value through other comprehensive income are equity investments not held for trading. The fair value of these investments is as follows:

	December 31, 2017	December 31, 2016
Carnes y Derivados S.A.	12	12
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	14	14
Central de Abastos del Caribe S. A	71	71
La Promotora S.A.	50	50
Associated Grocers of Florida, Inc.	113	101
Total	**260**	**248**

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

	December 31, 2017	December 31, 2016
Financial assets measured at amortized cost	4,528	7,452
Derivative financial instruments	5,934	4,800
Total current	**10,462**	**12,252**
Financial assets measured at amortized cost	40,342	67,705
Financial assets measured at fair value through income	1,286	1,142
Financial assets measured at fair value through other comprehensive income	260	248
Derivative financial instruments	-	4,747
Total non-current	**41,888**	**73,842**

At December 31, 2017 and 2016 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 Tuya S.A.'s bonds, which were issued as part of Tarjeta Éxito's business collaboration agreement.

None of the assets was impaired at December 31, 2017 and 2016.

Note 12. Property, plant and equipment, net

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

	December 31, 2017	December 31, 2016
Land	632,046	643,398
Buildings	957,388	991,929
Machinery and equipment	657,169	603,994
Furniture and fixtures	390,358	352,391
Assets under construction	25,472	26,222
Improvements to third party properties	270,284	253,951
Vehicles and transportation equipment	5,284	5,280
Computers	141,535	127,182
Other property, plant and equipment	16,050	16,050
Total cost of property, plant and equipment	**3,095,586**	**3,020,397**
Accumulated depreciation	(713,091)	(523,381)
Total net property, plant and equipment	**2,382,495**	**2,497,016**

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, 2016	**643,398**	**991,929**	**603,994**	**352,391**	**26,222**	**253,951**	**5,280**	**127,182**	**16,050**	**3,020,397**
Additions	-	3,894	18,013	4,116	112,174	7,055	14	1,089	-	146,355
Increase arising from transfers from investment property (Note 13)	223	1,454	-	-	-	-	-	-	-	1,677
Increase (decrease) from movements between property, plant and equipment accounts	7,664	7,305	36,193	34,528	(112,924)	14,315	(9)	12,928	-	-
Derecognition from the sale of property, plant and equipment (1)	(19,239)	(39,812)	-	-	-	-	-	-	-	(59,051)
Derecognition of property, plant and equipment (2)	-	(7,382)	(1,032)	(677)	-	(5,695)	(1)	(123)	-	(14,910)
Other minor changes	-	-	1	-	-	658	-	459	-	1,118
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**
Accumulated depreciation										
Balance at December 31, 2016	**-**	**85,711**	**176,825**	**108,612**	**-**	**88,508**	**2,512**	**59,568**	**1,645**	**523,381**
Depreciation expense/cost	-	29,091	69,124	42,866	-	33,971	703	23,416	788	199,959
Derecognition from the sale of property, plant and equipment (1)	-	(4,778)	-	-	-	-	-	-	-	(4,778)
Depreciation reversals (2)	-	(751)	(777)	(605)	-	(4,091)	(1)	(117)	-	(6,342)
Other minor changes	-	(65)	154	(69)	-	709	(59)	201	-	871
Balance at December 31, 2017	**-**	**109,208**	**245,326**	**150,804**	**-**	**119,097**	**3,155**	**83,068**	**2,433**	**713,091**

(1) Relates to the net sale of the premises Éxito Santa Marta in amount of $11,263, Éxito Villavicencio in amount of $18,569, Éxito San Francisco in amount of $12,411, Éxito Envigado Centro in amount of $8,360 and Carulla El Tesoro in amount of $3,670.

(2) Includes the closure of stores Carulla San Jerónimo in net amount of $1,152 and Éxito Portal Plaza in net amount of $410; and includes derecognition of the Cedi Envigado distribution center in net amount of $4,610 and of Torre Sur Corporate Building in net amount of $539.

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:

	December 31, 2017	December 31, 2016
Machinery and equipment	769	769
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**16,530**	**16,530**
Accumulated depreciation	(2,653)	(2,006)
Total net property, plant and equipment	**13,877**	**14,524**

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

At December 31, 2017 and 2016 no restrictions or liens have been imposed on items of property, plant and equipment that limit realization or tradability thereof, and there are no commitments to acquire, build or develop property, plant and equipment.

During the year ended December 31, 2017, the Company received $1,202 (2016 - $6,588) as compensation for assets damaged.

During the year ended December 31, 2017 an impairment loss was recognized on Torre Sur Building in amount of $1,481, resulting from demolition thereof (Note 30).

No impairment of other items of property, plant and equipment was recognized at December 31, 2017 and 2016.

Information about the methodology applied to test for impairment is disclosed in Note 35.

Note 13. Investment property, net

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

The net balance of investment properties is made as follows:

	December 31, 2017	December 31, 2016
Land	65,103	65,370
Buildings	213,909	123,577
Construction in progress	67,682	126,073
Total cost of investment property	**346,694**	**315,020**
Accumulated depreciation	(6,990)	(2,973)
Total investment property, net	**339,704**	**312,047**

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, 2016	**65,370**	**123,577**	**126,073**	**315,020**
Additions	-	24,386	4,579	28,965
Capitalization of loan costs (1)	-	-	6,543	6,543
(Decrease) from transfers (to) property plant and equipment (Note 12).	(223)	(1,454)	-	(1,677)
Increase (decrease) from movements between investment property accounts.	-	69,513	(69,513)	-
Derecognition from the sale of investment property (2)	(43)	(2,113)	-	(2,156)
Other minor changes	(1)	-	-	(1)
Balance at December 31, 2017	**65,103**	**213,909**	**67,682**	**346,694**

Accumulated depreciation	Buildings
Balance at December 31, 2016	**2,973**
Depreciation expense	3,964
Derecognition from the sale of investment property	(20)
Other minor changes	73
Balance at December 31, 2017	**6,990**

(1) The rate used to determine the amount of loan costs capitalized was 8.681%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of December 31, 2017.

(2) Includes the sale of a building to Patrimonio Autónomo Villavicencio in a net amount of $1,940.

Except for the Envigado property that is in a construction stage and that will be delivered to Patrimonio Autónomo Viva Malls in 2018 as part of the memorandum of understanding executed with Fondo Inmobiliario Colombia in amount of $56,438, at December 31, 2017 and 2016 investment properties are not restricted or encumbered in any way as to limit the realization or tradability thereof.

At December 31, 2017 and 2016, 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, the Company has not received compensations from third parties arising from the damage or loss of investment property, nor has it recognized impairment losses.

Information about the methodology applied to test for impairment is disclosed in Note 35.

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

At December 31, 2017 and 2016 the results in the Company from the use of investment property are as follows:

	December 31, 2017	December 31, 2016
Revenue from leases	5,855	6,044
Operation expenses related to revenue-generating investment properties	(3,407)	(2,383)
Operating expenses related to non-revenue-generating investment properties	(1,165)	(1,139)
Net gain from investment properties	**1,283**	**2,522**

Note 14. Goodwill

The balance of goodwill is as follows:

	December 31, 2017	December 31, 2016
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, since 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, since 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 December 31, 2017 and 2016.

Information about the methodology applied to test for impairment is disclosed in Note 35.

Note 15. Intangible assets other than goodwill, net

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

	December 31, 2017	December 31, 2016
Computer software	129,008	133,953
Trademarks	81,131	81,131
Rights	26,986	24,760
Other	31	1,522
Total cost of intangible assets other than goodwill	**237,156**	**241,366**
Accumulated amortization	(80,938)	(66,953)
Total intangible assets other than goodwill, net	**156,218**	**174,413**

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, 2016	**81,131**	**133,953**	**24,760**	**1,522**	**241,366**
Additions	-	12,944	2,226	-	15,170
Transfers	-	(438)	-	-	(438)
Disposals and derecognition	-	(17,451)	-	(1,491)	(18,942)
Balance at December 31, 2017	**81,131**	**129,008**	**26,986**	**31**	**237,156**
Accumulated amortization					
Balance at December 31, 2016	**-**	**65,462**	**-**	**1,491**	**66,953**
Amortization expense/cost	-	33,018	-	-	33,018
Transfers	-	(91)	-	-	(91)
Disposals and derecognition	-	(17,451)	-	(1,491)	(18,942)
Balance at December 31, 2017	**-**	**80,938**	**-**	**-**	**80,938**

(1) Relate 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:

	December 31, 2017	December 31, 2016
System application and products (SAP)	12,634	17,801
Commercial information system (Sinco)	11,054	16,843
Databases	4,402	2,648
Demand forecasts	4,299	2,737
Single customer	3,091	4,244
WMS	2,843	-
Pricing	1,904	2,951
Central equipment virtualizer	1,391	-
Pos and pin pads	1,021	1,890
Sinemax	980	1,516
Slotting	762	1,088
Assortment and space	708	1,949
Printing (a)	-	2,281
Exchange License (a)	-	1,862
IT security (a)	-	1,439
PC stations (a)	-	1,334
Monitoring (a)	-	1,130
C&C Licenses (a)	-	1,094
Other minor items	2,981	5,684
Net total	**48,070**	**68,491**

(a) These software was fully amortized in 2017.

(3) Recognitions of contracts executed in December 2017 in amount of $2,226, December 2016 in amount of $11,552 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 December 31, 2017 and 2016 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, and no impairment losses have been recognized.

Information about the methodology applied to test for impairment is disclosed in Note 35.

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	December 31, 2017	December 31, 2016
Onper Investment 2015 S.L.	Subsidiary	5,366,939	5,477,557
Spice Investment Mercosur S.A.	Subsidiary	1,858,653	1,789,663
Patrimonio Autónomo Viva Malls	Subsidiary	537,572	398,227
Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.) (1)	Subsidiary	134,172	22,838
Compañía de Financiamiento Tuya S.A.	Joint venture	126,551	90,171
Patrimonio Autónomo Viva Villavicencio	Subsidiary	108,124	109,148
Patrimonio Autónomo Centro Comercial	Subsidiary	57,294	57,294
Patrimonio Autónomo Viva Sincelejo	Subsidiary	41,947	42,531
Patrimonio Autónomo San Pedro Etapa I	Subsidiary	17,534	17,960
Cnova N.V.	Associate	9,222	9,222
Puntos Colombia S.A.S. (2)	Joint venture	7,213	-
Carulla Vivero Holding Inc.	Subsidiary	4,439	4,464
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	4,121	606
Fideicomiso Lote Girardot	Subsidiary	3,850	3,850
Éxito Viajes y Turismo S.A.S.	Subsidiary	3,755	4,221
Patrimonio Autónomo Iwana	Subsidiary	3,196	3,280
Almacenes Éxito Inversiones S.A.S. (3)	Subsidiary	2,844	-
Distribuidora de Textiles y Confecciones S.A. (1)	Subsidiary	-	159,415
Patrimonio Autónomo Centro Comercial Viva Barranquilla (4)	Subsidiary	-	11,086
Patrimonio Autónomo Centro Comercial Viva Riohacha (5)	Subsidiary	-	6,277
Total investments accounted for using the equity method		**8,287,426**	**8,207,810**

(1) 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.

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

(3) At December 31, 2016 the balance of this investment was $0, given that this subsidiary's equity was negative. As result of the commitment acquired by this subsidiary's management during the General Meeting of Shareholders held on March 18, 2016 the business plan submitted aimed at overcoming the grounds for dissolution has proven positive, resulting in the generation of profits, full offsetting of accumulated losses and going back to a positive equity situation.

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

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

Note 16.1. Non-financial information regarding investments accounted for using the equity method

Information regarding country of domicile, functional currency, main economic activity, ownership percentage and shares held in investments accounted for using the equity method is as follows:

Company	Country	Currency Functional currency	Main	Ownership percentage		Number of shares	
				2017	2016	2017	2016
Onper Investment 2015 S.L.	Spain	Euro	Holding	100%	100%	3.000	3.000
Spice Investment Mercosur S.A.	Uruguay	Uruguayan peso	Holding	100%	100%	6.550.177.757	6.550.177.757
Patrimonio Autónomo Viva Malls	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.) (1)	Colombia	Colombian peso	Trade	97.75%	100%	3,982,670	4.074.343
Compañía de Financiamiento Tuya S.A.	Colombia	Colombian peso	Credit	50%	50%	4.998.827.740	4.124.061.485
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Patrimonio Autónomo Centro Comercial	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Cnova N.V.	Holland	Euro	Trade	0.15%	0.15%	659.383	659.383
Puntos Colombia S.A.S. (2)	Colombia	Colombian peso	Services	50%	-	9.000.000	-
Carulla Vivero Holding Inc.	British Virgin Islands	Colombian peso	Investment	100%	100%	385.900	385.900
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombian peso	Transport	100%	100%	5.774.786	4.538.000
Fideicomiso Lote Girardot	Colombia	Colombian peso	Real Estate	100%	100%	N/A	N/A
Éxito Viajes y Turismo S.A.S.	Colombia	Colombian peso	Services	51%	51%	2.500.000	2.500.000
Patrimonio Autónomo Iwana	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombian peso	Telephone	100%	100%	300.000	300.000
Distribuidora de Textiles y Confecciones S.A. (1)	Colombia	Colombian peso	Textile	-	97.75%	-	7.820.000
Patrimonio Autónomo Centro Comercial Viva Barranquilla (3)	Colombia	Colombian peso	Real Estate	-	5.18%	-	N/A
Patrimonio Autónomo Centro Comercial Viva Riohacha (4)	Colombia	Colombian peso	Real Estate	-	100%	-	N/A
Gemex O & W S.A.S.	Colombia	Colombian peso	Trade	85%	85%	1.270.703	1.270.703

(1) 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.

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

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

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

Note 16.2. Financial information regarding investments accounted for using the equity method

Financial information regarding investments accounted for using the equity method at December 31, 2017:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations	Total comprehensiv income
Onper Investment 2015 S.L.	30,031,406	20,637,607	26,708,665	7,562,275	16,398,073	42,738,829	525,529	425,54
Spice Investment Mercosur S.A.	637,812	2,105,854	1,111,498	-	1,632,168	2,612,979	165,588	190,71
Patrimonio Autónomo Viva Malls	199,768	952,698	47,029	-	1,105,437	115,072	52,644	52,64
Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.) (1)	142,045	151,592	93,697	55,316	144,624	348,099	17,314	17,31
Compañía de Financiamiento Tuya S.A.	2,571,106	-	2,353,238	-	217,868	1,344,712	41,556	41,55
Patrimonio Autónomo Viva Villavicencio	10,290	215,489	7,145	-	218,634	24,585	17,244	17,24
Patrimonio Autónomo Centro Comercial	3,442	112,314	1,413	-	114,343	9,930	5,911	5,91
Patrimonio Autónomo Viva Sincelejo	2,094	81,507	1,352	-	82,249	11,955	5,622	5,62
Patrimonio Autónomo San Pedro Etapa I	613	34,177	410	-	34,380	3,774	2,326	2,32
Cnova N.V.	2,567,924	714,854	3,646,891	71,460	(435,573)	7,080,061	(307,904)	(334,69
Puntos Colombia S.A.S.	12,386	7,704	5,664	-	14,426	-	(3,574)	(3,57
Carulla Vivero Holding Inc.	4,525	-	86	-	4,439	-	94	9
Logística, Transporte y Servicios Asociados S.A.S. (2)	12,391	3,856	10,055	2,051	4,121	107,196	2,277	2,28
Fideicomiso Lote Girardot	-	3,850	-	-	3,850	-	-	
Éxito Viajes y Turismo S.A.S.	21,949	2,359	16,945	-	7,363	19,850	5,793	5,79
Patrimonio Autónomo Iwana	179	6,254	166	-	6,267	351	(108)	(10
Almacenes Éxito Inversiones S.A.S. (3)	4,158	5,376	4,538	-	4,996	40,593	11,012	11,01
Gemex O & W S.A.S. (4)	10,316	6,707	23,462	5,592	(12,031)	19,267	(2,272)	(2,27

Financial information regarding investments accounted for using the equity method at December 31, 2016:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations	Total comprehensiv income
Onper Investment 2015 S.L.	10,887,781	38,671,385	11,430,151	22,012,796	16,116,219	37,816,912	64,449	2,292,82
Spice Investment Mercosur S.A.	558,677	2,094,685	926,090	72,469	1,654,803	2,401,228	151,316	47,83
Patrimonio Autónomo Viva Malls	64,060	714,179	5,235	-	773,004	7,444	3,216	3,21
Distribuidora de Textiles y Confecciones S.A. (1)	138,340	107,437	60,588	13,466	171,724	291,141	6,713	6,71
Cdiscount Colombia S.A.S. (1)	22,193	-	9,229	-	12,964	17,396	(19,361)	(19,36
Compañía de Financiamiento Tuya S.A.	2,474,730	-	1,393,875	935,756	145,099	857,706	10,156	10,15
Patrimonio Autónomo Viva Villavicencio	35,989	212,002	27,351	-	220,640	32,386	21,654	21,65
Patrimonio Autónomo Centro Comercial	8,104	115,153	8,914	-	114,343	17,861	11,654	11,65
Patrimonio Autónomo Viva Sincelejo	1,558	83,493	1,656	-	83,395	11,979	6,243	6,24
Patrimonio Autónomo San Pedro Etapa I	617	34,975	376	-	35,216	3,851	2,611	2,61
Cnova N.V.	2,148,130	469,540	2,639,931	44,980	(67,241)	6,263,040	(220,024)	(226,10
Carulla Vivero Holding Inc.	4,551	-	87	-	4,464	-	-	
Logística, Transporte y Servicios Asociados S.A.S. (2)	8,207	3,663	9,266	2,040	604	65,572	(1,657)	(1,66
Fideicomiso Lote Girardot	-	3,850	-	-	3,850	-	-	
Éxito Viajes y Turismo S.A.S.	20,418	1,821	13,962	-	8,277	12,623	3,918	3,91
Patrimonio Autónomo Iwana	100	6,400	68	-	6,432	467	115	11
Almacenes Éxito Inversiones S.A.S. (3)	3,536	5,030	12,782	-	(4,216)	41,688	7,838	7,83
Patrimonio Autónomo Centro Comercial Viva Barranquilla	9,426	212,449	7,865	-	214,010	4,309	(29)	(2
Patrimonio Autónomo Centro Comercial Viva Riohacha	2,460	4,736	919	-	6,277	9,198	4,973	4,97
Gemex O & W S.A.S. (4)	8,191	849	15,183	3,616	(9,759)	18,555	(7,517)	(7,51

(1) 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.

At December 31, 2017, following the merger, Distribuidora de Textiles y Confecciones S.A.S. accrues losses in amount of $12,389 (at December 31, 2016, prior to the merger, subsidiary Cdiscount Colombia S.A.S. accrued losses in amount of $61,590); such losses do not result in the subsidiary's net equity being less than 50% of its share capital, a situation existing at December 31, 2016, date on which the subsidiary fell in special grounds for dissolution pursuant to section 457 of the Code of Commerce. Subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, during the ordinary meeting held on March 16, 2016, the General Meeting of Shareholders approved a capitalization in amount of $51,000, to increase subscribed and paid-in capital (including a premium on the placement of shares) from $32,150 to $83,150, increasing shareholders' equity to $33,852, thus overcoming the grounds for dissolution. Under this circumstance, the equity of Distribuidora de Textiles y Confecciones S.A.S. at December 31, 2017 is not negative.

(2) At December 31, 2017 the subsidiary accrues losses in amount of $1,649 (at December 31, 2016 losses amounted to $3,926); such losses do not result in company's equity being below 50% of its share capital, situation existing at December 31, 2016 that gave rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment, a business plan to generate profits was submitted to the Extraordinary General Meeting of Shareholders on December 22, 2016. The plan has proven positive, reason why there is a decrease in accumulated losses.

(3) For the year ended December 31, 2017 the subsidiary shows a net profit of $11,012 thus overcoming the special grounds for dissolution it had at December 31, 2016, pursuant to section 34-7 of Law 1258 of 2008. At the closing of that year, the subsidiary accumulated net losses in amount of $9,051. At December 31, 2017 net profits in equity reach $1,961. The above is the outcome of the commitment made by Management to the General Meeting of Shareholders on March 18, 2016 for taking measures aimed at overcoming such grounds for dissolution. The business plan submitted has allowed the company to generate profits and obtain positive results, reason why accumulated losses have been fully offset.

(4) At December 31, 2017, the subsidiary accrued losses amounting to $13,526 ($11,254 at December 31, 2016) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary Management are committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016. However, the plan has not proven positive, reason why there is no decrease in total accumulated losses.

There are no restrictions on the capability of the subsidiaries to transfer funds to the Company in the form of cash dividends, or loan repayments or advance payments. Additionally, the Company has no contingent liabilities incurred related to its participation therein. Embedded obligations acquired by the Company on behalf of its subsidiaries, whose losses are higher than the investment therein held are described in Note 20 Other provisions.

Note 16.3. Corporate purpose of investments accounted for using the equity method

The corporate purpose and other corporate information of investments accounted for using the equity method is the following:

Onper Investments 2015 S.L.

A subsidiary with domicile in Spain. Onper Investments 2015 S.L. is the Parent of Companhia Brasileira de Distribuição - CBD (a company domiciled in Brazil) where it has a 18.70% share in the capital and 49.97% of voting rights; Parent of Wilkes Partipações S.A. (a company domiciled in Brazil), Ségisor S.A. (a company domiciled in France), Oregon LLC, Pincher LLC and Bengal LLC (companies domiciled in the United States of America) where it has a 50% share of capital quotas, and Parent of Libertad S.A., Ceibotel S.A. and Geant Argentina S.A. (companies domiciled in Argentina), Vía Artika S.A. (a company domiciled in Uruguay), Spice España de Valores Americanos S.L. (a company domiciled in Spain) and Gelase S.A. (a company domiciled in Belgium) where it has a 100% share in the capital stock.

The subsidiary's corporate purpose is to carry out the following activities, in Spain and abroad:

- Manage and administer securities representing the funds of non-resident entities in Spanish territory, through the organization of physical and human resources. CNAE Code 66.30/64.20.
- Purchase, subscribe, hold, manage, administer, barter and sell domestic and foreign movable securities on its own without intermediation, through the organization of physical and human resources. CNAE Code 66.12.
- Promote and develop all kinds of real estate, urban or soil management plans, whether for industrial, commercial or housing purposes. This shall include purchasing, holding, managing, administering, bartering and selling all kinds of real estate assets. CNAE Code 4110 and 683.2.
- Perform all kinds of economic, financial and commercial surveys, as well as real estate-related surveys including those regarding the management, administration, merger and concentration of companies, and the provision of trade and entrepreneurial services. CNAE Code 69.20.
- Exception is made of activities reserved by Law to Collective Investments Institutions, as well as those expressly reserved by the Stock Exchange Law to stockbroking agents and/or companies.
- Should legal provisions require a certain professional title, administrative authorization or filing with public registers to perform any of the activities included in the corporate purpose, such activities shall be carried out by individuals holding such title and shall not be initiated without compliance with administrative requirements.

The company may carry out the mentioned activities, in full or in part, indirectly through investments in other companies having the same or similar corporate purpose as that described above, or under any form pursuant to the Law.

Spice Investments Mercosur S.A.

A Uruguayan closed stock company, with nominative share titles. Its core purpose is investing in general, pursuant to section 47 of Uruguayan Law 16060, and it may develop investment activities in the country and abroad. Its main place of business is at Avenida General José María Paz No. 1404, Montevideo, Uruguay.

Patrimonio Autónomo Viva Malls

Established on July 15, 2016 by means of public deed 679 granted before the Notary 31st of Medellín as a stand-alone trust fund through Itaú Fiduciaria (formerly Helm Fiduciaria S.A.). Its main business purpose is the acquisition, whether directly or indirectly, of material rights to real estate property, mainly shopping centers and the development thereof, and the development of other real estate assets as well as the exploitation and operation thereof. The business purpose includes to lease the trade premises to third parties or to related parties, grant concessions on spaces that are part of the property, exploit, market and maintain the premises, raise funds and dispose of the assets, as well as perform all related activities as required to meet business goals. Its main place of business is at Carrera 7 No. 27 - 18 14th floor, Bogotá, Colombia.

Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.)

A subsidiary incorporated by private document on June 26, 2014. As result of a merger with Distribuidora de Textiles y Confecciones S.A., by means of public deed 1563 dated December 29, 2017 the subsidiary changed its name to Distribuidora de Textiles y Confecciones S.A.S. and changed its corporate purpose. Its corporate purpose is (i) acquire, store, transform, manufacture, sell and in general distribute under any type of contract textile goods of domestic or foreign make, and acquire, give or receive property under lease agreements devoted for opening stores, shopping malls and other locations adequate for the distribution of merchandise and the sale of goods or services; (ii) launch and operate e-commerce activities in Colombia; (iii) enter into all kinds of contracts including, without limitation, lease, distribution, operation, association, purchase-sale, technical assistance, supply, inspection, control and service contracts seeking to adequately perform its corporate purpose; (iv) provide all kinds of services including, without limitation, the execution of administration, advisory, consultancy, technical and presentation agreements seeking to adequately perform its corporate purpose; and (v) develop any lawful activity. Its main place of business is at Carrera 48 No. 32 Sur - 29, Envigado, Colombia.

Compañía de Financiamiento Tuya S.A.

A joint business, joint control over which was acquired on October 31, 2016. It is a private entity, authorized by the Colombian Financial Superintendence, incorporated by means of public deed No. 7418 granted on November 30, 1971 before the Notary First of Bogotá, having its main place of business in Medellín. The company's main corporate purpose is attracting resources using term-deposits with the primary purpose of engaging in credit active operations, to ease the trading of goods and services, without affecting operations and investments that it may carry out in compliance with the conditions or limitations set out by the legal regime applicable to financing companies.

Patrimonio Autónomo Viva Villavicencio

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

Patrimonio Autónomo Centro Comercial

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

Patrimonio Autónomo Viva Sincelejo

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

Patrimonio Autónomo San Pedro Etapa I

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

Cnova N.V.

Cnova N.V. was incorporated on May 30, 2014. Its corporate purpose is participating or carrying out all activities and operations related with or suitable for e-commerce and regular trade, and the provision of services in the fields of retail sales, advertising, transportation, data communications, business advisory and business funding. Its main domicile is Amsterdam, The Netherlands.

Puntos Colombia S.A.S.

A joint venture established on April 19, 2017 under Colombian law. Its main corporate purpose is the purchase and sale of loyalty points, and the design, development, implementation, operation and administration of a loyalty program for the development of loyalty strategies applicable to the customers of alliance partners, through the recognition, accumulation, issue and redemption of loyalty points, as well as the purchase and sale of loyalty points. Its main place of business is at Carrera 48 No. 26 - 85, Medellín, Colombia. The company's life span is indefinite.

Carulla Vivero Holding Inc.

A subsidiary incorporated on September 14, 2000 under the laws of the British Virgin Islands; Its corporate purpose is carrying out businesses to invest, buy, hold, acquire at any title, sell, assign and manage any chattels or real estate not forbidden or regulated by the laws of the British Virgin Islands.

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

A subsidiary incorporated on May 23, 2014, under Colombian laws. Its main corporate purpose is the provision of air, land, maritime, fluvial, railway and multimodal domestic and international freight services for all kinds of goods in general. Its main place of business is at Carrera 48 No. 32B Sur - 139, Envigado, Colombia. The company's life span is indefinite.

Fideicomiso Lote Girardot

The plot of land was acquired by means of assignment of fiduciary rights on February 11, 2011 through Alianza Fiduciaria S.A. Its purpose is to acquire title to the property on behalf of the Company. Its main place of business is at Carrera 10 and 11 with Calle 25, Girardot, Colombia.

Éxito Viajes y Turismo S.A.S.

A subsidiary incorporated on May 30, 2013, under Colombian laws. Its main corporate purpose is the exploitation of tourism-related activities, as well as the representation of the tourism industry and the opening of travel agencies whatever its nature and the promotion of domestic and international tourism. The company's life span is indefinite.

Patrimonio Autónomo Iwana

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

Almacenes Éxito Inversiones S.A.S.

A subsidiary incorporated by private document on September 27, 2010 with an indefinite life span. Its corporate purpose is mainly (i) incorporate, finance, promote, invest, individually or jointly with other individuals or legal entities, in the incorporation of companies o businesses whose purpose is the manufacturing or trading of goods, objects, merchandise, articles or elements or the provision of services related with the exploitation of trade establishments and link with such companies as associate, by contributing cash, goods or services; and (ii) promote, invest, individually or jointly with other individuals or legal entities, in the provision of networks, services and telecommunications added value, particularly all activities permitted in Colombia or abroad related with telecommunications, mobile phone and added value services.

Patrimonio Autónomo Centro Comercial Viva Barranquilla

Established on December 23, 2014 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is at Carrera 51 B 87 - 50, Barranquilla, Colombia.

Patrimonio Autónomo Centro Comercial Viva Riohacha

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

Gemex O & W S.A.S.

Incorporated on March 12, 2008. Its corporate purpose is the trading of all kinds of goods and services through alternative sales channels, such as, without limitation, direct sales or mail sales, web sites or e-commerce, through vending machines, and in general using all technology-based channels or special methods to trade goods and services. Its main place of business is at Carrera 43 No. 31 - 166, Medellín, Colombia.

Note 16.4. Investments in associates and joint ventures with material non-controlling interests

At December 31, 2017 and 2016 the following are associates and joint ventures with material non-controlling interests:

Significant non-controlling interests

Joint venture	**December 31, 2017**	**December 31, 2016**
Compañía de Financiamiento Tuya S.A.	50%	50%
Puntos Colombia S.A.S.	50%	-
Associate		
Cnova N.V.	93.44%	93.44%

Below is a summary of financial information on the joint venture with material non-controlling interests at December 31, 2017:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income
Compañía de Financiamiento Tuya S.A.	2,571,106	-	2,353,238	-	217,868	1,344,712	41,556	41,556
Puntos Colombia S.A.S.	12,386	7,704	5,664	-	14,426	-	(3,574)	(3,574)
Cnova N.V.	2,567,924	714,854	3,646,891	71,460	(435,573)	7,080,061	(307,904)	(334,692)

Below is a summary of financial information on associates and joint ventures with material non-controlling interests at December 31, 2016:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations	Total comprehensive income
Compañía de Financiamiento Tuya S.A.	2,474,730	-	1,393,875	935,756	145,099	857,706	10,156	10,156
Cnova N.V.	2,148,130	469,540	2,639,931	44,980	(67,241)	6,263,040	(220,024)	(226,101)

Note 17. Changes in the classification of financial assets

During the year ended December 31, 2017, 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:

	December 31, 2017	December 31, 2016
Bank loans (1)	796,390	465,700
Finance leases	3,530	3,662
Total current financial liabilities	**799,920**	**469,362**
Bank loans (1)	3,281,044	3,484,498
Finance leases	11,780	14,956
Total non-current financial liabilities	**3,292,824**	**3,499,454**

(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 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.

Below is a detail of annual maturities of outstanding non-current bank loans and finance leases for the period ended December 31, 2017 discounted at present value:

Year	Total
2019	772,865
2020	1,751,001
2021	203,445
>2022	565,513
	3,292,824

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 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 benefit provisions

The balance of employee benefit provisions is:

	December 31, 2017	**December 31, 2016**
Defined benefit plans (19.1)	29,885	28,135
Long-term benefit plan (19.2)	2,002	1,894
Total employee benefit provisions	**31,887**	**30,029**
Current	**3,457**	**3,267**
Non-current	**28,430**	**26,762**

Note 19.1. Defined benefit plans

The Company has implemented the following defined benefit plans:

a. Retirement pension plan

   Under the plan, each of Company employees will receive, upon retirement, a monthly pension payment, pension adjustments pursuant to legal regulations, survivor's pension, assistance with funeral expenses and June and December bonuses established by law. Such amounts depend on factors such as: employee age, time of service and salary.

   The Company is responsible for the payment of retirement pensions to employees who meet the following requirements: employees who at January 1, 1967 had served more than 20 years (full liability), and employees and former employees who at January 1, 1967 had served more than 10 years but less than 20 years (partial liability).

b. Retroactive severance pay plan

   Retroactivity of severance pay is estimated for those employees to whom labor laws applicable are those prior to Law 50 of 1990, and who did not move to the new system. Under the plan, the Company will pay employees upon retirement a retroactive amount as severance pay, after deduction of advance payments. This social benefit is calculated over the entire time of service, based on the latest salary earned.

c. Retirement bonus upon meeting the requirements to obtain an old-age pension

Under the plan, wherever an employee of the Company meets the age and contribution requirements to obtain a retirement pension under the average defined benefit system, he is granted a single $1 cash bonus upon the employee's completion of his time of service.

The old-age pension or disability pension bonus is granted under a collective bargain agreement.

d. Retirement bonus upon meeting the requirements to obtain a disability pension

Under the plan, wherever an employee of the Company is granted a disability pension by the relevant pension administration entity, he will be granted a single retirement bonus in amount of $4, provided a loss of 50% or more of capacity for work was qualified during the term of the labor relation with the Company.

The old-age pension or disability pension bonus is granted under a collective bargain agreement.

Such benefits are estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. There were no material changes in the methods or assumptions applied when preparing the estimations and sensitivity analyses.

Balances and development:

The following are balances and development of defined benefit plans:

	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus	Total
Balance at December 31, 2016	**20,676**	**1,080**	**6,379**	**28,135**
Cost of services	-	31	348	379
Interest expense	1,465	70	470	2,005
Actuarial loss from changes in experience	958	120	32	1,110
Actuarial loss from financial assumptions	904	33	366	1,303
Benefits directly (paid) by the Company	(2,292)	(205)	(391)	(2,888)
Other changes	-	-	(159)	(159)
Balance at December 31, 2017	**21,711**	**1,129**	**7,045**	**29,885**

Variables used to make the calculations:

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31, 2017			December 31, 2016		
	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus
Discount rate	6.90%	6.40%	6.90%	7.50%	7.20%	7.60%
Annual salary increase rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Future annuity increase rate	3.50%	-	-	3.50%	-	-
Annual inflation rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Death rate - men (years)	60-62	60-62	60-62	60-62	60-62	60-62
Death rate - women (years)	55-57	55-57	55-57	55-57	55-57	55-57
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disabilities and early retirement rates:

Years of service	December 31, 2017	December 31, 2016
From 0 to less than 5	34.26%	34.26%
From 5 to less than 10	16.68%	16.68%
From 10 to less than 15	9.82%	9.82%
From 15 to less than 20	7.32%	7.32%
From 20 to less than 25	5.62%	5.62%
25 and more	4.24%	4.24%

Sensitivity analysis:

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

	December 31, 2017			December 31, 2016		
Variation expressed in basis points	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus
Discount rate + 25	(386)	(11)	(135)	(359)	(11)	(123)
Discount rate - 25	398	11	139	371	11	127
Discount rate + 50	(758)	(21)	(265)	(706)	(22)	(242)
Discount rate - 50	811	22	283	754	23	258
Discount rate + 100	(1,468)	(41)	(513)	(1,368)	(43)	(468)
Discount rate - 100	1,679	44	586	1,560	47	534
Annual salary increase rate + 25	N/A	18	N/A	N/A	21	N/A
Annual salary increase rate - 25	N/A	(18)	N/A	N/A	(20)	N/A
Annual salary increase rate + 50	N/A	37	N/A	N/A	41	N/A
Annual salary increase rate - 50	N/A	(36)	N/A	N/A	(40)	N/A
Annual salary increase rate + 100	N/A	75	N/A	N/A	84	N/A
Annual salary increase rate - 100	N/A	(71)	N/A	N/A	(79)	N/A

Contributions for the next years funded with Company's own resources are foreseen as follows:

	December 31, 2017			December 31, 2016		
Year	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus
2017	-	-	-	2,338	140	527
2018	2,356	168	708	2,268	109	363
2019	2,346	125	520	2,277	160	462
>2019	41,470	1,189	12,418	39,317	1,114	12,281
Total	**46,172**	**1,482**	**13,646**	**46,200**	**1,523**	**13,633**

Other considerations:

The average duration of the liability for defined benefit plans at December 31, 2017 is 7.9 years (2016 - 7.9 years).

The Company has no specific assets intended for guaranteeing the defined benefit plans.

The defined contribution plan expense at December 31, 2017 amounted to $67,944 (2016 - $68.910).

Note 19.2. Long-term benefit plan

The long-term benefit plan involves a time-of-service bonus payable to employees.

Such benefit is estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. There were no material changes in the methods or assumptions applied when preparing the estimations and sensitivity analyses.

Since 2015 the Company has reached agreement with several employees who voluntarily decided to replace the time-of-service bonus with a single one-time bonus.

Balances and development:

The following are balances and development of the long-term defined benefit plan:

Balance at December 31, 2016	**1,894**
Cost of services	93
Interest expense	119
Actuarial loss from changes in experience	1
Actuarial loss from financial assumptions	71
Benefits directly (paid) by the Company	(176)
Balance at December 31, 2017	**2,002**

1,

Variables used to make the calculations:

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31, 2017	December 31, 2016
Discount rate	6.60%	7.30%
Annual salary increase rate	3.50%	3.50%
Annual inflation rate	3.50%	3.50%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disabilities and early retirement rates:

Years of service	**December 31, 2017**	**December 31, 2016**
From 0 to less than 5	34.26%	34.26%
From 5 to less than 10	16.68%	16.68%
From 10 to less than 15	9.82%	9.82%
From 15 to less than 20	7.32%	7.32%
From 20 to less than 25	5.62%	5.62%
25 and more	4.24%	4.24%

Sensitivity analysis:

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

Variation expressed in basis points	**December 31, 2017**	**December 31, 2016**
Discount rate + 25	(26)	(25)
Discount rate - 25	26	25
Discount rate + 50	(51)	(49)
Discount rate - 50	54	51
Discount rate + 100	(100)	(95)
Discount rate - 100	110	105
Annual salary increase rate + 25	27	26
Annual salary increase rate - 25	(27)	(26)
Annual salary increase rate + 50	55	53
Annual salary increase rate - 50	(53)	(51)
Annual salary increase rate + 100	112	108
Annual salary increase rate - 100	(103)	(99)

Contributions for the next years funded with Company's own resources are foreseen as follows:

Year	**December 31, 2017**	**December 31, 2016**
2017	-	225
2018	225	237
2019	356	338
> 2019	2,427	2,203
Total	**3,008**	**3,003**

Other considerations:

The average duration of the liability for long-term benefits at December 31, 2017 is 5.6 years (2016 - 5.6 years).

The Company has not devoted specific assets to guarantee payment of the time-of-service bonus.

The long-term benefit plan expense at December 31, 2017 amounted to $139 (2016 - revenue in amount of $9,223).

Note 20. Other provisions

The balance of other provisions is made as follows:

	December 31, 2017	December 31, 2016
Legal proceedings (1)	12,675	15,570
Taxes other than income tax (2)	10,288	11,091
Restructuring (3)	1,268	3,141
Other (4)	13,026	17,092
Total other provisions	**37,257**	**46,894**
Current Note 20.1	**17,558**	**23,801**
Non-current Note 20.1	**19,699**	**23,093**

At December 31, 2017 and 2016 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 $8,965 (2016 -$10,155) for labor lawsuits and $3,710 (2016 - $5,415) for civil lawsuits.

(2) Provisions for taxes other than income tax relate to the industry and trade tax in amount of $2,217 (2016 - $4,986), real estate tax in amount of $2,926 (2016 - $5,571) and value added tax in amount of $5,145 (2016 - $534).

Regarding industry and trade tax provisions, the decrease as compared to 2016 results from an appeal ruling by the Council of State in July 2017 favorable to the Company, in a lawsuit related with the industry and trade tax filed in 2005 in the municipality of Neiva in amount of $1,980; also, in December 2017 a favorable ruling for the Company was issued in a lawsuit related with the collection of stamp tax based on the industry and trade tax in Barranquilla amounting to $766 .

Regarding provisions related with tax on real estate property, the decrease as compared to 2016 is because certain cadastral claims on some lands owned by the Company in amount of $2,774 were closed in December 2017.

Regarding provisions related with VAT payable, the increase as compared to 2016 results from new tax claims filed. At December 31, 2017, based on the Company's management analyses, decision was made to increase the provision in $4,611.

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

(4) The balance of other provision relates to:

	December 31, 2017	December 31, 2016
Gemex O & W S.A.S. (a)	9,209	7,278
Provision to protect against the loss of merchandise "*VMI*"	3,817	5,599
Almacenes Éxito Inversiones S.A.S. (a)	-	4,215
Total other provisions	**13,026**	**17,092**

(a) Mainly relate to 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.

Regarding subsidiary Almacenes Éxito Inversiones S.A.S., at December 31, 2016 the balance of this investment was $0 because this subsidiary had a negative equity and for this reason a provision has been carried to recognize additional losses exceeding the amount invested. At December 31, 2017 net profits in equity amount to $1,961 based on the results obtained from the business plan submitted by Company management to the General Meeting of Shareholders on March 18, 2016, which allowed generating profits, fully offset accrued losses and show a positive equity.

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, 2016	**15,570**	**11,091**	**3,141**	**17,092**	**46,894**
Increase	4,355	5,275	24,169	10,362	44,161
Uses	(53)	-	-	(108)	(161)
Payments	(1,830)	(23)	(25,138)	(3,821)	(30,812)
Reversal of unused amounts	(5,367)	(6,055)	(904)	(10,499)	(22,825)
Balance at December 31, 2017	**12,675**	**10,288**	**1,268**	**13,026**	**37,257**

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:

	December 31, 2017	December 31, 2016
Legal proceedings	3,264	3,568
Restructuring	1,268	3,141
Other	13,026	17,092
Total current	**17,558**	**23,801**
Legal proceedings	9,411	12,002
Taxes other than income tax	10,288	11,091
Total non-current	**19,699**	**23,093**

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at December 31, 2017 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	3,264	-	1,268	13,026	17,558
More than one year	9,411	10,288	-	-	19,699
Total estimated payments	**12,675**	**10,288**	**1,268**	**13,026**	**37,257**

Note 21. Trade payables and other accounts payable

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

	December 31, 2017	December 31, 2016
Suppliers	2,642,486	2,304,514
Costs and expenses payable	331,585	279,075
Employee benefits	141,763	113,386
Financing for the acquisition of assets	87,241	137,365
Tax withholdings payable	37,135	48,613
Taxes collected payable	38,934	31,305
Dividends payable	3,793	35,134
Other	18,724	18,890
Trade payables and other accounts payable	**3,301,661**	**2,968,282**

Note 22. Income tax

Tax rules applicable to the Company

a. Until 2016 the applicable income tax rate was 25%; the income tax for equality CREE rate was 9%, and the surcharge on the income tax for equality CREE was 6%.

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

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

b. Until 2016, the taxable base to assess the income tax and the income tax for equality CREE was not less than 3% of the net equity held on the last day of the preceding taxable period. The base was increased to 3.5% as of 2017.

   For 2017, the base to assess the Company's income tax and income tax for equality CREE 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 ($31 for 2017) and 10% on higher amounts when such dividends have been taxed upon the distributing companies.

   For individuals non-resident in Colombia 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 based on Accounting and Financial Reporting Standards accepted in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at 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 for 2017 to movable assets and real estate deemed fixed assets is 4.07% (2016 - 7.08%).

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 2007 and until 2016, companies were entitled to offset tax losses adjusted for tax purposes against ordinary net income without prejudice to the presumptive income for the period, with no limitation as to percentage and at any time. 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 2007 may be offset against ordinary net income assessed within the following five (5) years adjusted for tax purposes.

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, for 2017 and 2016 the Company estimated its income tax liability using the presumptive income system; and for 2016 it estimated its income tax for equality CREE liability using the net income system.

At December 31, 2017, the Company has accrued excess presumptive income over net income in amount of $292,344 (2016 - $155,352) and excess presumptive income over income tax for equality CREE in amount of $0 (2016 - $115,570).

At December 31, 2017, the Company has accrued tax losses amounting to $245,681 (2015 - $0)

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 including offsetting of tax losses will be closed in 6 years.

The income tax return and income tax for equality CREE return for 2016 are open for review for 3 years counted as of filing date; the income tax return and the income tax for equality CREE return for 2015 are open for review for 2 years as of filing date. Tax advisors and management of the Company believe no additional taxes will be assessed, other than those for which a provision has been recorded at December 31, 2017.

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 are updating 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 will file an information statement and will make the mentioned survey available by mid-June 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 as authorized until 2016.

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

	December 31, 2017	December 31, 2016
Total income tax balance receivable (1)	160,084	129,715
Industry and trade tax advances and withholdings.	13,496	12,250
Income tax for equality - CREE balance receivable (2)	-	26,626
Income tax for equality - CREE paid in advance	-	22,701
Total current tax assets	**173,580**	**191,292**

(1) The balance is comprised of:

	December 31, 2017	December 31, 2016
Income tax withholdings	187,166	148,384
Tax discount to be requested	21,288	19,376
Subtotal	**208,454**	**167,760**
Income tax (expense) (Note 22.2)	(48,370)	(38,045)
Total income tax balance receivable	**160,084**	**129,715**

(2) The balance is made as follows:

	December 31, 2017	December 31, 2016
Income tax for equality CREE withholdings	-	48,212
Less income tax for equality CREE expense	-	(21,586)
Total income tax for equality - CREE balance receivable	**-**	**26,626**

Current tax liabilities

	December 31, 2017	December 31, 2016
Industry and trade tax payable	41,816	43,726
Real estate tax	-	194
Total current tax liabilities	**41,816**	**43,920**

Note 22.2. Income tax

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

	December 31, 2017	December 31, 2016
Earnings before income tax	**140,323**	**116,197**
Add		
Non-deductible expenses	158,314	13,690
Tax on wealth	19,804	51,083
Accounting provisions and receivables written off (recovered)	13,597	(5,423)
Tax on financial transactions	7,158	8,230
Net income - recovery of depreciation of fixed assets sold	6,955	21,356
Non-deductible inventory losses	4,678	-
Taxes taken on and revaluation	4,637	6,488
Fines, penalties and litigation expenses	2,312	3,144
Reimbursement of deduction of income-generating fixed assets	1,989	90,404
Non-deductible taxes	15	19
Selling price of fixed assets held less than two years	-	195,058
Accrued unpaid industry and trade tax expense	-	2,313
Less		
Goodwill tax deduction, in addition to the accounting deduction	(279,655)	(18,362)
IFRS adjustments with no tax effects	(193,475)	(101,642)
40% deduction of investment in income-generating assets	(54,363)	(128,076)
Tax-exempt dividends received from subsidiaries	(51,849)	-
Derecognition of gain from the sale of fixed assets reported as occasional gain	(18,993)	(72,984)
Recovery of provisions	(5,722)	(1,941)
Disabled employee deduction	(1,406)	(811)
Cost of fixed assets sold held less than two years	-	(195,058)
Net (loss)	**(245,681)**	**(16,315)**
Current year presumptive income	**144,009**	**159,371**
Net taxable income	**144,009**	**159,371**
Income tax rate	33%	25%
Subtotal income tax (expense)	**(47,523)**	**(39,843)**
Occasional gains tax (expense)	(1,097)	(1,988)
Tax discounts	250	3,786
Total income tax (expense)	**(48,370)**	**(38,045)**
Income tax for equality - CREE (expense)	**-**	**(12,072)**
Income tax for equality - CREE surcharge (expense)	**-**	**(9,514)**
(Expense) from previous year tax	**789**	**(1,714)**
Total current income tax (expense)	**(47,581)**	**(61,345)**

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

	December 31, 2017	December 31, 2016
Current income tax (expense)	(47,581)	(61,345)
Deferred income tax revenue (expense) (Note 22.3)	124,972	(11,324)
Total income tax revenue (expense)	**77,390**	**(72,669)**

The reconciliation of the average effective tax rate to the applicable tax rate is as follows:

	December 31, 2017	Rate	December 31, 2016	Rate
Earnings before income tax	**140,323**		**116,197**	
Total tax expense at applicable tax rate	(46,634)	(33%)	(46,479)	(40%)
Tax effect of non-deductible expenses to determine taxable income	325,043	230%	(141,668)	(122%)
Tax effect of tax rates levied abroad	-	-	6,058	5%
Tax effect of excess presumptive income	(47,523)	(34%)	(63,819)	(57%)
Deferred tax and other tax effects from the reconciliation of accounting income to tax expense	(153,496)	(109%)	173,239	149%
Total income tax revenue (expense)	**77,390**	**121%**	**(72,669)**	**(65%)**

Presumptive income was determined as follows:

	December 31, 2017	December 31, 2016
Net shareholders' equity	4,885,686	5,360,305
Less net shareholders' equity to be excluded	(85,396)	(47,962)
Net shareholders' equity base	**4,800,290**	**5,312,343**
Presumptive income	**144,009**	**159,371**

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 (tax rates in force 2017 - 33%; 33% as of 2018), 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:

	December 31, 2017			December 31, 2016		
	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets (liabilities)	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets (liabilities)
Excess presumptive income and tax losses	177,837	-	177,837	54,217	-	54,217
Buildings	148,622	(71,729)	76,893	132,782	(222,035)	(89,253)
Financial liabilities	53,593	(1,066)	52,527	2,019	-	2,019
Tax credits	40,770	-	40,770	-	-	-
Other liabilities	36,878	(18,472)	18,406	54,626	(63,158)	(8,532)
Accounts receivable	20,583	(3,619)	16,964	14,608	(11,542)	3,066
Inventories	4,408	-	4,408	31,725	(5,696)	26,029
Deferred charges	86,372	(86,145)	227	94,033	(85,183)	8,850
Non-operating real estate property	103	-	103	103	-	103
Investment property	-	(156,746)	(156,746)	-	(2,966)	(2,966)
Intangible assets	24,229	(167,046)	(142,817)	33,448	(84,615)	(51,167)
Equity investments	239,651	(315,445)	(75,794)	198,623	(272,838)	(74,215)
Construction in progress	144,913	(182,838)	(37,925)	145,193	(167,833)	(22,640)
Land	5,309	(27,849)	(22,540)	5,559	(44,590)	(39,031)
Other fixed assets	421,028	(442,118)	(21,090)	421,035	(447,886)	(26,851)
Investments at amortized cost	45	(110)	(65)	1,116	(1,118)	(2)
Real estate for trading	-	-	-	-	(83)	(83)
Tax consolidation and readjustment	-	-	-	19,407	-	19,407
Total	**1,404,341**	**(1,473,182)**	**(68,841)**	**1,208,494**	**(1,409,543)**	**(201,049)**

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

	December 31, 2017	December 31, 2016
Deferred income tax	136,164	(19,711)
Deferred occasional gains tax	(11,248)	4,315
Retained earnings of subsidiaries in Uruguay and Brazil	56	4,072
Total deferred income tax revenue (expense)	**124,972**	**(11,324)**

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

	December 31, 2017	December 31, 2016
Gain from derivative financial instruments designated as hedge instruments	6,440	-
Gain from new measurement of defined benefit plans	796	676
Total	**7,236**	**676**

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:

	December 31, 2017	December 31, 2016
Subsidiaries domiciled abroad	-	(187,362)
Subsidiaries domiciled in Colombia	-	(27,620)
Other	(2,919)	(13,133)
Total	**(2,919)**	**(228,115)**

At December 31, 2017 temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized amounted to $1,118,113 (2016 - $1,522,480).

Note 23. Other financial liabilities

The balance of other financial liabilities is as follows:

	December 31, 2017	December 31, 2016
Collections received on behalf of third parties (1)	104,343	69,849
Derivative financial instruments designated as hedge instruments (2)	7,326	-
Derivative financial instruments (3)	16,570	17,608
Total current	**128,239**	**87,457**
Derivative financial instruments designated as hedge instruments (2)	13,915	-
Total non-current	**13,915**	**-**

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

	December 31, 2017	December 31, 2016
Éxito Card collections (a)	38,679	27,812
Non-banking correspondent	53,701	34,376
Direct trading (market place)	5,114	3,967
Money transfer services	1,594	1,364
Other collections	5,255	2,330
Total	**104,343**	**69,849**

(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 documents 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 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 contracts, to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position, the Company measures derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2017 and June 30, 2016, relates to the reduction of closing valuation rates for forwards and swaps, which reached values above the average rates agreed upon with the various financial players.

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

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

The detail of maturities of these instruments at December 31, 2016 is as follows:

	Less than 3 months	From 3 to 6 months	Total
Forward	4,160	12,186	**16,346**

	Less than 1 year	More than 1 year	Total
Swap	1,262	-	**1,262**

Note 24. Other non-financial liabilities

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

	December 31, 2017	December 31, 2016
Advance payments for real estate projects (1)	151,332	53,746
Revenue received in advance (2)	63,666	57,862
Customer loyalty programs (3)	37,797	37,334
Advance payments under lease agreements and other projects	3,948	1,020
Instalments received under "plan resérvalo"	850	1,266
Repurchase coupon	485	49
Total current	**258,078**	**151,277**
Advance payments under lease agreements and other projects	32,206	47,388
Total non-current	**32,206**	**47,388**

(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.

	December 31, 2017	December 31, 2016
Gift card	47,851	43,264
Cafam comprehensive card	11,089	9,035
Exchange card	3,518	3,326
Fuel card	794	932
Other	414	1,305
Total	**63,666**	**57,862**

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At December 31, 2017, the effect of the valuation, issue, redemption and expiry of points related with these programs, in Company results, was a lower value of sales revenue in amount of $463 (2016 - $1,718).

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

At December 31, 2017 and 2016 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.

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 December 31, 2017 and 2016. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in Colombian pesos.

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:

	December 31, 2017			December 31, 2016		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Measurement of financial assets at fair value through other comprehensive income (1)	(2,976)	-	(2,976)	(2,976)	-	(2,976)
Measurement of defined benefit plans (2)	(4,449)	1,472	(2,977)	(2,083)	676	(1,407)
Translation exchange differences (3)	(18,904)	-	(18,904)	150,524	-	150,524
(Loss) from the hedging of cash flows (4)	(19,516)	6,440	(13,076)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	(11,761)	-	(11,761)	(7,838)	-	(7,838)
Total other accumulated comprehensive income	**(57,606)**	**7,912**	**(49,694)**	**137,627**	**676**	**138,303**

(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 operation abroad.

(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 influences 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

The balance of revenue from ordinary activities is as follows:

	December 31, 2017	December 31, 2016
Total retail sales (1)	10,588,484	10,972,460
Service revenue (2)	272,648	178,659
Other ordinary revenue (3)	43,826	115,682
Total revenue from ordinary activities	**10,904,958**	**11,266,801**

(1) The balance of retail sales relates to the following items:

	December 31, 2017	December 31, 2016
Sale of goods, net of sales returns and rebates	10,584,998	10,942,937
Revenue from the sale of real estate projects (a)	3,486	29,523
Total retail sales	**10,588,484**	**10,972,460**

(a) For 2017, relates to revenue obtained from the sale of Éxito Valledupar real estate project and for 2016 to revenue from the sale of the Éxito Itagüí real estate project.

(2) The balance of service revenue relates to:

	December 31, 2017	December 31, 2016
Distributors	103,135	91,993
Advertising	76,018	1,154
Lease of buildings (a)	37,545	36,707
Commissions	20,462	23,277
Non-banking correspondent	15,144	11,385
Money transfers	8,030	7,188
Administration of trade premises	6,570	1,895
Lease of physical space	475	-
Other services	5,269	5,060
Total service revenue	**272,648**	**178,659**

(a) Includes $5,855 (2016 - $6,044) lease revenue from the use of investment properties (Nota 14).

(3) The balance of other revenue relates to:

	December 31, 2017	December 31, 2016
Exploitation of assets	10,606	8,808
Marketing events	10,250	10,827
Latam strategic direction (Note 34)	9,805	9,964
Royalties (a)	6,973	71,684
Use of parking spaces	1,923	1,902
Financial services	1,825	1,637
Technical assistance	799	1,974
Recovery of non-banking correspondent revenue	-	7,933
Other	1,645	953
Total other ordinary revenue	**43,826**	**115,682**

(a) For 2017 includes $0 (2016 - $66,260) royalties received from Compañía de Financiamiento Tuya S.A.

Note 28. Distribution expenses and Administration and sales expenses

The balance of distribution expenses is as follows:

	December 31, 2017	December 31, 2016
Leases	278,310	234,577
Depreciation and amortization	178,288	173,609
Fuels and power	165,187	169,717
Taxes other than income tax	156,601	154,986
Services	133,005	124,628
Advertising	114,987	119,092
Repairs and maintenance	88,318	83,819
Administration of trade premises	38,685	31,930
Commissions on debit and credit cards	27,545	28,172
Packaging and marking materials	26,683	28,424
Transport	25,071	24,165
Insurance	25,061	18,539
Fees	23,963	19,807
Cleaning and cafeteria supplies	10,445	11,757
Other commissions	6,561	5,173
Impairment expense	6,509	1,620
Stationery	6,471	5,831
Travel expenses	5,994	5,827
Ground transportation	4,946	5,050
Legal expenses	3,536	2,973
Contributions and affiliations	1,298	1,212
Other	42,229	43,641
Total distribution expenses	**1,369,693**	**1,294,549**

The balance of administration and sales expenses is as follows:

	December 31, 2017	December 31, 2016
Depreciation and amortization	41,461	41,534
Fees	40,403	41,480
Taxes other than income tax	17,668	18,953
Repairs and maintenance	8,946	6,769
Services	7,818	5,073
Travel expenses	6,571	7,278
Leases	4,654	1,696
Outsourced employees	3,631	3,085
Insurance	2,662	2,790
Fuels and power	2,581	2,361
Commissions on means of payment	2,415	1,454
Impairment expense	1,715	4,982
Transport	1,587	2,763
Contributions and affiliations	1,484	1,385
Entertainment	1,372	1,538
Legal expenses	1,178	492
Other commissions	926	993
Penalties and fines	478	1,818
Packaging and marking materials	87	104
Administration of trade premises	8	18
Other	4,775	8,469
Total administration and sales expenses	**152,420**	**155,035**

Note 29. Employee benefit expense

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

	December 31, 2017	December 31, 2016
Wages and salaries	643,690	650,767
Contributions to the social security system	10,601	10,304
Other short-term employee benefits	46,174	46,535
Total short-term employee benefit expenses	**700,465**	**707,606**
Post-employment benefit expenses, defined contribution plans	67,944	68,910
Post-employment benefit expenses, defined benefit plans	220	428
Total post-employment benefit expenses	**68,164**	**69,338**
Termination benefit expenses	2,237	2,811
Other long-term employee benefits (1)	139	(9,223)
Other personnel expenses	15,614	14,804
Total employee benefit expenses	**786,619**	**785,336**

(1) Since 2015 The Company and some employees agreed to the elimination of the time-of-service bonus, and to receiving instead a single and special bonus; such agreement gave rise to a significant change in the long-term benefit plan, which resulted in an actuarial assessment at June 30, 2016, the outcome of which was a saving of $9,011.

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:

	December 31, 2017	December 31, 2016
Other recurring operating revenue		
Recurring		
Compensation from insurance companies (1)	5,219	1,143
Recovery of allowance for trade receivables	3,753	6,241
Recovery of other provisions	1,780	3,905
Recovery of other provisions related to civil lawsuits	1,705	2,227
Recovery of other provisions related to labor lawsuits (2)	822	5,775
Reimbursement of tax-related costs and expenses	803	1,051
Reimbursement of ICA-related costs and expenses	533	1,864
Total recurring	**14,615**	**22,206**
Non-recurring		
Compensation from insurance companies (3)	1,202	6,588
Recovery of other provisions	903	767
Other revenue (4)	-	3,460
Total non-recurring	**2,105**	**10,815**
Total other operating revenue	**16,720**	**33,021**
Other operating expenses		
Restructuring expenses (5)	(24,169)	(8,891)
Tax on wealth expense (6)	(19,803)	(51,083)
Other expenses (7)	(4,864)	(7,575)
Impairment of property, plant and equipment (8)	(1,481)	-
Total other operating expenses	**(50,317)**	**(67,549)**
Other (loss) gains, net		

Gain from the sale of property, plant and equipment (9)	10,708	12,690
Derecognition of property, plant and equipment (10)	(7,278)	(3,791)
Expenses from the disposition of assets (11)	(2,617)	(1,108)
Total other gains, net	**813**	**7,791**

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

(1) For 2017 relates to revenue received from Mapfre Seguros Generales de Colombia S.A. as insurance compensation for loss of profits, inventories and other extraordinary expenses incurred from the casualty at Éxito Buenaventura store in amount of $2,791 and at Viva Buenaventura shopping mall in amount of $151; revenue received from insurance companies and other third parties as compensation for asset and goods-related losses and loss of profits, and for indirect losses arising from damages to third parties for which the Company is liable in amount of $2,277.

For 2016 represents revenue received from Compañía de Seguros Generales Suramericana S.A. as compensation for the loss of profits, inventories and other extraordinary expenses, resulting from the Éxito Valledupar Las Flores casualty.

(2) For 2017 represents revenue arising from the recovery of labor legal proceedings accrued during the previous year.

For 2016 represents revenue arising from the recovery of labor legal proceedings accrued during the previous year in amount of $5,113.

(3) For 2017 represents revenue received as compensation for damages to property and equipment.

For 2016 represents revenue received from Seguros Generales Suramericana S.A. as compensation for the actual loss of property, plant and equipment, resulting from the Éxito Valledupar Las Flores casualty.

(4) Refers to the amount charged to Spice Investment Mercosur S.A. upon the assignment of the put option contract to which the Company was a party (Note 9).

(5) For 2017 and 2016 refers to expenses from the Company's restructuring plan, which include the purchase of time-of-service bonuses, operating excellence plan and corporate retirement plan.

(6) For 2017 and 2016 refers to the tax on wealth introduced by the National Government by means of Law 1739 of December 23, 2014.

(7) For 2017, relates to expenses incurred in the creation of real estate vehicles in amount of $1,427; expenses from the closing of stores in amount of $1,873; expenses from the acquisition of investments in amount of $874, and other minor expenses in amount of $690.

For 2016, relates to corporate indemnification expenses in amount of $2,200; expenses incurred in the creation of real estate vehicles in amount of $2,075; expenses from the closing of stores in amount of $1,777, and other minor expenses in amount of $1,523.

(8) Relates to the impairment loss of Edificio Torre Sur arising from demolition thereof.

(9) For 2017 relates to gain from the sale of buildings: Carulla Tesoro in amount of $7,102, Éxito San Francisco in amount of $2,263, Éxito Envigado Centro in amount of $812, Éxito Santa Marta Centro in amount of $437 and Calle 80 Apartment in amount of $94.

For 2016 relates to gain from the sale of buildings: Éxito Belén in amount of $3,222; Éxito Fusagasugá in amount of $1,580; Éxito Avenida Quinta in amount of $2,969; Éxito Panorama Calle 30 in amount of $3,571; Éxito Popayán in amount of $1,285, and other minor sales in amount of $63.

(10) For 2017 relates to loss from the closure of stores: Cedi Envigado in amount of $4,610, Carulla San Jeronimo in amount of $1,152, Edificio Torre Sur in amount of $539, Éxito Portal Plaza in amount of $410, Éxito Buenaventura in amount of $278, Éxito Villavicencio Centro in amount of $191, Éxito Portal Libertador in amount of $56, Éxito Outlet in amount of $34 and Éxito Express Terminal del Norte in amount of $8.

For 2016, the balance relates to a loss from the derecognition of improvements to third party properties, relevant to the stores closed during the year, including Éxito Lisboa, Carulla Express Avenida 15, Éxito Express Malecón, Éxito Express Kennedy, Surtimax Plaza de Florez, Éxito Express Avenida del Ferrocarril, Éxito Tecno Oviedo, Surtimax Paraíso, Éxito Express Colores Cl 53, Surtimax Plaza Envigado, Éxito Express Exposiciones, Bodega Surtimax Calatrava and Éxito Express Universidad Nacional.

(11) For 2017 relates to expenses associated with the sale of the buildings Éxito Belén, Éxito Fusagasugá, Éxito Avenida Quinta, Éxito Panorama Calle 30 and Éxito Popayán.

For 2016 includes $798 from derecognition of the investment in Fogansa S.A. (under liquidation proceedings).

Note 31. Financial revenue and expenses

The balance of financial revenue and expenses is as follows:

	December 31, 2017	December 31, 2016
Gain from exchange difference	177,215	185,303
Gain from derivative financial instruments	27,574	29,690
Other financial revenue	14,560	22,460
Revenue from interest, cash and cash equivalents (Note 6)	9,153	6,540
Total financial revenue	**228,502**	**243,993**
Interest, loans and finance lease expenses	(335,972)	(361,374)
Loss from exchange difference (1)	(175,456)	(126,044)
Loss from derivative financial instruments (1)	(117,980)	(193,259)
Other financial expenses	(12,235)	(20,438)
Commission expense	(2,509)	(2,588)
Total financial expenses	**(644,152)**	**(703,703)**

(1) The valuation of debt, hedge instruments and assets and liabilities in foreign currency shows a variance as compared to 2016, mainly from changes in the devaluation curve and from variations in exchange rates during 2017.

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:

	December 31, 2017	December 31, 2016
Onper Investments 2015 S.L.	122,348	(49,939)
Spice Investments Mercosur S.A.	117,541	110,649
Patrimonio Autónomo Viva Malls	24,413	2,354
Compañía de Financiamiento Tuya S.A.	20,778	11,154
Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.) (1)	16,973	(9,487)
Patrimonio Autónomo Viva Villavicencio	8,794	11,039
Almacenes Éxito Inversiones S.A.S.	8,860	7,838
Patrimonio Autónomo Centro Comercial	3,015	5,943
Éxito Viajes y Turismo S.A.S.	2,955	1,998
Patrimonio Autónomo Viva Sincelejo	2,867	3,184
Logística, Transportes y Servicios Asociados S.A.S.	2,277	(1,657)
Patrimonio Autónomo Fideicomiso San Pedro Etapa I	1,186	1,332
Patrimonio Autónomo Centro Comercial Viva Barranquilla	1,109	224
Patrimonio Autónomo Centro Comercial Viva Riohacha	385	4,973
Carulla Vivero Holding Inc.	94	-
Gemex O & W S.A.S.	(1,930)	(6,390)
Puntos Colombia S.A.S.	(1,787)	-
Distribuidora de Textiles y Confecciones S.A. (1)	(579)	7,006
Patrimonio Autónomo Iwana	(55)	59
Patrimonio Autónomo Viva Laureles (2)	-	5,304
Patrimonio Autónomo Viva Palmas (2)	-	859
Patrimonio Autónomo Local 108 (Vizcaya) (2)	-	(2)
Total	**329,244**	**106,441**

(1) 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.

(2) Stand-alone trust funds contributed to Patrimonio Autónomo Viva Malls in 2016.

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 profits 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 December 31, 2017 and 2016 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:

In period results:

	December 31, 2017	December 31, 2016
Net profit attributable to continuing operations	217,713	43,528
Net gain attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**217,713**	**43,528**
Weighted average of the number of ordinary shares attributable to basic and diluted earnings per share	447.604.316	447.604.316
Basic and diluted earnings per share (in Colombian pesos)	**486.40**	**97.25**

In total comprehensive period results:

	December 31, 2017	December 31, 2016
Net gains attributable to total comprehensive income	29,716	567,134
Net gain attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**29,716**	**567,134**
Weighted average of the number of ordinary shares attributable to basic and diluted earnings per share	447.604.316	447.604.316
Basic and diluted earnings per share (in Colombian pesos)	**66.39**	**1,267.04**

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:

	December 31, 2017	December 31, 2016
Short-term employee benefits (1)	39,459	41,117
Post-employment benefits	1,496	1,469
Termination benefits	105	-
Long-term employee benefits	33	438
Total	**41,093**	**43,024**

(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 year ended December 31, 2017 in amount of $9,805 (2016 - $9,864) 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		Costs and expenses		Other transactions	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Controlling entity (1)	7,003	7,238	26,424	26,101	-	-
Subsidiaries (2)	21,004	27,139	477,607	373,173	5,200	4,002
Grupo Casino companies (3)	993	3,193	9,481	26,916	-	-
Joint ventures (4)	28,159	17,697	2,376	341	-	-
Members of the Board	-	-	1,057	1,261	-	-
Total	**57,159**	**55,267**	**516,945**	**427,792**	**5,200**	**4,002**

(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 generated from transactions with subsidiaries relate to the sale of goods to Distribuidora de Textiles S.A.S. (formerly Cdiscount Colombia S.A.S.); provision of administrative 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, and to the lease of premises to Patrimonios Autónomos and to Éxito Viajes y Turismo S.A.S. For 2016 it also includes the revenue from the transfer to Spice Investments Mercosur S.A. of the put option contract entered with the holders of non-controlling interests in subsidiary Grupo Disco del Uruguay.

Cost and expenses arising from transactions with subsidiaries mainly refer to the purchase of goods from Distribuidora de Textiles y Confecciones S.A. (at present Distribuidora de Textiles y Confecciones 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		Costs and expenses	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Distribuidora de Textiles y Confecciones S.A.S. (a)	432	5,481	324,210	4,500
Logística, Transporte y Servicios Asociados S.A.S.	804	1,642	96,334	57,324
Patrimonios Autónomos (Stand-alone trust funds)	10,960	2,080	45,310	18,754
Almacenes Éxito Inversiones S.A.S.	4,335	4,749	10,723	13,371
Gemex O & W S.A.S.	1,721	2,333	560	1,674
Éxito Viajes y Turismo S.A.S.	1,203	752	470	223
Distribuidora de Textiles y Confecciones S.A. (a)	-	248	-	277,323
Companhia Brasileira de Distribuição - CBD	-	4	-	4
Libertad S.A.	1,549	6,390	-	-
Spice Investments Mercosur S.A.	-	3,460	-	-
Total	**21,004**	**27,139**	**477,607**	**373,173**

(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 relate to a loan granted to subsidiary Gemex O&W S.A.S. in amount of $5,200 (2016 - $3,000) and to the purchase of assets from Distribuidora de Textiles y Confecciones S.A.S. (formerly Cdiscount Colombia S.A.S.) in 2016 in amount of $1,002.

(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. The following is the detail of transactions:

	Revenue		Costs and expenses	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Greenyellow Energía de Colombia S.A.S.	993	2,658	5,429	16,550
Casino Services	-	461	1,599	3,507
Distribution Casino France (a)	-	72	613	5,028
Casino International	-	2	-	-
International Retail Trade and Services	-	-	1,330	1,831
Cdiscount S.A.	-	-	510	-
Total	**993**	**3,193**	**9,481**	**26,916**

(a) The balance of net costs and expenses at December 31, 2017 represents $3,613 from the purchase of merchandise and revenue in amount of $3,000 from supplier performance charges.

(4) Revenue mainly relates to the lease of real estate property to 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.

Note 35. Asset impairment

Note 35.1. Financial assets

No material losses from the impairment of financial assets were identified at December 31, 2017 and 2016. Note 7 contains information related to the development of impairment of Company's trade receivables.

Note 35.2. Non-financial assets

The Company conducted the annual impairment testing at December 31, 2017 by cash-generating units.

The book value of the groups of cash-generating units is made of the balances of goodwill, property, plant and equipment, investment property, other intangible assets other than goodwill, net working capital and related financial lease liabilities.

For the purposes of impairment testing, the goodwill obtained via business combinations, trademarks and the rights to exploit trade premises with indefinite useful lives were allocated to the following groups of cash-generating units:

	Groups of cash-generating units				
	Éxito	**Carulla**	**Surtimax**	**Súper Inter**	**Total**
Goodwill	90,674	856,495	41,576	464,332	**1,453,077**
Trademarks with indefinite useful life	-	-	17,427	63,704	**81,131**
Rights with indefinite useful life	19,856	-	1,524	5,606	**26,986**

The method used for testing was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by Company management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses from historic results, expansion plans, strategic projects to increase sales and optimization plans.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. According to the Company, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might influence growth.

The tax rate included in the forecast of cash flows is the rate that the Company is expected to pay as taxes during the next years. Rates used in the calculation were 37% for 2018 and 33% for 2019 onwards, rates in force in Colombia at December 31, 2017.

Expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the Company operates; as a result, the weighted average cost of capital (WACC) used in the valuation was 8.67% for 2018 and 8.75% for 2019 onwards. The variation in the discount rate between 2018 and 2019 is due to the various tax rates applicable to the Company for such years as mentioned above.

No impairment of the groups of cash-generating units was identified from this analysis.

In June 2017 the Company tested Edificio Torre Sur property for impairment given that it was currently in the process of being demolished for the construction of Centro Comercial Viva Envigado. At December 31, 2017, the building has been 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.

The variables that have the greater impact on the determination of the value in use of the cash-generating units are the discount rate and the perpetual growth rate. These variables are defined as follows:

(a) Perpetual growth rate

The estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the expected rate is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% above the general price increase in the economy.

(b) Discount rate

The estimation of the discount rate is based on an analysis of the market indebtedness for the Parent; a change is deemed reasonable if the discount rate would increase by 1.00%, in which event no impairment in the value of the groups of cash-generating units would arise.

Note 36. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities of the Company at December 31, 2017 and December 31, 2016 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.

	December 31, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	33,538	31,434	26,120	22,665
Investments in private equity funds (Note 11)	1,286	1,286	1,142	1,142
Equity investments (Note 11)	260	260	248	248
Investment in bonds (Note 11)	44,870	44,157	75,157	75,055
Forward contracts measured at fair value through income (Note 11)	690	690	1,569	1,569
Swap contracts measured at fair value through income (Note 11)	5,244	5,244	7,978	7,978
Non-financial assets				
Investment property (Note 13)	339,704	455,614	312,047	416,814
Financial liabilities				
Financial liabilities at amortized cost (Note 18)	4,077,434	4,080,377	3,950,198	3,942,323
Finance leases at amortized cost (Note 18)	15,310	15,306	18,618	18,612
Forward contracts measured at fair value through income (Note 23)	16,570	16,570	16,346	16,346
Swap contracts measured at fair value through income (Note 23)	-	-	1,262	1,262
Swap contracts denominated as hedge instruments (Note 23)	21,241	21,241	-	-
Non-financial assets				
Customer loyalty liability (Note 24)	37,797	37,797	37,334	37,334

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
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
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 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 sales lessees. 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, 2016	**37,334**
Issue	111,018
Maturity	(24,654)
Redemption	(90,479)
Valuation	4,578
Balance at December 31, 2017	**37,797**

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 year.

Note 37. Contingent assets and liabilities

Note 37.1. Contingent assets

The Company has no significant contingent assets at December 31, 2017 and 2016.

Note 37.2. Contingent liabilities

Contingent liabilities at December 31, 2017 and 2016 are:

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 (2016 - $11,830).

   - Proceedings related with the assessment of property valuation in amount of $1,163 (2016 - $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 (2016 - $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 (2016 - $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.

b. Other proceedings:

   - Third party liability lawsuit amounting to $1,531 (2016 - $0) for alleged injuries to a customer at Éxito Santa Marta store premises.

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 (2016 - $0) 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. Offsetting of financial assets and liabilities

Below is a detail of financial assets and liabilities that are shown offset in the statement of financial position:

Year	Financial assets	Gross value of financial assets recognized	Gross value of related financial liabilities recognized	Net value of financial assets recognized
2017	Derivative financial instruments and hedging (Note 11) (1)	-	-	5,934
2016	Derivative financial instruments and hedging (Note 11) (1)	-	-	9,547

Year	Financial liabilities	Gross value of financial liabilities recognized	Gross value of related financial assets recognized	Net value of financial liabilities recognized
2017	Derivative financial instruments and hedging (Note 23) (1)	-	-	37,811
	Trade payables and other accounts payable (2)	2,666,900	253,901	2,412,999
2016	Derivative financial instruments and hedging (Note 23) (1)	-	-	17,608
	Trade payables and other accounts payable (2)	2,447,861	221,922	2,225,939

(1) The Company carries out derivative and hedge "*forward*" and "*swap*" transactions to hedge against fluctuation in exchange rates and interest rates of accounts payable and financial liabilities. These items are measured at fair value; fair values of these financial instruments are disclosed in Note 36. For 2017, the valuation of derivative financial instruments comprises intrinsic value plus temporary value, reason why right and obligation may not be individualized.

(2) The Company has entered offsetting agreements with suppliers, arising from the procurement of inventories. Such items are included in trade payables.

The Company's statement of financial position shows no uncleared amounts related to collaterals or other financial instruments.

Note 39. Dividends declared and paid

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.

At December 31, 2016

The Company's General Meeting of Shareholders held on March 30, 2016 declared a dividend of $302,457, equivalent to an annual dividend of $675.72 per share (*), payable in four quarterly instalments and enforceable between the sixth and tenth working day of April, July and October 2016, and January 2017.

Dividends paid during the year ended December 31, 2016 amounted to $291,680.

(*) Expressed in Colombian pesos.

Note 40. Leases

Note 40.1. Finance leases when the Company acts as the lessee

The Company has entered into finance lease agreements on property, plant and equipment (Note 12 Property, plant and equipment). Minimum instalments and present values thereof under finance lease agreements are as follows:

	December 31, 2017	December 31, 2016
Up to one year	3,532	4,207
From 1 to 5 years	9,454	13,631
More than 5 years	2,324	2,372
Minimum installments on finance leases	**15,310**	**20,210**
Future financing expense	(1,371)	(1,593)
Total net minimum installments on finance leases	**13,939**	**18,617**

No contingent installments were recognized in income during the period.

Note 40.2. Operating leases when the Company acts as the lessee

The Company has entered into operating lease agreements mainly related to business premises, vehicles and machinery. Total future minimum installments under irrevocable operating lease agreements for the reporting periods are:

	December 31, 2017	December 31, 2016
Up to one year	285,537	217,877
From 1 to 5 years	919,406	645,994
More than 5 years	1,132,644	689,110
Total minimum installments on irrevocable operating leases	**2,337,587**	**1,552,981**

Operating lease agreements vary from 1 to 15 years and relate to 652 agreements on 500 leased stores. The Company made an analysis and concluded that lease agreements may not be cancelled during its term. In the event of termination, a minimum cancellation charge shall be paid, ranging from 1 to 12 monthly installments, or a fixed percentage on the remaining of the term.

Company management considers payment of additional instalments as contingent payments that may range from 0.01% to 6.00% on sales. The agreements may be extended pursuant to legal regulations in force and include periodic adjustment clauses according to inflation.

At December 31, 2017 lease expenses and cost recognized in income amounted to $336,302 (2016 - $290,002) including contingent installments in amount of $85,109 (2016 - $60,317).

At December 31, 2017 and 2016 there are no operating lease agreements that are individually material.

Note 40.3. Operating leases when the Company acts as the lessor

The Company has entered into operating lease agreements on investment properties. Total minimum future charges under irrevocable operating lease agreements at the reporting date are:

	December 31, 2017	December 31, 2016
Up to one year	12,918	7,641
From 1 to 5 years	23,740	6,758
More than 5 years	39,048	31,627
Total minimum installments on irrevocable operating leases	**75,706**	**46,026**

The Company made an analysis and concluded that operating lease agreements may not be cancelled during its term. Prior agreement of the parties is needed to terminate, and a minimum cancellation payment is required ranging from 1 to 12 monthly installments, or a fixed percentage on the remaining term.

At December 31, 2017 revenue from leases recognized in period results amounted to $37,545 (2016 - $36,707) including revenue from the lease of investment property in amount of $5,855 (2016 - $6,044). Contingent installments included in revenue from leases amounted to $4,361 (2016 - $3,915).

Note 41. 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 42. Financial risk management policy

The Company's financial instruments are classified according to its nature, features and the purpose for which they have been acquired or issued.

The Company maintains instruments measured at fair value through income, with the purpose of holding them for investment or risk management in the case of derivative financial instruments not classified as cash flow hedge instruments.

The Company uses derivative financial instruments just as a positive defense measure against identified risks. Total underlying assets and liabilities under financial instrument contracts are limited to the amount of actual assets and liabilities entailing an underlying risk. The only purpose of transactions with financial derivative instruments is to reduce the exposure to fluctuation of interest rates and foreign exchange rates and maintain a proper structure of the financial position.

At December 31, 2017 and 2016 the Company's financial instruments were represented by:

	December 31, 2017	December 31, 2016
Financial assets		
Cash and cash equivalents (Note 6)	1,619,695	1,098,825
Trade receivables and other accounts receivable (Note 7)	204,953	204,876
Accounts receivable from related parties (Note 9) (1)	122,556	101,262
Other financial assets (Note 11)	52,350	86,094
Total financial assets	**1,999,554**	**1,491,057**
Financial liabilities		
Accounts payable to related parties (Note 9) (1)	116,490	183,309
Trade payables and other accounts payable (Note 21)	3,301,661	2,968,282
Financial liabilities (Note 18)	4,092,744	3,968,816
Other financial liabilities (Note 23)	142,154	87,457
Total financial liabilities	**7,653,049**	**7,207,864**
Net liability exposure	**(5,653,495)**	**(5,716,807)**

(1) Transactions with related parties refer to transactions between the Company and its subsidiaries and other related parties and are carried in accordance with market prices and general terms and conditions.

Considerations of risk factors that might influence Company business

General risk management framework

The Company has implemented a Comprehensive Risk Management system that covers the various risk management levels: strategic, tactic or business-related and operating.

Activities, roles and accountabilities are defined in the risk management model defined by the Company and endorsed by the Audit and Risk Committee, in the context of risk policy guidelines.

Management cycles at various levels include identification, valuation and definition of management measures, which were applied during 2017 and informed at the different instances depending on the relevant management level and in line with a defined control architecture.

In accordance with such architecture, controls have been implemented at all levels, processes and areas of the Company, through a set of defined principles, policies, regulations, procedures and verification and assessment mechanisms.

Some of the monitoring mechanisms put in place to achieve control purposes are:
- A self-control program, which allows a self-assessment of the most critical risks and key controls, carried out half-yearly by process leaders, and a definition of corrective action plans wherever deviations are identified.
- A compliance process from which the system for the prevention and control of money-laundering and the financing of terrorism, the transparency program and the system for protection of personal data are managed in a comprehensive manner.
- Periodic risk management reports.
- And all other control systems managed from the various processes that make the first and second defense line.

Risk management and internal control system reporting bodies:
- At a strategic level: Board of Directors, Audit and Risk Committee, Presidency Committee and Senior Management Committee.
- At a tactic level: Business responsible parties and Risk Internal Committee.
- At an operating level: Process owners through self-control.

Internal audit, in an independent and objective manner, conducted a risk-based assessment of compliance with business goals, focused on improving risk management, control and governance for the Company's most significant processes, systems and/or projects.

The Board of Directors, through the Audit and Risk Committee, supervised information and financial reporting processes; risk management comprehensive management; internal control system and architecture, including monitoring of Internal Audit's and Statutory Audit's activities; compliance with rules applicable to the Company, transparency program, personal data protection system and system for the prevention and control of money-laundering and financing or terrorism. Also, transactions among related parties and the resolution of conflicts of interests between senior management and the Board of Directors were submitted to the consideration of the Audit Committee.

Financial risk management

Besides derivative instruments, the most significant of the Company's financial liabilities include debt, finance leases and interest-bearing loans, trade accounts payable and other accounts payable. The main purpose of such liabilities is to finance the Company's operations and maintain proper levels of working capital and net financial debt.

The most significant of the Company's financial assets include loans, trade debtors and other accounts receivable, as well as cash and short-term placements directly resulting from routine transactions. In addition, the Company has other investments classified as financial assets measured at fair value, which, according to the business model, have effects on period results or on other comprehensive income. Further, other rights that will be recorded as financial assets may arise from transactions with derivative instruments.

The Company has an exposure to market, credit and liquidity risks. Company management monitors the way such risks are managed, through the relevant levels of the organization. The scope of the Board of Directors' activities includes a financial committee that supervises such financial risks and the financial risk management corporate framework that is most appropriate to the Company. The financial committee supports Company's management in that financial risk assumption activities fall within the approved corporate policies and procedures framework, and that such financial risks are identified, measured and managed pursuant to such corporate policies.

Financial risk management related to all transactions with derivative instruments is carried out by teams of specialists with the required skills and experience who are supervised by the organizational structure. Pursuant to corporate policies, no transactions with derivative instruments may be carried out solely for speculation. Even if accounting hedge models not always are applied, derivatives are negotiated based on an underlying element that in fact requires such hedging in accordance with internal analyses.

The Board of Directors reviews and agrees on the policies applicable to manage each of these risks, which are summarized below:

a. Credit risk

A credit risk is the risk that a counterpart fail to comply with his obligations taken on under a financial instrument or trade agreement, resulting in financial loss. The Company is exposed to credit risk arising from its operating activities (particularly from trade debtors) and from its financial activities, including deposits in banks and financial institutions and other financial instruments. The book value of financial assets represents the maximum exposure to credit risks.

Cash and cash equivalents

The credit risk arising from balances with banks and financial entities is managed through the Company's liquidity and capital structure guidelines, and in accordance with corporate policies defined for such purpose. Surplus funds are only invested with counterparties approved by the Board of Directors and within previously established jurisdictions. On an ongoing basis, management reviews the general financial conditions of counterparties, assessing the most significant financial ratios and market ratings.

Trade receivables and other accounts receivable

The credit risk associated with trade receivables is low given that most of the Company sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Company's exposure to risk. In addition, there are administrative collections departments that permanently monitor ratios, figures, payment behaviors and risk models by each third party. A portion of trade receivables is sold to financial entities; such sale is recognized as a derecognition of trade receivables, and the credit risk, benefits and control over such assets is transferred to the mentioned entities.

There are no trade receivables that individually are equivalent to or exceed 5% of accounts receivable or sales, respectively.

Guarantees

It is the Company's policy to provide financial guarantees only to its subsidiaries. At December 31, 2017 the Company has issued a financial guarantee to Almacenes Éxito Inversiones S.A.S. in amount of $2,631 to protect against potential failure to comply with its obligations vis-a-vis one of its largest suppliers.

b. Market risk

Market risk is the risk that changes in market prices, namely changes in exchange rates, interest rates or stock prices, have a negative effect on the Company's income or on the value of the financial instruments it holds. The purpose of market risk management is to manage and control exposure to this risk within reasonable parameters while optimizing profitability.

Interest rate risk

Interest rate risk is the risk that the fair value of financial assets and liabilities, or the future cash flows of financial instruments, fluctuate due to changes in market interest rates. The Company's exposure to the interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of the Company.

Most of the Company's financial liabilities are indexed to market variable rates. To manage the risk, the Company enters into financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which it agrees on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated on an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Financial assets and liabilities by type of interest rate:

	December 31, 2017		December 31, 2016	
	Variable-income rate	**Fixed-income rate**	**Variable-income rate**	**Fixed-income rate**
Financial assets	1,672,045	327,509	1,184,919	306,137
Financial liabilities	4,130,555	3,522,494	4,026,258	3,181,605

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in exchange rates. The Company's exposure to exchange rate risk is attached, in the first place, to passive transactions in foreign currency associated with long-term liabilities and with the Company's operating activities (wherever revenue and expenses are denominated in a currency other than the functional currency of the Company), as well as with Company's net investments in foreign subsidiaries.

The Company manages its exchange rate risk via derivative financial instruments (namely forwards and swaps) wherever such instruments are efficient to mitigate volatility.

Wherever the nature of the hedge is not economic, the Company's policy is to negotiate the conditions of derivative instruments in such a way that they correlate with the terms of the underlying elements that are the purpose of the hedge, seeking to maximize the efficacy in the exposure to such variables. Not all financial derivatives are classified as hedging transactions; however, Company policy is not to carry out transactions solely for speculation, and consequently even if not classified as hedge accounting, derivative financial instruments are associated to an underlying element and a notional amount that expose the Company to variations in exchange rates.

At 31 December 2017 and 2016, the Company had hedged almost 100% of its purchases and liabilities in foreign currency.

Financial assets and liabilities in foreign currency:

	December 31, 2017		December 31, 2016	
	Euro	**US Dollar**	**Euro**	**US Dollar**
Financial assets	3,625,264	14,704,424	5,098,505	15,083,497
Financial liabilities	7,240,481	558,863,941	8,813,907	519,176,191

Stock price risk

Share capital issued, premium on the issue or placement of shares and all other equity reserves attributable to the shareholders of the controlling entity are included for the purposes of managing the price of Company stock. The main purpose of managing the Company's share capital is to maximize the value to shareholders.

The Company manages its equity structure and makes the required adjustments as a function of changes in economic conditions and requirements of financial clauses. To maintain and adjust its capital structure, the Company may also modify the payment of dividends to shareholders, reimburse capital contributions or issue new shares.

c. Liquidity risk

Liquidity risk is the risk that the Company might face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. The Company's approach to manage liquidity is to ensure, in as much as possible, that it will always have the liquidity required to meet its obligations at maturity, both under ordinary and stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

The Company manages liquidity risks by monitoring its cash flows and maturities of financial assets and liabilities daily, and by maintaining proper relations with the relevant financial institutions in each country.

The purpose of the Company is to maintain a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to needs, unused credit lines available from financial institutions and finance leases, among other mechanisms. Approximately 20% of Company's debt matures in less than one year as of December 31, 2016 (2016 - 10%) taking into consideration the book value of loans included in these financial statements.

The Company has rated the concentration of liquidity risk as low with respect to the possibility of refinancing its debt. Access to financing sources is widely ensured, and debt maturing within twelve months of reporting period closing was restructured with existing creditors without significant restriction.

The following table shows a profile of maturities of the Company's financial liabilities based on non-discounted contract payments arising from the relevant agreements.

At December 31, 2017	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Finance lease liabilities, gross	3,551	13,139	-	16,690
Other relevant contractual liabilities	824,430	3,377,427	652,346	4,854,203
Total	**827,981**	**3,390,566**	**652,346**	**4,870,893**

At December 31, 2016	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Finance lease liabilities, gross	3,753	16,530	-	20,283
Other relevant contractual liabilities	487,679	3,910,545	673,307	5,071,531
Total	**491,432**	**3,927,075**	**673,307**	**5,091,814**

Sensitivity analysis for 2017 balances

From a statistical standpoint, the Company assessed the potential changes in interest rates of financial liabilities and other significant contract liabilities.

Assuming complete normality and considering 10% variation in interest rates, three scenarios have been assessed:
- Scenario I: Latest interest rates known at the closing of 2017.
- Scenario II: An increase of 0.451% is assumed for the Banking Reference Rate and an increase of 0.16943% is assumed for LIBOR at 90 days. All increases on the latest published interest rate.
- Scenario III: A reduction of 0.451% is assumed for the Banking Reference Rate and a reduction of 0.16943% is assumed for LIBOR at 90 days. All reductions on the latest published interest rate.

The sensitivity analysis did not result in significant variance among the three scenarios and consequently they are not perceptible when rounding amounts to millions. Potential changes are as follows:

Operations	Risk	Balance at December 31, 2017	Market forecast		
			Scenario I	Scenario II	Scenario III
Loans	Changes in interest rates	4,077,434	4,077,434	4,109,817	4,045,054
Finance leases	Changes in interest rates	15,310	15,310	15,447	15,173
Total		**4,092,744**	**4,092,744**	**4,125,264**	**4,060,227**

d. Insurance policies

At 31 December 2017, the Company has acquired the following insurance policies to mitigate the risks associated with the entire operation:

Insurance lines of coverage	Coverage limits	Coverage
All risk, damages and loss of profits	In accordance with replacement and reconstruction value, with a maximum limit of liability for each policy.	Losses or sudden and unforeseen damage and incidental damage sustained by covered property, directly arising from any event not expressly excluded. Covers buildings, furniture and fixtures, machinery and equipment, goods, electronic equipment, facility improvements, loss of profits and other property of the insured party.
Transport of goods and money	In accordance with the statement of transported values and a maximum limit per dispatch. Differential limits and sub-limits apply by coverage.	Property and goods owned by the insured that are in transit, including those on which it has an insurable interest.
Third party liability	Differential limits and sub-limits apply by coverage.	Covers damages to third parties in development of the operation.
Director's and officers' liability insurance	Differential limits and sub-limits apply by coverage.	Covers claims against directors and officers arising from error or omission while in office.
Deception and financial risks	Differential limits and sub-limits apply by coverage.	Loss of money or securities in premises or in transit. Willful misconduct of employees that result in financial loss
Group life insurance and personal accident insurance	The insured amount relates to the number of wages defined by the Company.	Death and total and permanent disability arising from natural or accidental events.

Insurance lines of coverage	Coverage limits	Coverage
Vehicles	There is a ceiling per each coverage	Third party liability Total and partial loss - Damages. Total and partial loss - Theft Earthquake Other coverages as described in the policy
Cyber risk	Differential limits and sub-limits apply by coverage.	Direct losses arising from malicious access to the network and indirect losses from third party liability whose personal data have been affected by an event covered by the policy.

e. Derivative financial instruments

As mentioned above, the Company uses derivative financial instruments to hedge risk exposure, with the main purpose of hedging Company exposure to interest rate risk and exchange rate risk, turning the financial debt into fixed interest rates and domestic exchange rates.

At December 31, 2017, the reference value of these contracts amounted to USD 542.77 million and EUR 4.35 million (2016 – USD 252.39 million and EUR 2.1 million). Such transactions are generally contracted under identical conditions regarding amounts, terms and transaction costs and, preferably, with the same financial institutions, always in compliance with Company limits and policies.

Pursuant to Company policies, swaps may be acquired with restriction, with prior authorization of Company management.

The Company has designed and implemented internal controls to ensure that these transactions are carried out in compliance with previously defined policies.

f. Fair value of derivative financial instruments

The fair value of derivative financial instruments is estimated under the operating cash flow forecast model, using government treasury security curves in each country and discounting them at present value, using market rates for swaps as disclosed by the relevant authorities in such countries.

Swap market values were obtained by applying efficient market exchange rates valid on the date of the interim financial information available, and rates are forecasted by the market based on currency discount curves. A convention of 365 consecutive days was used to calculate the coupon of foreign currency indexed positions.

Note 43. Relevant facts

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 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.

At December 31, 2016

Extension of the agreement executed by the shareholders of Grupo Disco del Uruguay S.A.

On December 28, 2016 the agreement executed by shareholders of Grupo Disco del Uruguay S.A. that ensures the exercise of control and consolidation of such company was extended until June 2019, extendable to June 2021 if neither party expresses, before December 2018, its intention of terminating the agreement.

Final agreement with Fondo Inmobiliario Colombia ("FIC")

The memorandum of understanding executed on September 23, 2016 with Fondo Inmobiliario Colombia ("FIC") to capitalize the real estate business through Patrimonio Autónomo Viva Malls was formalized on December 23, 2016. With the capitalization by Fondo Inmobiliario Colombia ("FIC") to Patrimonio Autónomo Viva Malls, the latter obtained 49% of the interests in the stand-alone trust fund and the Company now owns 51% instead of 100% thereof. The final agreement also sets out that the Company acts as the controlling trustor and will be the sole provider of real estate management, commercialization and administration services to Patrimonio Autónomo Viva Malls, under market conditions.

Acquisition of shares of Compañía de Financiamiento Tuya S.A.

On October 31, 2016, the Company acquired 4,124,061,482 shares of Compañía de Financiamiento Tuya S.A., equivalent to 50% of outstanding shares thereof, at a price of $79,037, thus gaining joint control.

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

Such acquisition was carried out jointly with subsidiary Almacenes Éxito Inversiones S.A.S.

Execution of a memorandum of understanding with Fondo Inmobiliario Colombia ("FIC")

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

Revolving trench disbursement

$110,000 were disbursed in April 2016, as part of the revolving trench under the peso credit contract executed in July 2015.

Reopening of Almacén Éxito Las Flores in Valledupar.

Éxito Las Flores in Valledupar resumed its operation on April 28, 2016, after 6 months of reconstruction due to the damages suffered on June 23, 2015.

Termination of a shareholders' agreement

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

Appointment of the Statutory Auditor

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

Appointment of new members of the Board of Directors.

On March 30, 2016, 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. Yves Desjacques
   2. Philippe Alarcon
   3. Bernard Petit
   4. Hervé Daudin
   5. Matthieu Santon

General Meeting of Shareholders

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

Revolving trench disbursement

$400,000 were disbursed on January 5, 2016, as part of the revolving trench under the peso credit contract executed in July 2015.

Note 44. Events after the reporting period

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