Almacenes Éxito S.A.

Interim separate financial statements

At June 30, 2019 and at December 31, 2018

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

Envigado, August 14, 2019

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 June 30, 2019 and at December 31, 2018 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 interim separate financial statements do exist, and all transactions included in said interim separate financial statements have been carried out during the six-month period ended June 30, 2019 and during the annual period ended December 31, 2018.

2. All economic events achieved by the Company during the six-month period ended June 30, 2019 and during the annual period ended December 31, 2018, 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 June 30, 2019 and at December 31, 2018.

4. All items have been recognized at proper values.

5. All economic events influencing the Company have been properly classified, described and disclosed in the interim 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 interim separate financial statements and the operations of the Company at June 30, 2019 and at December 31, 2018, 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.
Interim separate statements of financial position
At June 30, 2019 and at December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Current assets				
Cash and cash equivalents	6	881,242	1,885,868	1,885,868
Trade receivables and other accounts receivable	7	168,494	218,109	218,109
Prepaid expenses	8	16,751	18,539	18,539
Accounts receivable from related parties	9	69,957	108,951	108,951
Other non-financial assets	9	3,816	-	-
Inventories, net	10	1,469,310	1,398,724	1,398,724
Other financial assets	11	36,755	89,022	89,022
Tax assets	22	288,280	168,907	168,907
Non-current assets held for trading	41	26,608	26,608	26,608
Total current assets		**2,961,213**	**3,914,728**	**3,914,728**
Non-current assets				
Trade receivables and other accounts receivable	7	31,746	23,177	23,177
Prepaid expenses	8	10,581	10,231	10,231
Accounts receivable from related parties	9	3,700	3,807	3,807
Other financial assets	11	63,754	66,729	66,729
Property, plant and equipment, net	12	2,037,284	2,055,879	2,055,879
Investment property, net	13	89,482	97,680	97,680
Use rights, net	14	1,284,592	1,299,546	-
Goodwill	15	1,453,077	1,453,077	1,453,077
Intangible assets other than goodwill, net	16	148,805	144,245	144,245
Investments accounted for using the equity method, net	17	7,619,404	7,755,180	7,851,746
Deferred tax assets, net	22	140,048	106,936	41,652
Other non-financial assets		398	398	398
Total non-current assets		**12,882,871**	**13,016,885**	**11,748,621**
Total assets		**15,844,084**	**16,931,613**	**15,663,349**
Current liabilities				
Accounts payable to related parties	9	173,630	120,972	120,972
Financial liabilities	18	1,085,828	1,042,781	1,042,781
Employee benefits	19	3,755	3,648	3,648
Other provisions	20	21,489	12,292	12,292
Trade payables and other accounts payable	21	2,878,829	3,567,527	3,567,527
Lease liabilities	21	180,363	179,392	-
Tax liabilities	22	31,347	50,458	50,458
Other financial liabilities	23	113,247	111,269	111,269
Other non-financial liabilities	24	127,915	197,708	197,708
Total current liabilities		**4,616,403**	**5,286,047**	**5,106,655**
Non-current liabilities				
Financial liabilities	18	2,738,987	2,838,433	2,838,433
Employee benefits	19	21,474	27,560	27,560
Other provisions	20	40,518	38,788	38,783
Lease liabilities	21	1,318,878	1,327,404	-
Other financial liabilities	23	1,873	1,451	1,451
Other non-financial liabilities	24	697	727	727
Total non-current liabilities		**4,122,427**	**4,234,363**	**2,906,954**
Total liabilities		**8,738,830**	**9,520,410**	**8,013,609**
Shareholders' equity, see accompanying statement		**7,105,254**	**7,411,203**	**7,649,740**
Total liabilities and shareholders' equity		**15,844,084**	**16,931,613**	**15,663,349**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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

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Legal Representative
(See accompanying certificate)

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

Ángela Jaimes Delgado
Statutory Auditor
Professional Card 62183-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See accompanying report dated August 14, 2019)

Almacenes Éxito S.A.
Interim separate statements of income
For the six-month and three-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018 (2)	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018 (2)
Continuing operations							
Total revenue from ordinary activities under contracts with customers	27	5,437,086	5,285,791	5,285,791	2,706,256	2,634,456	2,634,456
Cost of sales	10	(4,311,513)	(4,141,023)	(4,148,985)	(2,193,137)	(2,107,963)	(2,111,953)
Gross profit		**1,125,573**	**1,144,768**	**1,136,806**	**513,119**	**526,493**	**522,503**
Distribution expenses	28	(617,223)	(598,476)	(643,512)	(285,142)	(273,417)	(296,288)
Administration and sales expenses	28	(83,424)	(82,309)	(82,373)	(41,172)	(37,542)	(37,575)
Employee benefit expenses	29	(319,201)	(323,818)	(323,818)	(128,599)	(134,351)	(134,351)
Other operating revenue	30	23,544	9,949	9,949	7,978	7,053	7,053
Other operating expenses	30	(30,833)	(38,117)	(38,117)	(11,355)	(2,120)	(2,120)
Other (losses), net	30	(416)	(9,096)	(9,273)	(403)	(7,277)	(7,348)
Profit from operating activities		**98,020**	**102,901**	**49,662**	**54,426**	**78,839**	**51,874**
Financial revenue	31	221,787	84,790	84,790	55,579	(39,658)	(39,658)
Financial expenses	31	(436,903)	(331,302)	(265,852)	(165,784)	(87,873)	(54,856)
Share of profits in subsidiaries, associated companies and joint ventures accounted for using the equity method.	32	63,441	210,855	207,575	28,520	132,393	132,841
(Loss) profit from continuing operations before income tax		**(53,655)**	**67,244**	**76,175**	**(27,520)**	**83,701**	**90,201**
Tax revenue	22	23,103	56,659	52,813	9,048	30,709	28,803
Net (loss) profit for the period from continuing operations		**(30,552)**	**123,903**	**128,988**	**(18,211)**	**114,410**	**119,004**
Earnings per share (*)							
Earnings per basic share (*)							
(Loss) earnings per basic share from continuing operations	33	(68.26)	276.81	288.17	(40.69)	255.61	265.87
Earnings per diluted share (*)							
(Loss) earnings (loss) per diluted share from continuing operations	33	(68.26)	276.81	288.17	(40.69)	255.61	265.87

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(1) For comparison to 2019, these financial statements include certain reclassifications in employee benefit expenses, distribution expenses and cost of sales.

(*) Amounts expressed in Colombian pesos.

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

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Almacenes Éxito S.A.
Interim separate statements of comprehensive income
For the six-month and three-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Net (loss) profit for the period		**(30,552)**	**123,903**	**128,988**	**(18,211)**	**114,410**	**119,004**
Other comprehensive income for the period							
Components of other comprehensive income that will be reclassified to period results, net of taxes							
(Loss) from new measurements of defined benefit plans		(48)	-	-	(48)	-	-
(Loss) from investments in equity instruments		3,348	(3,305)	(3,305)	4,257	2,361	2,361
Total other comprehensive income that will not be reclassified to period results, net of taxes		**3,300**	**(3,305)**	**(3,305)**	**4,209**	**2,361**	**2,361**
Components of other comprehensive income that will be reclassified to period results, net of taxes							
(Loss) from translation exchange differences	26	(251,302)	(1,021,780)	(1,036,549)	108,511	(551,295)	(557,697)
Gain from the hedging of cash flows	26	570	6,965	6,965	210	4,762	4,762
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	26	(18,328)	(64,852)	(64,582)	-	(34,249)	(34,249)
Total other comprehensive income that will be reclassified to to period results, net of taxes		**(269,060)**	**(1,079,397)**	**(1,094,166)**	**108,721**	**(580,782)**	**(587,184)**
Total other comprehensive income		**(265,760)**	**(1,082,702)**	**1,097,471))**	**112,930**	**(578,421)**	**(584,823)**
Total comprehensive income		**(296,312)**	**(958,799)**	**(968,483)**	**94,719**	**(464,011)**	**(465,819)**
Earnings per share (*)							
Earnings per basic share (*)							
(Loss) per basic share from continuing operations	33	(662.00)	(2,142.07)	(2,163.70)	211.61	(1,036.65)	(1,040.69)
Earnings per diluted share (*):							
(Loss) per diluted share from continuing operations	33	(662.00)	(2,142.07)	(2,163.70)	211.61	(1,036.65)	(1,040.69)

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(*) Amounts expressed in Colombian pesos.

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

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Almacenes Éxito S.A.
Interim separate statements of cash flows
For the six-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018
Cash flows provided by operating activities			
Net (loss) profit for the period	**(30,552)**	**123,903**	**128,988**
Adjustments to reconcile period (loss) profits			
Current income tax	10,292	26,151	26,151
Deferred income tax	(33,395)	(82,810)	(78,964)
Financial costs	318,774	235,666	235,666
Impairment of receivables	12,902	4,765	4,765
Reversal of receivable impairment	(11,724)	(5,093)	(5,093)
Reversal of inventory impairment	(2,349)	(8,226)	(8,226)
Impairment	-	3,307	3,307
Employee benefit provisions	851	1,288	1,288
Reversal of employee benefit provisions	(6,831)	-	-
Other provisions	35,793	43,447	43,447
Reversal of other provisions	(4,897)	(5,580)	(5,580)
Expense from depreciation of property, plant and equipment, use rights and investment property	195,926	196,385	99,513
Amortization of intangible assets expense	8,989	8,712	8,712
(Gain) from the application of the equity method	(63,441)	(210,855)	(207,575)
Loss from the disposal of non-current assets	4,294	5,617	5,794
Other cash (outflows)	(3,283)	-	-
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(177,411)	(60,823)	(60,823)
Operating income before changes in working capital	**253,792**	**275,854**	**191,370**
Decrease in trade receivables and other accounts receivable	39,868	59,323	59,323
Decrease in prepaid expenses	1,438	2,373	2,373
Decrease in receivables from related parties	37,631	52,113	52,113
(Increase) in inventories	(68,237)	(153,975)	(153,975)
(Increase) in tax assets	(129,664)	(90,045)	(90,045)
(Decrease) in other provisions	(19,969)	(28,404)	(28,404)
(Decrease) in trade payables and other accounts payable	(815,349)	(893,720)	(809,236)
Increase (decrease) in accounts payable to related parties	9,761	(47,504)	(47,504)
(Decrease) in tax liabilities	(19,111)	(14,239)	(14,239)
(Decrease) in other non-financial liabilities	(69,823)	(1,513)	(1,513)
Net cash flows (used in) operating activities	**(779,663)**	**(839,737)**	**(839,737)**
Cash flows provided by investment activities			
Cash flows used to maintain control over subsidiaries and joint ventures	(12,193)	(5,000)	(5,000)
Cash flows provided by reimbursement of contributions in subsidiaries or other businesses	-	688,434	688,434
Acquisition of property, plant and equipment	(83,000)	(52,174)	(52,174)
Acquisition of investment property	(615)	(450)	(450)
Acquisition of intangible assets	(14,112)	(2,900)	(2,900)
Dividends received	74,838	33,162	33,162
Other cash inflows	-	(1,771)	(1,771)
Net cash flows (used in) provided by investment activities	**(35,082)**	**659,301**	**659,301**
Cash flows provided by financing activities			
Cash flows provided by changes in the share of interest in subsidiaries that do not result in loss of control	11,364	-	-
(Increase) decrease in other financial assets	55,242	(14,412)	(14,412)
(Decrease) increase in other financial liabilities	3,247	(35,776)	(35,776)
(Decrease) increase in financial liabilities	(54,560)	302,225	302,225
(Decrease) in financial liabilities under lease agreements	(1,839)	(1,767)	(1,767)
Dividends paid	(62,118)	(32,668)	(32,668)
Financial yields	177,557	60,823	60,823
Interest paid	(318,774)	(235,666)	(235,666)
Other cash inflows	-	(2)	(2)
Net cash flows (used in) provided by financing activities	**(189,881)**	**42,757**	**42,757**
Net (decrease) in cash and cash equivalents	**(1,004,626)**	**(137,679)**	**(137,679)**
Cash and cash equivalents at the beginning of period	**1,885,868**	**1,619,695**	**1,619,695**
Cash and cash equivalents at the end of period	**881,242**	**1,482,016**	**1,482,016**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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Almacenes Éxito S.A.
Interim separate statements of changes in shareholders' equity
For the six-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Treasury shares repurchased	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total Shareholders' equity
	(Note 25)	(Note 25)	(Note 25)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 25)		
Balance at December 31, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	9,662	**1,720,438**	**(49,694)**	**1,312,737**	**10,873**	**7,839,568**
Cash dividend declared (Note 38)	-	-	-	-	-	-	-	-	-	-	(108,857)	-	(108,857)
Net period results	-	-	-	-	-	-	-	-	-	-	128,988	-	128,988
Other comprehensive income	-	-	-	-	-	-	-	-	-	(1,097,471)	-	-	(1,097,471)
Appropriation for reserves	-	-	-	-	108,856	-	-	-	108,856	-	(108,856)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(63,414)	(63,414)
Other net increase (decrease) in shareholders' equity	-	-	-	-	(1,494)	-	-	15,094	13,600	-	(22,410)	4,044	(4,766)
Balance at June 30, 2018	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	24,756	**1,842,894**	**(1,147,165)**	**1,201,602**	**(48,497)**	**6,694,048**
Balance at December 31, 2017 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	9,662	**1,720,438**	**(50,269)**	**1,095,361**	**10,873**	**7,621,617**
Cash dividend declared (Note 38)	-	-	-	-	-	-	-	-	-	-	(108,857)	-	(108,857)
Net period results	-	-	-	-	-	-	-	-	-	-	123,903	-	123,903
Other comprehensive income	-	-	-	-	-	-	-	-	-	(1,082,702)	-	-	(1,082,702)
Appropriation for reserves	-	-	-	-	108,856	-	-	-	108,856	-	(108,856)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(63,414)	(63,414)
Other net increase (decrease) in shareholders' equity	-	-	-	-	(1,494)	-	-	16,694	15,200	-	(24,826)	4,044	(5,582)
Balance at June 30, 2018 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	26,356	**1,844,494**	**(1,132,971)**	**976,725**	**(48,497)**	**6,484,965**
Balance at December 31, 2018	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	25,412	**1,843,550**	**(704,282)**	**1,000,550**	**426,171**	**7,411,203**
Cash dividend declared (Note 38)	-	-	-	-	(139,706)	-	-	-	(139,706)	-	-	-	(139,706)
Net period results	-	-	-	-	-	-	-	-	-	-	(30,552)	-	(30,552)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(265,760)	-	-	(265,760)
Appropriation for reserves	-	-	-	-	139,701	-	139,702	-	279,403	-	(279,403)	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(998)	(998)
Other net increase (decrease) in shareholders' equity	-	-	-	-	(1,544)	-	-	119,900	118,356	-	(100,952)	113,663	131,067
Balance at June 30, 2019	**4,482**	**4,843,466**	**(2,734)**	7,857	1,771,022	22,000	155,412	145,312	**2,101,603**	**(970,042)**	**589,643**	**538,836**	**7,105,254**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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

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Note 1. General information

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

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

The Company's main corporate purpose is:

- Acquire, store, transform and, in general, distribute and sell under any trading figure, including funding thereof, all kinds of goods and products, produced either locally or abroad, on a wholesale or retail basis, physically or online.
- Provide supplementary services, namely grant credit facilities for the acquisition of goods, grant insurance coverage, carry out money transfers and remittances, provide mobile phone services, trade tourist package trips and tickets, repair and maintain furnishings, complete paperwork.
- Give or receive in lease trade premises, receive or give, in lease or under occupancy, spaces or points of sale or commerce within its trade establishments intended for the exploitation of businesses of distribution of goods or products, and the provision of ancillary services.
- Incorporate, fund or promote with other individuals or legal entities, enterprises or businesses intended for the manufacturing of objects, goods, articles or the provision of services related with the exploitation of trade establishments.
- Acquire property, build commercial premises intended for establishing stores, malls or other locations suitable for the distribution of goods, without prejudice to the possibility of disposing of entire floors or commercial premises, give them in lease or use them in any convenient manner with a rational exploitation of land approach, as well as invest in property, promote and develop all kinds of real estate projects.
- Invest resources to acquire shares, bonds, trade papers and other securities of free movement in the market to take advantage of tax incentives established by law, as well as make temporary investments in highly liquid securities with a purpose of short-term productive exploitation; enter into firm *factoring* agreements using its own resources; encumber its chattels or property and enter into financial transactions that enable it to acquire funds or other assets.
- In the capacity as wholesaler and retailer, distribute oil-based liquid fuels through 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 June 30, 2018, the controlling entity had a 55.30% interest (December 31, 2018 - 55.30%) in the share capital of the Company.

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

Note 2. Basis for preparation

The interim separate financial statements for the six-month and three-month periods ended June 30, 2019 and June 30, 2018, and for the year ended December 31, 2018 have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) authorized by the International Accounting Standards Board (IASB), 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 updated on December 28, 2018 by Regulatory Decree 2483. The Company did not apply any of the exceptions to the IFRS contained in such decrees.

Financial statements herein presented

These interim separate financial statements of the Company are made of the statements of financial position at June 30, 2019 and at December 31, 2018, the statements of income and of comprehensive income for the six-month and three-month periods ended June 30, 2019 and June 30, 2018, and the statements of changes in shareholders' equity and the statements of cash flows for the six-month periods ended June 30, 2019 and June 30, 2018.

These interim separate financial statements are based on interim information as required by IAS 34 and do not include all financial reporting disclosures required for annual financial statements under IAS 1. All disclosures required for annual financial statements were properly included in the financial statements at December 31, 2018.

Statement of accountability

Company Management is responsible for the information contained in these interim 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), 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 updated on December 28, 2018 by Regulatory Decree 2483 without applying any of the exceptions to the IFRS therein contained, requires management judgment to apply the accounting policies.

Accounting estimates and judgments

Estimations made by the Company to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the accompanying interim 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 and hypotheses used to assess and determine the impairment of non-financial assets,
- Variables used to assess and determine inventory losses and obsolescence,
- 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 discount rate used to estimate lease liabilities and use rights,
- The probability of occurrence and the value of liabilities that serve as a basis to recognize provisions related to lawsuits and business reorganizations,
- The assumptions used to recognize liabilities arising from the customer loyalty program,
- The probability of making future profits to recognize deferred tax assets,
- The valuation technique applied to determine the fair values of elements in business combinations.

Such estimations are based on the best information available regarding the facts analyzed at the date of preparation of the accompanying interim separate financial statements, which may give rise to future changes by virtue of potential situations that may occur and would result in prospective recognition thereof; this situation would be treated as a change in accounting estimates 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, those amounts that will be realized or will become available in a term not to exceed one year are classified as current assets, and those amounts that will be enforceable or payable also in a term not to exceed one year are classified as current liabilities. All other assets and liabilities are classified as non-current.

Functional currency

The interim 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.

The functional currency used by the Company is not part of a highly inflationary economy, and consequently these interim separate financial statements are not adjusted for inflation.

Foreign currency transactions

Transactions in foreign currency are defined as those denominated in a currency other than the functional currency. During the reporting periods, exchange differences arising 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 net 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 results 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 the fair value thereof.

(*) 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 interim 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 effect on the economic decisions to be made by the users of the information.

When preparing the interim separate financial statements, including the notes thereto, the materiality for presentation and disclosure 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 in the interim separate financial statements, 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 contract.

Fair value measurement

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

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used to determine the measurements:
- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Company's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Significant accounting policies

The accompanying interim separate financial statements at June 30, 2019 have been prepared using the same accounting policies, measurements and bases used to present the separate financial statements for the annual period ended December 31, 2018, except for the standards mentioned in note 4.2 that came into effect as of January 1, 2019, 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), 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 updated on December 28, 2018 by Regulatory Decree 2483, without applying any of the exceptions to the IFRS therein contained.

Adoption of new standards in force as of January 1, 2019 mentioned in Note 4.2 did not entail significant change to these accounting policies as compared to those applied when preparing the financial statements at December 31, 2018 and no significant effects arose from adoption thereof, except for the adoption of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018 and have been included in these interim separate financial statements.

The most significant policies applied to prepare the accompanying interim separate financial statements were the following, regarding which a summary was included in the separate financial statements for the annual period ended December 31, 2018, except for IFRS 16 - Leases, regarding which a summary is included below in this Note:

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

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

  Use rights assets are assets representing the right of the Company as a lessee to use an underlying asset during the term of a lease agreement.

  They are initially measured at cost, which includes the present value of payments under the lease agreement discounted at the incremental rate of loans of the Company, plus indirect costs incurred under the lease agreement, plus an estimation of the costs required to dismantle the underlying asset upon termination of the lease agreement. Later, they are measured at cost less accumulated depreciation and less accumulated impairment losses, plus adjustments from measurements of lease liabilities relevant to the use right.

  Initially, lease liabilities are comprised of payments for the right to use the underlying asset during the term of the lease agreement, including fixed payments, variable lease payments and the payment of fines arising from termination of the lease agreement. Later, lease liabilities are measured by increasing the book value to reflect interests, reducing the book value to show rental instalment payments made and re-measuring the book value to reflect new amendments to the lease agreement.

  The useful lives of use rights are defined by the irrevocable terms of the lease agreements covering underlying assets together with periods covered by an option to extend the term or an option to terminate the lease agreement.

  The Company does not carry assets regarding use rights under:
  - lease agreements whose underlying assets are low-cost assets such as furniture and fixtures, computers, machinery and equipment and office equipment,
  - lease agreements for underlying assets with a term of less than one year,
  - lease agreements covering intangible assets.

  Use rights and lease liabilities are shown in a separate line item in the statement of financial position.

Note 4. New and modified standards and interpretations

Note 4.1. Standards issued during the six-month period ended June 30, 2019

During the six-month period ended June 30, 2019 the International Accounting Standards Board IASB did not issue new standards or amendments.

No Regulatory Decrees enabling the application of new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the six-month period ended June 30, 2019.

Note 4.2. Standards applied as of 2019, issued prior to January 1, 2019

The following standards started to be applied as of January 1, 2019 according to the adoption date set by the IASB:
- Amendment to IAS 19 - Employee Benefits
- IFRS 16 - Leases
- IFRIC 23 - Uncertainties over Income Tax Treatments
- Amendment to IAS 28 - Investments in Associates and Joint Ventures
- Amendment to IFRS 9
- Annual improvement to IFRS Cycle 2015-2017

In Colombia, these standards were enacted by means of Regulatory Decree 2483 of December 28, 2018. No significant effects arose from application of these standards, exception made of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018.

Note 4.3. Standards applied earlier during the six-month period ended June 30, 2019

During the six-month period ended June 30, 2019 the Company did not apply the early adoption of standards.

Note 4.4. Standards not yet in force at June 30, 2019, issued prior to January 1, 2019

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

- IFRS 17 - Insurance Contracts, to be applied as of January 2021.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.

Note 4.5. Standards issued during the year ended December 31, 2018

Regulatory Decree 2483 of December 28, 2018 was enacted in Colombia during the year ended December 31, 2018. Such decree compiled and updated the technical frameworks ruling the preparation of financial reporting set out in Regulatory Decree 2420 of 2015 amended by Regulatory Decree 2496 of 2016, Regulatory Decree 2130 of 2016 and Regulatory Decree 2170 of 2017, allowing the application of International Financial Reporting Standards authorized by the International Accounting Standards Board in force at December 31, 2018 and those applicable as of January 1, 2019.

During the year ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.

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

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

No material effects are expected from the application of this amendment.

Amendment to IFRS 3 - Business Combinations (October 2018)

The amendment has a limited scope seeking to improve the definition of business. It clarifies the definition of business as a comprehensive set of activities and assets aimed at and managed to provide goods or services to customers, generating revenue from investments (dividends or interests) or other kinds of ordinary revenue.

No material effects are expected from the application of this amendment.

2018 Conceptual framework (March 2018)

The new conceptual framework, which is not a standard by itself, integrates and improves certain concepts such as: (i) confirms the purpose of delivering financial information and clarifies the role of administration work, (ii) highlights the importance of delivering information regarding financial performance, (iii) improves the concepts to deliver information regarding assets, liabilities, revenue and expenses, (iv) introduces a guidance on measurement, and (v) supports the Council in establishing standards.

No material effects are expected from the application of this conceptual framework.

Note 4.6 Standards applied as of 2018, issued prior to January 1, 2018

The following standards started to be applied as of January 1, 2018 according to the adoption date set by the IASB:
- Amendment to IAS 40. (a)
- Amendments to IFRS 4. (a)
- Amendments to IFRS 2. (a)
- Annual improvements cycle 2014-2016. (a)
- IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers. (b)
- IFRS 9 - Financial Instruments. (c)
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration. (d)

(a) In Colombia, these standards were made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2170 of December 22, 2017. No material effects resulted from application of these amendments and annual improvements.

(b) In Colombia, this standard was made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2496 of December 23, 2015. The Company reviewed the changes to this IFRS against the rules contained in the previous standards and which were deleted by it, and no significant effects resulted from application of this IFRS.

(c) The Company started to apply this standard as of January 1, 2014. No material effects resulted from application of this IFRS.

(d) In Colombia, this standard was enacted by means of Regulatory Decree 2483 of December 28, 2018.

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

The amendment sets out that an entity shall transfer a property to, or from, investment property, 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 was permitted. The Company did not consider early application thereof.

Amendment to IFRS 4 - "Insurance Contracts" (issued 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" (issued 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 was permitted. The Company did not consider early application thereof.

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

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

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

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

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

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

The standard is effective for periods commencing on or after January 1, 2018. The Company did not consider early application thereof.

The Company has reviewed the changes in this Standard as compared to what was required by previous standards, which were repealed by the former.

Some of the aspects that have been reviewed include:

- Regarding the performance obligation, retail sales represent the only performance obligation; consequently, the Company does not expect an effect on the recognition of revenue, given that like under prior standards revenue is recognized when control over the asset is transferred to the customer, generally upon delivery thereof;
- The Company recognizes revenue from retail sales measured at the fair value of the consideration received or to be received, including returns and discounts;
- The Company does not grant volume discounts to its customers;

- The Company generally grants minor repair warranties but does not offer extended warranties under contracts with customers. The amount of such warranties is non-material;
- Regarding customer loyalty programs, no material changes are expected since liabilities representing points granted that have not been redeemed or expired are measured at the fair value of points and recognized as deferred revenue;
- The Company concluded that services provided to customers are delivered over time, taking into consideration that customers receive and consume benefits simultaneously. In line with this definition, revenue from such service contracts will continue to be recognized over time;
- Regarding disclosures and presentation requirements, the Company did not change 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" (issued 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.

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

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

The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from payment or receipt of advance consideration before it recognizes the related asset, expense or revenue. It does not apply when an entity measures the related asset, expense or revenue on initial recognition at fair value or at the fair value of the consideration received or paid out on a date other than the date of initial recognition of a non-monetary asset or a non-monetary liability. In addition, 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 was permitted. The Company did not consider early application thereof. No material effects resulted from application of this IFRIC.

Note 4.7 Standards adopted earlier during the year ended December 31, 2018

During the year ended December 31, 2018 the Company did not apply any Standards earlier.

Note 4.8 Standards not yet in force at December 31, 2018, issued prior to January 1, 2018

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

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

During the year ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.

IFRS 16 - Leases (issued 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.

IFRS 17 - Insurance Contracts (issued May 2017)

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

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

The expected gain from the insurance coverage is recognized in income during the term when the insurance coverage is provided.

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

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

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

No material effects are expected from the application of this IFRS.

<u>IFRIC 23 Uncertainties Over Income Tax Treatments (issued June 2017)</u>

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

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

No material effects are expected from the application of this IFRIC.

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

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

No material effects are expected from the application of this amendment.

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

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

No material effects are expected from the application of this amendment.

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

Include the following amendments:

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

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

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

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

No material effects are expected from the application of these improvements.

Note 5. Business combinations

No business combinations were carried out at June 30, 2019 and December 31, 2018.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	June 30, 2019	December 31, 2018
Cash at hand and in banks	828,946	1,869,999
Fiduciary rights (1)	52,296	15,869
Total cash and cash equivalents	**881,242**	**1,885,868**

(1) The balance includes:

	June 30, 2019	December 31, 2018
Fondo de Inversión Colectiva Abierta Occirenta	20,310	5,225
Fiducolombia S.A.	13,622	5,306
Corredores Davivienda S.A.	12,185	5,105
BBVA Asset S.A.	6,096	49
Credicorp Capital	52	97
Fiduciaria Bogotá S.A.	31	87
Total fiduciary rights	**52,296**	**15,869**

At June 30, 2019, the Company recognized yields from cash and cash equivalents in amount of $3,498 (June 30, 2018 - $2,531), which were recorded as financial revenue, as detailed in Note 31.

At June 30, 2019 and at December 31, 2018, 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:

	June 30, 2019	December 31, 2018
Other accounts receivable (Note 7.1)	108,478	136,080
Trade accounts receivable (Note 7.2)	91,762	105,206
Total trade receivables and other accounts receivable	**200,240**	**241,286**
Current (Note 7.3)	**168,494**	**218,109**
Non-current (Note 7.3)	**31,746**	**23,177**

Note 7.1. Other accounts receivable

The balance of other accounts receivable is as follows:

	June 30, 2019	December 31, 2018
Employee funds and lending	62,009	75,619
Business agreements	25,279	26,877
Money remittances	5,631	6,938
Money transfer services	1,389	572
Tax claims	1,360	1,360
Sale of property, plant and equipment (1)	864	11,565
Taxes collected receivable	164	352
Other accounts receivable (2)	11,782	12,797
Total other accounts receivable	**108,478**	**136,080**

(1) The balance includes balances receivable from the following third parties:

	June 30, 2019	December 31, 2018
Arquitectura y Comercio S.A.	861	10,993
Tacmo S.A.S.	2	2
Empresa de Acueducto, Alcantarillado y Aseo de Bogotá S.A. E.S.P.	1	-
Permoda Ltda.	-	570
Total	**864**	**11,565**

(2) The balance is comprised of:

	June 30, 2019	December 31, 2018
Other minor balances	4,865	4,388
Factoring of trade receivables	4,176	5,995
Attachment orders receivable	2,179	1,815
Shortfalls receivable from employees	562	599
Total	**11,782**	**12,797**

Note 7.2. Trade accounts receivable

The balance of trade receivables is as follows:

	June 30, 2019	December 31, 2018
Trade accounts	74,421	98,471
Sale of real-estate project inventories (1)	10,400	-
Rental fees and concessions receivable	8,924	8,458
Employee funds and lending	6,082	6,606
Impairment of receivables (2)	(8,065)	(8,329)
Total trade receivables	**91,762**	**105,206**

(1) The balance receivable represents the sale of the Copacabana real-estate project.

(2) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Company is of the opinion that these balances are recoverable, given the extensive credit risk analysis conducted on customers, including credit ratings when they are available in credit databases recognized in the market. During the six-month period ended June 30, 2019, the net effect of the impairment of receivables in the statement of income represents a revenue from recovery of $264 (June 30, 2018 - $1,022).

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

Balance at December 31, 2018	**8,329**
Impairment loss recognized during the period	12,902
Reversal of impairment losses	(11,724)
Receivables written-off	(1,442)
Balance at June 30, 2019	**8,065**

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:

	June 30, 2019	December 31, 2018
Trade accounts	74,421	98,471
Other employee funds and lending	42,945	55,104
Business agreements	25,279	26,877
Rental fees and concessions receivable	8,923	8,458
Employee funds and lending	6,082	6,606
Money remittances	5,631	6,938
Money transfer services	1,389	572
Tax claims	1,360	1,360
Sale of property, plant and equipment	864	11,565
Sale of real-estate project inventories	398	-
Taxes receivable	165	352
Other	9,102	10,135
Impairment of receivables	(8,065)	(8,329)
Total current	**168,494**	**218,109**
Other employee funds and lending	19,064	20,515
Sale of real-estate project inventories	10,002	-
Other	2,680	2,662
Total non-current	**31,746**	**23,177**

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**	**Less than 30 days**	**From 31 to 60 days**	**From 61 to 90 days**	**More than 90 days**
June 30, 2019	208,305	90,898	79,066	3,352	3,730	31,259
December 31, 2018	249,615	90,278	100,312	50,612	1,502	6,911

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	June 30, 2019	December 31, 2018
Maintenance (1)	13,230	5,415
Leases (2)	11,890	11,052
Insurance (3)	1,384	11,526
Other advance payments	828	777
Total prepaid expenses	**27,332**	**28,770**
Current	**16,751**	**18,539**
Non-current	**10,581**	**10,231**

(2) Represents advance payments on, account of software maintenance and support, $8,976 (December 31, 2018 - $5,226); cloud-based service support, $4,173 (December 31, 2018 - $0); and hardware maintenance and support, $81 (December 31, 2018 - $189).

(1) Includes (a) rental fees paid in advance for the Éxito San Martin store in amount of $5,172 (December 31, 2018 - $5,344), covering the lease contract until 2034, and (b) rental fees paid in advance for the Carulla Castillo Grande store in amount of $5,000 (December 31, 2018 $5,000), covering the lease contract from September 2019 to September 2023.

(3) Represents transport insurance policy, $422 (December 31, 2018 - $412); life insurance, $273 (December 31, 2018 - $653); third-party liability insurance, $242 (December 31, 2018 - $774); multi-risk insurance, $52 (December 31, 2018 - $8,873) and other insurance, $395 (December 31, 2018 - $814).

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

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

	Accounts receivable		Other non-financial assets	
	June 30, 2019	**December 31, 2018**	**June 30, 2019**	**December 31, 2018**
Subsidiaries (1)	40,802	45,770	-	-
Joint ventures (2)	22,846	58,311	3,816	-
Grupo Casino companies (3)	5,768	4,770	-	-
Controlling entity (4)	4,241	3,907	-	-
Total	**73,657**	**112,758**	**3,816**	**-**
Current	**69,957**	**108,951**	**3,816**	**-**
Non-current	**3,700**	**3,807**	**-**	**-**

(1) Represents:
- Administration services, reimbursement of expenses and loans to Gemex O & W S.A.S. in amount of $22,464 (December 31, 2018 - $22,459);
- Collection of dividends declared, administration services and reimbursement of expenses to Patrimonios Autónomos in amount of $8,159 (December 31, 2018 - $10,991);
- Strategic direction to Libertad S.A. in amount of $4,588 (December 31, 2018 - $3,112);
- Transfer of the put option contract to Spice Investments Mercosur S.A. por $3,803 (December 31, 2018 - $3,856);
- Direct transactions with 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 $677 (December 31, 2018 - $3,720);
- Retail sales, administration services and reimbursement of expenses to Logística, Transporte y Servicios Asociados S.A.S. in amount of $427 (December 31, 2018 - $510);
- Request to Éxito Viajes y Turismo S.A.S. for reimbursement of expenses in amount of $195 (December 31, 2018 - $142);
- Recovery of personnel expenses from Companhia Brasileira de Distribuição - CBD in amount of $195 (December 31, 2018 - $135);
- Purchase of goods, marketing and other services receivable from Éxito Industrias S.A.S. in amount of $189 (December 31, 2018 - $231);
- Request to Carulla Vivero Holding Inc, for reimbursement of $93 (December 31, 2018 - $94), and
- Request to Devoto Hermanos S.A. for reimbursement of expenses in amount of $12 (December 31, 2018 - $0); and
- Collection of a loan disbursed to Onper Investment 2015 S.L. in amount of $-(December 31, 2018 - $520).

(2) The balance of accounts receivable is made as follows:
- Involvement in a corporate collaboration agreement $3,752 (December 31, 2018 - $7,019) and reimbursement of shared expenses, collection of coupons and other items $10,867 (December 31, 2018 - $36,579) with Compañía de Financiamiento Tuya S.A.
- Redemption of points in amount of $7,898 (December 31, 2018 - $14,804) and other services in amount of $328 (December 31, 2018 - $410) with Puntos Colombia S.A.S.

The balance of other non-financial assets at June 30, 2019 relates to a payment made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that at June 30, 2019 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.

(3) Mainly represents balances receivable from Casino International relevant to expatriate payments in amount of $5,423 (December 31, 2018 - $4,151); from Distribution Casino France $292 (December 31, 2018 - $82) and Casino Services in amount of $7 (December 31, 2018 - $8); for energy efficiency services from Greenyellow Energía de Colombia S.A.S. in amount of $46 (December 31, 2018 - $527); lower value of procurement commission from International Retail Trade and Services $- (December 31, 2018 - $1), and discounts relevant to damaged merchandise from Monoprix Exploitation $- (December 31, 2018 - $1).

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

The balance of accounts payable to related parties and the balance of other financial and non-financial liabilities with related parties is:

	Accounts payable		Other financial liabilities		Other non-financial liabilities	
	June 30, 2019	**December 31, 2018**	**June 30, 2019**	**December 31, 2018**	**June 30, 2019**	**December 31, 2018**
Subsidiaries (1)	77,668	89,505	-	10	76,817	108,597
Controlling entity (2)	58,062	15,285	-	-	-	-
Joint ventures (3)	29,246	9,909	46,517	44,860	-	-
Grupo Casino companies (4)	8,632	6,260	-	-	-	-
Members of the Board	22	13	-	-	-	-
Total current	**173,630**	**120,972**	**46,517**	**44,870**	**76,817**	**108,597**

(1) The balance of accounts payable relates to:
- Lease of premises and procurement of inventories and assets to Éxito Industrias S.A.S. in amount of $61,801 (December 31, 2018 - $ 71,280)
- Transport services received from Logística, Transporte y Servicios Asociados S.A.S. in amount of $5,767 (December 31, 2018 - $4,535);
- Loan received from Carulla Vivero Holding Inc. in amount of $4,863 (December 31, 2018 - $4,930);
- Mobile phones refill collection services to Almacenes Éxito Inversiones S.A.S. in amount of $2,299 (December 31, 2018 - $3,997).
- Leases and tax withholdings on dividends declared by Patrimonios Autónomos in amount of $1,776 (December 31, 2018 - $2,819);
- Capital contribution for the incorporation of subsidiary Marketplace Internacional Éxito y Servicios S.A.S. in amount of $868 (December 31, 2018 - $20);
- Reimbursement of expenses to Gemex O & W S.A.S. in amount of $195 (December 31, 2018 - $1,624);

- Collections, purchase of tourist packages and redemption of points to Éxito Viajes y Turismo S.A.S. in amount of $99 (December 31, 2018 - $106);
- Reimbursement of expenses to Companhia Brasileira de Distribuição - CBD in amount of $- (December 31, 2018 - $194).

At June 30, 2019 and at December 31, 2018, the balance of other non-financial liabilities represents advance payments received from Patrimonio Autónomo Viva Malls under a mandate agreement whose purpose is the constructions of real estate property (Note 24).

(2) Dividends payable in amount of $57,948 (December 31, 2018 - $15,050) and consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. in amount of $114 (December 31, 2018 - $235).

(3) The balance of accounts payable represents:
- (-) Balance payable to Puntos Colombia S.A.S. arising from the issue of points (accumulations) in line with the change in the loyalty program implemented by the Company in amount of $29,242 (December 31, 2018 - $9,906);
- Balance payable to Compañía de Financiamiento Tuya S.A. arising from intermediation fees in amount of $4 (December 31, 2018 - $3).

At June 30, 2019 and at December 31, 2018, the balance of other financial liabilities represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 23).

(4) Mainly relates to services received in relation with energy optimization and intermediation in the import of goods.

Note 10. Inventories, net and Cost of sales

Note 10.1. Inventories, net

The net balance of inventories is as follows:

	June 30, 2019	December 31, 2018
Inventories available for trading	1,333,049	1,268,067
Inventories of property under construction (1)	96,483	105,461
Inventories in transit	47,507	34,333
Materials, small spares, accessories and consumable packaging.	2,965	3,487
Raw materials	2,315	2,680
Production in process	535	589
Inventory impairment (2)	(13,544)	(15,893)
Total inventories, net	**1,469,310**	**1,398,724**

(1) At June 30, 2019, the balance represents the Montevideo real estate project.

At December 31, 2018 the balance represented Montevideo and Copacabana real estate projects in amount of $96,483 and $8,978, respectively.

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

Balance at December 31, 2018	**15,893**
Reversal of impairment provisions (10.2)	(2,349)
Balance at June 30, 2019	**13,544**

At June 30, 2019 and at December 31, 2018, 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 policies, inventories are valued at cost or at net realizable value (fair value less selling costs), whichever is less. Adjustments to this valuation are included in the costs of sales 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 June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Cost of goods sold (1) (4)	4,751,556	4,529,631	4,529,631	2,417,151	2,302,008	2,302,008
Trade discounts and purchase rebates	(719,885)	(646,451)	(646,451)	(363,624)	(321,021)	(321,021)
Logistics costs (1) (3)	204,808	193,827	201,789	103,992	97,763	101,753
Damage and loss	77,383	72,242	72,242	36,504	33,559	33,559
(Reversal) impairment recognized during the period (5)	(2,349)	(8,226)	(8,226)	(886)	(4,346)	(4,346)
Total cost of sales	**4,311,513**	**4,141,023**	**4,148,985**	**2,193,137**	**2,107,963**	**2,111,953**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this logistics cost account relates to the derecognition of fixed payments under lease agreements and the recognition of depreciation of use rights. See detail under section (3) below in this same Note 10.2.

(1) At June 30, 2019 includes $4,065 of depreciation and amortization cost (June 30, 2018 - $2,359).

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

	January 1 to June 30, 2019	January 1 to June 30, 2018 (a)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (a)	April 1 to June 30, 2018
Employee benefits	116,018	107,416	107,416	59,719	53,563	53,563
Public utilities	63,735	61,210	61,210	31,801	31,680	31,680
Leases (a)	4,725	3,492	26,505	2,465	1,669	13,176
Depreciation and amortization (a)	20,330	21,709	6,658	10,007	10,851	3,334
Total logistics costs	**204,808**	**193,827**	**201,789**	**103,992**	**97,763**	**101,753**

(a) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(1) As of January 1, 2019, based on reviews to Company operations, certain items that until December 31, 2018 were shown as administration expenses and employee benefit expenses, which are related with food preparation operating processes, are being recorded under the cost of goods sold. Such items were reclassified in the financial statements at June 30, 2018 only for comparison to the financial statements at June 30, 2019.

(4) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage area 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 supplementary activities.

Note 11. Other financial assets

The balance of other financial assets is as follows:

	June 30, 2019	December 31, 2018
Derivative financial instruments (1)	58,260	113,541
Financial assets measured at amortized cost (2)	39,808	39,821
Financial assets measured at fair value through income (3)	1,298	1,201
Derivative financial instruments designated as hedge instruments (4)	211	480
Financial assets at fair value through other comprehensive income (5)	932	708
Total other financial assets	**100,509**	**155,751**
Current	**36,755**	**89,022**
Non-current	**63,754**	**66,729**

(1) Derivative financial instruments reflect the fair value of forward and swap contracts to hedge the fluctuation in the exchange rates and interest rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In its statement of financial position, the Company measures derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at June 30, 2019 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	2,905	4,977	212	-	-	8,094
Swap	-	7,699	-	17,454	25,013	50,166
	2,905	**12,676**	**212**	**17,454**	**25,013**	**58,260**

The detail of maturities of these instruments at December 31, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	21,145	13,060	4,470	-	-	38,675
Swap	-	-	22,423	24,409	28,034	74,866

21,145	**13,060**	**26,893**	**24,409**	**28,034**	**113,541**

(2) Financial assets measured at amortized cost mainly relate to investments in bonds issued by Compañía de Financiamiento Tuya S.A. which the Company has the intention and capability of maintaining to maturity to obtain contract cash flows. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At June 30, 2019 the nominal value amounts to $39,500 (December 31, 2018 - $39,500) and maturities go from 5 to 8 years yielding CPI + 6%.

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

At June 30, 2019 relates to the following transactions:

	Nature of risk insured	**Hedged item**	**Range of rates for the item hedged**	**Range of rates for hedging instruments**	**Fair value**
Swap	Interest rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	211

The detail of maturities of these hedging instruments at June 30, 2019 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	-	-	-	-	211	211

At December 31, 2018, relates to the following transactions:

	Nature of risk insured	**Hedged item**	**Range of rates for the item hedged**	**Range of rates for hedging instruments**	**Fair value**
Swap	Interest rate	Financial liabilities	IBR 3M	4.4% - 6.0%	480

The detail of maturities of these hedging instruments at December 31, 2018 is as follows:

	Less than 1 month	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
Swap	-	-	-	-	480	480

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

	June 30, 2019	**December 31, 2018**
Fideicomiso El Tesoro stages 4A and 4C 448	684	448
Associated Grocers of Florida, Inc.	113	113
Central de Abastos del Caribe S.A	71	71
La Promotora S.A.	50	50
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	14	14
Carnes y Derivados de Occidente S.A.S.	-	12
Total	**932**	**708**

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

	June 30, 2019	December 31, 2018
Financial assets measured at amortized cost	3,508	3,515
Derivative financial instruments	33,247	85,507
Total current	**36,755**	**89,022**
Financial assets measured at amortized cost	36,300	36,306
Derivative financial instruments	25,013	28,034
Derivative financial instruments designated as hedge instruments	211	480
Financial assets measured at fair value through income	1,298	1,201
Financial assets measured at fair value through other comprehensive income	932	708
Total non-current	**63,754**	**66,729**

At June 30, 2019 and at December 31, 2018 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 the business collaboration agreement on Tarjeta Éxito.

None of the assets was impaired at June 30, 2019 or at December 31, 2018.

Note 12. Property, plant and equipment, net

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

	June 30, 2019	December 31, 2018
Land	436,752	436,670
Buildings	879,983	868,735
Machinery and equipment	708,355	712,647
Furniture and fixtures	415,633	401,251
Assets under construction	63,760	27,551
Improvements to third party properties	296,207	286,352
Vehicles and transportation equipment	6,843	4,983
Computers	158,698	154,457
Other property, plant and equipment	16,050	16,050
Total cost of property, plant and equipment	**2,982,281**	**2,908,696**
Accumulated depreciation	(944,997)	(852,817)
Total net property, plant and equipment	**2,037,284**	**2,055,879**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Vehicles and transportation equipment	Computers	Other	Total
Balance at December 31, 2018	**436,670**	**868,735**	**712,647**	**401,251**	**27,551**	**286,352**	**4,983**	**154,457**	**16,050**	**2,908,696**
Additions	82	9,212	11,381	7,735	38,273	12,733	-	3,584	-	83,000
(Disposal and derecognition) of property, plant and equipment (1)	-	-	(1,812)	(1,414)	-	(6,737)	(47)	(8)	-	(10,018)
Increase (decrease) from movements between property, plant and equipment accounts	-	2,036	(13,870)	8,061	(2,064)	3,859	1,907	71	-	-
Other minor changes	-	-	9	-	-	-	-	594	-	603
Balance at June 30, 2019	**436,752**	**879,983**	**708,355**	**415,633**	**63,760**	**296,207**	**6,843**	**158,698**	**16,050**	**2,982,281**
Accumulated depreciation										
Balance at December 31, 2018	**-**	**123,397**	**296,465**	**183,138**	**-**	**139,263**	**3,623**	**103,710**	**3,221**	**852,817**
Depreciation expense/cost	-	13,071	35,524	22,903	-	15,139	274	10,559	394	97,864
(Disposals and derecognition) of depreciation (1)	-	-	(1,431)	(913)	-	(3,325)	(45)	(7)	-	(5,721)
Increase (decrease) from movements between property, plant and equipment accounts	-	3	(4,257)	3,276	-	-	925	53	-	-
Other minor changes	-	-	6	-	-	-	-	31	-	37
Balance at June 30, 2019	**-**	**136,471**	**326,307**	**208,404**	**-**	**151,077**	**4,777**	**114,346**	**3,615**	**944,997**

(1) Represents the closure of the following stores: Portal Libertador $1,824, Surtimax la 8 $555, Surtimax Andes $335, Super Inter Express Mercar $308, Éxito Express Hacaritama $276, Surtimax Olarte $136, Surtimax Funza $97, Surtimax Santo Tomas $96, Surtimax Metrocar $83, Éxito Express Pilarica $71, Éxito Castilla $69, Éxito Express Simon Bolivar $65, Súper Inter Tequendama $26, Éxito Express Villa Ligia $25, Súper Inter Las Pilas $23, Surtimax La Victoria $23, Surtimax Centro $20, Surtimax Condado Castilla $15, Surtimax Calle 48 $12, Surtimax Choconta $6 and Éxito Avenida Chile $5. It also includes the derecognition of machinery and equipment and of furniture and fixtures of service stations, in amount of $225.

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:

	June 30, 2019	December 31, 2018
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**15,761**	**15,761**
Accumulated depreciation	(3,612)	(3,218)
Total net property, plant and equipment	**12,149**	**12,543**

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

Except for the above, at June 30, 2019 and at December 31, 2018, 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 six-month period ended June 30, 2019 and during the year ended December 31, 2018 no payments were received from third parties as compensation related with assets damaged.

No impairment of property, plant and equipment was recognized at June 30, 2019 and at December 31, 2018.

Note 13. Investment property, net

Investment properties are business premises and plots of land held to generate revenue from operating lease agreements or future appreciation of the price thereof.

The net balance of investment properties is made as follows:

	June 30, 2019	December 31, 2018
Land	55,716	55,716
Buildings	31,141	39,341
Construction in progress	6,714	6,471
Total cost of investment property	**93,571**	**101,528**
Accumulated depreciation	(4,089)	(3,848)
Total investment property, net	**89,482**	**97,680**

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

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2018	**55,716**	**39,341**	**6,471**	**101,528**
Additions	-	372	243	615
(Decrease) from contribution to Patrimonios Autónomos (1)	-	(8,572)	-	(8,572)
Balance at June 30, 2019	**55,716**	**31,141**	**6,714**	**93,571**

Accumulated depreciation	Buildings
Balance at December 31, 2018	**3,848**
Depreciation expense	241
Balance at June 30, 2019	**4,089**

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

At June 30, 2019 and at December 31, 2018 there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At June 30, 2019 and at December 31, 2018 the Company is not committed to acquire, build or develop investment property or to repair, maintain or improve such property, other than existing constructions. The Company has not received compensations from third parties arising from the damage or loss of investment properties.

Investment property was not impaired at June 30, 2019 and at December 31, 2018.

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

Note 14. Use rights, net

The Company started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standard requires recognizing a use right-related asset and a lease liability.

The Company elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

The balance of use rights, net, is as follows:

	June 30, 2019	December 31, 2018
Use rights	2,308,203	2,243,136
Total use rights	**2,308,203**	**2,243,136**
Accumulated depreciation	(1,023,611)	(943,590)
Total use rights, net	**1,284,592**	**1,299,546**

The development of the cost of use rights and depreciation thereof, during the reporting period, is as follows:

Cost

Balance at December 31, 2018	**2,243,136**
Increase from creations	36,079
Increase from reappraisals	46,788
Derecognition	(17,800)
Balance at June 30, 2019	**2,308,203**

Accumulated depreciation

Balance at December 31, 2018	**943,590**
Depreciation cost and expense	97,821
Derecognition	(17,800)
Balance at June 30, 2019	**1,023,611**

Note 15. Goodwill

The balance of goodwill is as follows:

	June 30, 2019	December 31, 2018
Carulla Vivero S.A. (1)	827,420	827,420
Súper 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 business establishments carried out in September 2014; $264,027 from the acquisition of 29 business establishment carried out in April 2015; and $10,210 from the acquisition of 7 business establishments carried out between February 23, 2015 and June 24, 2015.

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

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

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

Goodwill was not impaired at June 30, 2019 and at December 31, 2018.

Note 16. Intangible assets other than goodwill, net

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

	June 30, 2019	December 31, 2018
Computer software	131,263	117,754
Trademarks	81,131	81,131
Rights	26,986	26,986
Other	22	19
Total cost of intangible assets other than goodwill	**239,402**	**225,890**
Accumulated amortization	(90,597)	(81,645)
Total intangible assets other than goodwill, net	**148,805**	**144,245**

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

Cost	**Trademarks (1)**	**Computer software (2)**	**Rights (3)**	**Other**	**Total**
Balance at December 31, 2018	**81,131**	**117,754**	**26,986**	**19**	**225,890**
Additions	-	14,112	-	-	14,112
Other changes	-	(603)	-	3	(600)
Balance at June 30, 2019	**81,131**	**131,263**	**26,986**	**22**	**239,402**
Accumulated amortization					
Balance at December 31, 2018		**81,645**			**81,645**
Amortization expense/cost		8,989			8,989
Other changes		(37)			(37)
Balance at June 30, 2019		**90,597**			**90,597**

(1) Represents Surtimax trademark in amount of $17,427 acquired upon the merger with Carulla Vivero S.A., and Super Inter trademark acquired upon 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:

	June 30, 2019	December 31, 2018
WMS	17,567	6,955
System application and products (SAP)	5,099	7,442
Sistema de información comercial (Sinco)	3,955	5,973
Databases	3,355	3,164
Demand forecasts	2,656	3,228
Direct trade (Éxito app, Carulla app and Mi Descuento app)	1,300	996
Single customer	1,246	1,897
Central equipment virtualizer	1,000	1,098
Market Place Pragma (Seller Center)	952	1,000
Rotar	774	865
Pos and pin pads	558	720
Innovation at points of payment	378	250
Sinemax	352	535
Slotting	309	432
Other minor items	1,165	1,554
Total computer software, net	**40,666**	**36,109**

(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 June 30, 2019 and at December 31, 2018, 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.

None of the intangible assets other than goodwill were impaired at June 30, 2019 and at December 31, 2018.

Note 17. Investments accounted for using the equity method

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

Company	Classification	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Onper Investment 2015 S.L. (1)	Subsidiary	4,552,943	4,545,336	4,620,336
Spice Investment Mercosur S.A. (1)	Subsidiary	1,692,353	1,857,998	1,900,098
Patrimonio Autónomo Viva Malls (1)	Subsidiary	982,928	962,533	940,411
Compañía de Financiamiento Tuya S.A.	Joint venture	198,121	203,679	203,679
Éxito Industrias S.A.S. (1)	Subsidiary	147,873	146,901	148,515
Cnova N.V.	Associate	9,222	9,222	9,222
Logística, Transporte y Servicios Asociados S.A.S. (1)	Subsidiary	8,698	7,546	7,852
Depósito y Soluciones Logísticas S.A.S. (2)	Subsidiary	5,500	-	-
Éxito Viajes y Turismo S.A.S. (1)	Subsidiary	5,153	4,146	4,000
Carulla Vivero Holding Inc.	Subsidiary	4,768	4,834	4,834
Fideicomiso Lote Girardot	Subsidiary	3,850	3,850	3,850
Puntos Colombia S.A.S.	Joint venture	3,829	5,600	5,600
Patrimonio Autónomo Iwana (1)	Subsidiary	3,250	3,284	3,098
Marketplace Internacional Éxito y Servicios S.A.S.	Subsidiary	1,185	20	20
Almacenes Éxito Inversiones S.A.S.	Subsidiary	(269)	231	231
Total investments accounted for using the equity method		**7,619,404**	**7,755,180**	**7,851,746**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the investment balance as shown in each subsidiary's shareholders' equity.

(2) A subsidiary incorporated on June 21, 2019.

Note 18. Financial liabilities

The balance of financial liabilities is as follows:

	June 30, 2019	December 31, 2018
Bank loans (1)	1,082,087	1,038,942
Finance leases	3,741	3,839
Total current financial liabilities	**1,085,828**	**1,042,781**
Bank loans (1)	2,731,231	2,828,936
Finance leases	7,756	9,497
Total non-current financial liabilities	**2,738,987**	**2,838,433**

(1) In August 2015, the Company entered into credit agreements with local banks in amount of $3.25 trillion and with foreign banks in amount of $1.21 trillion (USD 400 million at the exchange rate of $3,027.20 Colombian pesos) for the acquisition of the operations in Brazil and Argentina through the Spanish company Onper Investment 2015 S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of $14,332.

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

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

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

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

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

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

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

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

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

During February and March 2019, the Company requested disbursements in amount of $70,000 and $30,000, respectively, against the revolving trench under the credit agreement executed on December 21, 2018. The Company requested disbursements in amount of $50,000 and $160,000 during February and April 2019, respectively, against the syndicated revolving credit.

$97,495 of non-current bank loan balances and $84,540 of the US Dollar bilateral current loan balance were repaid in February 2019. $156,355 of the current bank loan balance were repaid in June 2019.

In April 2019, the revolving credit was extended to April 29, 2021, in amount of $158,380.

Below is a detail of annual maturities of outstanding non-current bank loans and finance leases outstanding at June 30, 2019, discounted at present value:

Year	**Total**
2020	1,955,006
2021	242,511
2022	184,420
>2023	357,050
	2,738,987

Note 19. Employee benefits

The balance of employee benefits is as follows:

	June 30, 2019	**December 31, 2018**
Defined benefit plans	23,257	29,335
Long-term benefit plan	1,972	1,873
Total employee benefits	**25,229**	**31,208**
Current	**3,755**	**3,648**
Non-current	**21,474**	**27,560**

Note 20. Other provisions

The balance of other provisions is made as follows:

	June 30, 2019	**December 31, 2018 (a)**	**December 31, 2018**
Restructuring (1)	18,192	911	911
Legal proceedings (2)	12,086	13,771	13,771
Taxes other than income tax (3)	7,098	8,632	8,632
Other (4) (a)	24,631	27,766	27,761
Total other provisions	**62,007**	**51,080**	**51,075**
Current Note 20.1	**21,489**	**12,292**	**12,292**
Non-current Note 20.1	**40,518**	**38,788**	**38,783**

(a) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See the detail of the adjustment to this other provisions account under section (4) of this same Note 20 below.

At June 30, 2019 and at December 31, 2018, the Company did not recognize provisions for contracts for consideration.

The detail of provisions is as follows:

(1) The restructuring provision relates to reorganization processes announced to the employees of stores, industry and corporate during the first quarter of 2019 that will affect Company activities. The provision is based on cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation are expected to be carried out during 2019. The restructuring provision was recognized in period results as other expenses.

(2) 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 $10,407 (December 31, 2018 - $10,049) for labor lawsuits and $1,679 (December 31, 2018 - $3,722) for civil lawsuits.

Provisions for civil lawsuits filed against the Company represent cases related with third party liability in amount of 252 (December 31, 2018 - $1,145), customer protection $10 (December 31, 2018 - $873), real estate-related proceedings $289 (December 31, 2018 - $557) metrology and technical regulations $110 (December 31, 2018 - $112), and other minor legal proceedings in amount of $1,018 (December 31, 2018 - $1,035).

Provisions for labor lawsuits filed against the Company represent collective issues in amount of $30 (December 31, 2018 - $30), indemnifications in amount of $2,780 (December 31, 2018 - $2,524), salary and mandatory payment adjustments in amount of $159 (December 31, 2018 - $160), health and retirement pension issues in amount of $5,450 (December 31, 2018 - $5,135) and labor relations and solidarity issues in amount of $1,988 (December 31, 2018 - $2,200).

(3) Provisions for taxes other than income tax relate to the industry and trade tax in amount of $2,217 (December 31, 2018 - $2,217), real estate tax in amount of $1,392 (December 31, 2018 - $2,926), value added tax payable in amount of $3,234 (December 31, 2018 - $3,234) and value added on beer in amount of $255 (December 31, 2018 - $255).

(4) The balance of other provisions represents:

	June 30, 2019	**December 31, 2018 (a)**	**December 31, 2018**
Gemex O&W S.A.S. (a) (b)	23,380	20,097	20,092
Closure of stores	168	5,432	5,432
Reduction for merchandise VMI	1,083	2,237	2,237
Total other provisions	**24,631**	**27,766**	**27,761**

(a) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the recognition as provision of the effects of applying this IFRS on the equity of the subsidiary, given that its losses exceed the investment amount.

(b) Represents liabilities carried to recognize additional subsidiary losses exceeding the value of the amount invested in it by the Company. Company Management decided to carry such liabilities to recognize cash outflows likely required to settle the liabilities of this subsidiary.

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, 2018	**13,771**	**8,632**	**911**	**27,766**	**51,080**
Increase	2,048	-	28,435	5,310	35,793
Uses	-	(1,302)	-	(7,184)	(8,486)
Payments	(1,236)	(232)	(9,968)	(47)	(11,483)
Reversal of unused amounts	(2,497)	-	(1,186)	(1,214)	(4,897)
Balance at June 30, 2019	**12,086**	**7,098**	**18,192**	**24,631**	**62,007**

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:

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Restructuring	18,192	911	911
Legal proceedings	1,791	3,457	3,457
Taxes other than income tax	255	255	255
Other	1,251	7,669	7,669
Total current	**21,489**	**12,292**	**12,292**
Legal proceedings	10,295	10,314	10,314
Taxes other than income tax	6,843	8,377	8,377
Other (1)	23,380	20,097	20,092
Total non-current	**40,518**	**38,788**	**38,783**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. See explanation of the adjustment to this account under section (4) in Note 20.

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at June 30, 2019 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	1,791	255	18,192	1,251	21,489
More than one year	10,295	6,843	-	23,380	40,518
Total estimated payments	**12,086**	**7,098**	**18,192**	**24,631**	**62,007**

Note 21. Lease liabilities and Trade accounts payable and other accounts payable

Note 21.1 Lease liabilities

The Company started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standard requires recognizing a use right-related asset and a lease liability.

The Company elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

The balance of lease liabilities is as follows:

	June 30, 2019	December 31, 2018
Lease liabilities	1,499,241	1,506,796
Current	**180,363**	**179,392**
Non-current	**1,318,878**	**1,327,404**

Note 21.2 Trade payables and other accounts payable

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

	June 30, 2019	December 31, 2018
Suppliers	2,218,083	2,940,874
Costs and expenses payable	269,048	319,170
Tax withholdings payable	122,332	44,549
Employee benefits	93,481	124,701
Taxes collected payable	54,841	20,918
Purchase of assets	54,671	78,741
Dividends payable	48,229	13,538
Other	18,144	25,036
Total trade payables and other accounts payable	**2,878,829**	**3,567,527**

Note 22. Income tax

Tax rules applicable to the Company

a. The income tax rate for legal entities is 33% for 2019, 32% for taxable 2020, 31% for taxable 2021 and 30% from taxable 2022 onwards.

   For 2018 the income tax rate applicable was 33%.

   The income tax surcharge levied on domestic companies was eliminated for 2019.

   For 2018, the income tax surcharge for domestic companies was 4% applicable on taxable profits higher than $800.

b. The taxable base to assess the income tax under the presumptive income model is 1.5% of the net equity held on the last day of the immediately preceding taxable period for 2019 and 2020, and 0% as of taxable 2021.

   For 2018, the taxable base to assess the income tax under the presumptive income model was 3.5% of the net equity held on the last day of the preceding taxable period.

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 2019 at a rate of 15%, triggered when the amount distributed is higher than 300 UVT ($10 for 2019) when such dividends have been taxed upon the distributing companies. For domestic companies, non-resident individuals and foreign companies, the tax rate is 7.5% 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 is 33% for 2019, 32% for 2020, 31% for 2021 and 30% as of 2022.

   During 2018, a tax on dividends paid to individuals resident in Colombia was levied at a rate of 5% triggered when the amount distributed was between 600 UVT ($20 for 2018) and 1000 UVT ($33 for 2018) and 10% on higher amounts when such dividends have been taxed upon the distributing companies. For non-resident individuals and foreign companies, the tax rate is 5% when such dividends have been taxed upon the distributing companies. When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders will be 35%.

e. As of 2017 the tax base adopted is the accounting system pursuant to the accounting technical rules framework in force in Colombia, set forth by Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB), 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, and updated on December 28, 2018 by Regulatory Decree 2483 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. 50% of this tax is tax-deductible.

g. Taxes, levies and contributions actually paid during the taxable year or period are 100% deductible as of 2019, if they are related with the company's economic activity including fees paid to business associations.

h. 50% of the industry and trade tax can be taken as a tax discount for taxable 2019 to 2021. 100% can be taken as a tax discount as of 2022.

i. Regarding contributions to employee education, payments meeting the following conditions shall be deductible as of 2019: (a) devoted for scholarships and education forgivable loans to the benefit of employees, (b) payments to programs or care centers for the children of employees and (c) payments to primary, secondary, technical, technological and higher education institutions.

j. VAT on the acquisition, formation, construction or import of productive real fixed assets may be discounted from the income tax as of 2019.

k. As of 2019, the income withholding tax on payments abroad is 20% on consultancy services, technical services, technical assistance, professional fees, royalties, leases and compensations, and 33% for management or administration services.

l. As of 2019, taxes paid abroad shall be deemed tax discounts during the taxable year of payment, or during any subsequent taxable period.

m. The annual adjustment applicable at December 31, 2018 to the cost of movable assets and real estate deemed fixed assets is 4.07%.

Tax credits

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

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

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

Pursuant to sections 188 and 189 of the Tax Code, at June 30, 2019 and at December 31, 2017 the Company assessed its income tax by applying the presumptive income system.

At June 30, 2019, the Company has accrued $475,969 (December 31, 2018 - $445,924) excess presumptive income over net income.

At June 30, 2019, the Company has accrued $705,390 (December 31, 2018 - $624,344) tax losses.

The development of Company tax losses during the six-month period ended June 30, 2019 is as follows:

Balance at December 31, 2018	**624,344**
Tax loss accrued during the period	66,402
Adjustment to tax losses from prior periods	14,644
Balance at June 30, 2019	**705,390**

Closing of tax returns

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

The income tax return for 2018 and 2017 showing tax losses and a balance receivable is open for review during 12 years as of filing of the balance receivable; income tax return for 2016 where tax losses and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable; income tax for equality CREE return for 2016 is open for review during 12 years as of filing of the balance receivable. Tax advisors and Company management are of the opinion that no additional taxes will be assessed, other than those for which a provision has been recorded at June 30, 2019.

Transfer pricing

Company transactions with its parent, subsidiaries and/or foreign related parties have been carried out in accordance with the arm's length principle as if they were independent parties, as required by Transfer Pricing provisions set forth by domestic tax regulations. Independent advisors updated the transfer pricing survey as required by tax regulations, aimed at demonstrating that transactions with foreign related parties were carried out at market values during 2018. For this purpose, the Company will file an information statement and will make the mentioned survey available by mid July 2019.

Foreign controlled entities

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

Note 22.1. Current tax assets and liabilities

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

Current tax assets

	June 30, 2019	December 31, 2018
Total income tax balance receivable (1)	230,658	145,812
Tax discounts from taxes paid abroad	6,753	285
Industry and trade tax advances and withholdings	25,736	22,810
Tax discounts	25,133	-
Total current tax assets	**288,280**	**168,907**

(1) The balance is comprised of:

	June 30, 2019	December 31, 2018
Income tax withholdings	240,631	204,038
Subtotal	**240,631**	**204,038**
Income tax (expense) (Note 22.2)	(9,973)	(58,226)
Total income tax balance receivable	**230,658**	**145,812**

Current tax liabilities

	June 30, 2019	December 31, 2018
Industry and trade tax payable	31,269	50,313
Real estate tax	78	145
Total current tax liabilities	**31,347**	**50,458**

Note 22.2. Income tax

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

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018	December 31, 2018
(Loss) earnings before income tax	**(53,655)**	**67,244**	**76,175**	**(27,259)**	**83,701**	**90,201**	**237,862**
Add							
Non-deductible taxes	19,910	20	20	9,611	3	3	427
Non-deductible expenses	10,989	23,039	23,039	5,361	20,024	20,024	44,309
Tax on financial transactions	3,973	4,048	4,048	1,739	1,456	1,456	7,102
Fines, penalties and litigation	1,430	597	597	999	98	98	1,532
Accounting provision and receivables written off	1,329	-	-	1,329	-	-	4,832
Taxes taken on and revaluation	610	3,575	3,575	314	2,021	2,021	50,220
Non-deductible inventory losses	-	508	508	-	56	56	315
Selling price of fixed assets held less than two years	-	24	24	-	24	24	25,147
Reimbursement of deduction from income-generating fixed assets	-	-	-	-	-	-	33,798
Net income - recovery depreciation of fixed assets sold	-	-	-	-	-	-	27,794
Less							
IFRS adjustments with no tax effects (1) (2)	(30,170)	(225,732)	(234,663)	3,866	(247,024)	(253,524)	(306,212)
Goodwill tax deduction, in addition to the accounting deduction accounting personnel expenses	(11,916)	(10,175)	(10,175)	(11,110)	39,289	39,289	(20,351)
Recovery of provisions	(5,700)	-	-	(3,408)	-	-	(193)
Untaxed dividends of subsidiaries	(1,500)	(19,969)	(19,969)	-	-	-	(27,739)
Additional 30% deduction on salaries paid to apprentices hired at Company will	(870)	-	-	(435)	-	-	(1,739)
Disabled employee deduction	(832)	(222)	(222)	(416)	(148)	(148)	(445)
Revenue from loss insurance compensation	-	(631)	(631)	-	(252)	(252)	-
Derecognition of gain from the sale of fixed assets reported as occasional gain	-	-	-	-	-	-	(26,585)
Cost of fixed assets held less than two years	-	-	-	-	-	-	(77,138)
Allowance for doubtful accounts	-	(106)	(106)	544	908	908	-
Net (loss)	**(66,402)**	**(157,780)**	**(157,780)**	**(18,865)**	**(99,844)**	**(99,844)**	**(27,064)**
Current period presumptive income	**30,708**	**77,084**	**77,084**	**15,325**	**36,588**	**36,588**	**148,666**
Net taxable income	**30,708**	**77,084**	**77,084**	**15,325**	**36,588**	**36,588**	**148,666**
Income tax rate	33%	33%	33%	33%	33%	33%	33%
Subtotal income tax (expense)	**(10,134)**	**(25,438)**	**(25,438)**	**(5,058)**	**(12,074)**	**(12,074)**	**(49,060)**
Income tax surcharge (expense)	-	(3,068)	(3,068)	-	(1,456)	(1,456)	(5,914)
Occasional gains tax (expense)	-	-	-	-	-	-	(3,625)
Tax discounts	161	62	62	161	62	62	373
Total current income tax (expense)	**(9,973)**	**(28,444)**	**(28,444)**	**(4,897)**	**(13,468)**	**(13,468)**	**(58,226)**
(Expense) revenue from recovery of prior year tax anterior	**(319)**	**2,293**	**2,293**	**(319)**	**2,293**	**2,293**	**2,293**
Total current income tax (expense)	**(10,292)**	**(26,151)**	**(26,151)**	**(5,216)**	**(11,175)**	**(11,175)**	**(55,933)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. Please refer to the explanation regarding adjustment to this account under Note 22.2 (2) below.

(2) IFRS adjustments with no tax effects are:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (a)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (a)	April 1 to June 30, 2018	December 31, 2018
Taxed leases	47,682	35,530	35,530	23,123	19,306	19,306	77,528
Other non-tax accounting (revenue) expense, net	42,388	12,926	12,926	58,796	11,201	11,201	(26,379)
Accounting provisions	24,598	26,822	26,822	4,703	(4,370)	(4,370)	-
Exchange difference, net	9,950	(25,598)	(25,598)	23,283	(106,261)	(106,261)	36,959
Other accounting expenses with no tax effects (a)	7,397	(105,760)	-	3,485	(108,192)	-	-
Untaxed dividends of subsidiaries	1,500	19,969	19,969	-	(29)	(30)	93,558
Taxed actuarial estimation	272	707	707	(247)	197	197	2,274
Taxed dividends of subsidiaries	-	29	29	-	29	29	-
Net results using the equity method Net amount	(63,441)	(92,884)	(207,575)	(28,520)	(18,149)	(132,840)	(396,750)
Non-accounting costs for tax purposes, net	(62,719)	(11,264)	(11,264)	(62,719)	(11,264)	(11,264)	(17,215)
Higher accounting depreciation over depreciation for tax purposes	(17,960)	(22,213)	(22,213)	(6,717)	(10,604)	(10,604)	(41,229)
Recovery of provisions	(10,206)	(37,332)	(37,332)	(3,820)	(11,995)	(11,995)	-
Excess personnel expenses for tax purposes over accounting personnel expenses	(9,374)	(23,789)	(23,789)	(7,305)	(5,345)	(5,345)	(34,900)
Non-deductible taxes	(242)	(2,875)	(2,875)	(199)	(1,548)	(1,548)	(43)
Non-deductible fines and penalties	(15)	-	-	(1)	-	-	(15)
Total	**(30,170)**	**(225,732)**	**(234,663)**	**3,866**	**(247,024)**	**(253,524)**	**(306,212)**

(a) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account results from the tax effect from the non-deductibility of depreciation of use rights and the financial cost of lease liabilities.

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

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Current income tax (expense)	(10,292)	(26,151)	(26,151)	(5,216)	(11,175)	(11,175)
Total deferred income tax revenue (Note 22.3) (1)	33,395	82,810	78,964	14,264	41,884	39,978
Total revenue from income tax	**23,103**	**56,659**	**52,813**	**9,048**	**30,709**	**28,803**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

Presumptive income was determined as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018	December 31, 2018
Net shareholders' equity	2,099,925	2,245,206	1,052,973	1,065,879	4,330,108
Less net shareholders' equity to be excluded	(52,738)	(43,213)	(31,329)	(20,718)	(83,340)
Net shareholders' equity base	**2,047,187**	**2,201,993**	**1,021,644**	**1,045,161**	**4,246,768**
Presumptive income	**30,708**	**77,070**	**15,325**	**36,581**	**148,637**
Add: Taxed dividends	-	14	0	7	29
Total presumptive income over net equity	**30,708**	**77,084**	**15,325**	**36,588**	**148,666**

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 payment or recovery rates, 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:

	June 30, 2019			December 31, 2018 (1)			December 31, 2018		
	Deferred tax assets	Deferred tax liabilities	Deferred income tax assets (liabilities), net	Deferred tax assets	Deferred tax liabilities	Deferred income tax assets (liabilities), net	Deferred tax assets	Deferred tax liabilities	Deferred income tax assets (liabilities), net
Lease liabilities (1)	472,261	-	472,261	474,641	-	474,641	-	-	-
Tax losses	221,756	-	221,756	196,376	-	196,376	196,376	-	196,376
Excess presumptive income	149,633	-	149,633	140,258	-	140,258	140,258	-	140,258
Tax credits	55,155	-	55,155	56,282	-	56,282	56,282	-	56,282
Financial liabilities	36,648	-	36,648	46,168	-	46,168	46,168	-	46,168
Other provisions	18,013	-	18,013	14,896	-	14,896	14,896	-	14,896
Other financial liabilities	5,835	-	5,835	2,850	-	2,850	2,850	-	2,850
Inventories	4,484	-	4,484	5,360	-	5,360	5,360	-	5,360
Trade and other receivables	3,452	-	3,452	4,113	-	4,113	4,113	-	4,113
Prepaid expenses	3,269	-	3,269	3,681	-	3,681	3,681	-	3,681
Employee benefit provisions	1,852	-	1,852	3,642	-	3,642	3,642	-	3,642
Investments in subsidiaries and joint ventures	154	-	154	-	(60,657)	(60,657)	-	(60,657)	(60,657)
Accounts payable to related parties	16	-	16	8,196	-	8,196	8,196	-	8,196
Other non-financial assets	-	-	-	-	(20)	(20)	-	(20)	(20)
Accounts receivable from related parties	-	(108)	(108)	-	(523)	(523)	-	(523)	(523)
Other non-financial liabilities	-	(459)	(459)	3,386	-	3,386	3,386	-	3,386
Non-current assets held for trading	-	(555)	(555)	-	(555)	(555)	-	(555)	(555)
Construction in progress	-	(4,689)	(4,689)	-	(915)	(915)	-	(915)	(915)
Land	-	(7,070)	(7,070)	-	(9,623)	(9,623)	-	(9,623)	(9,623)
Trade and other payables	-	(8,102)	(8,102)	-	(1,209)	(1,209)	-	(1,209)	(1,209)
Intangible assets other than goodwill	-	(10,302)	(10,302)	-	(7,654)	(7,654)	-	(7,654)	(7,654)
Real estate projects	-	(11,697)	(11,697)	-	(12,457)	(12,457)	-	(12,457)	(12,457)
Other financial assets	-	(19,054)	(19,054)	-	(37,331)	(37,331)	-	(37,331)	(37,331)
Other property, plant and equipment	-	(26,134)	(26,134)	-	(26,512)	(26,512)	-	(26,512)	(26,512)
Investment property	-	(34,51)	(34,513)	-	(8,561)	(8,561)	-	(8,561)	(8,561)
Buildings	-	(118,847)	(118,847)	-	(91,758)	(91,758)	-	(91,758)	(91,758)
Goodwill	-	(186,547)	(186,547)	-	(185,781)	(185,781)	-	(185,781)	(185,781)
Use rights, net (1)	-	(404,647)	(404,647)	-	(409,357)	(409,357)	-	-	-
Total	**972,528**	**(832,480)**	**140,048**	**959,849**	**(852,913)**	**106,936**	**485,208**	**(443,556)**	**41,652**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities.

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

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Deferred income tax (1)	23,006	84,860	81,014	14,276	41,747	39,841
Deferred occasional gains (loss)	10,389	(2,050)	(2,050)	(12)	137	137
Total deferred income tax revenue	**33,395**	**82,810**	**78,964**	**14,264**	**41,884**	**39,978**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Gain from derivative financial instruments designated as hedge instruments (1)	(283)	(3,430)	(98)	(2,345)
Total	**(283)**	**(3,430)**	**(98)**	**(2,345)**

The reconciliation of the development of deferred tax to the statement of income and the statement of other comprehensive income between June 30, 2019 and December 31, 2018 is as follows:

	June 30, 2019
Deferred tax recognized in income for the period.	33,395
Deferred tax recognized in other comprehensive income for the period.	(283)
Total increase in net deferred tax assets between June 30, 2019 and December 31, 2018	**33,112**

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:

	June 30, 2019	December 31, 2018
Other minor investments	(273,360)	(212,032)
Total	**(273,360)**	**(212,032)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at June 30, 2019 amount to $1,243,734 (December 31, 2018 - $1,464,354).

Note 23. Other financial liabilities

The balance of other financial liabilities is as follows:

	June 30, 2019	December 31, 2018
Collections received on behalf of third parties (1)	97,382	104,039
Derivative financial instruments designated as hedge instruments (2)	4,003	5,460
Derivative financial instruments (3)	11,862	1,770
Total current	**113,247**	**111,269**
Derivative financial instruments designated as hedge instruments (2)	1,538	1,451
Derivative financial instruments (3)	335	-
Total non-current	**1,873**	**1,451**

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

	June 30, 2019	December 31, 2018
Éxito Card collections (a)	46,517	44,860
Non-banking correspondent	38,486	47,340
Direct trading (marketplace)	4,948	5,000
Other collections	7,431	6,839
Total	**97,382**	**104,039**

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

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

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

At June 30, 2019 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 liabilities	IBR 3M	5.1% - 6.0%	5,523
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	18
					5,541

The detail of maturities of these hedging instruments at June 30, 2019 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	-	433	1,216	2,354	1,538	**5,541**

At December 31, 2018, relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	5.1% - 6.0%	6,890
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	21
					6,911

The detail of maturities of these hedging instruments at December 31, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	295	2,752	2,413	1,451	**6,911**

(3) Derivative financial instruments reflect the fair value of forward and swap contracts to hedge the fluctuation in the exchange rates and interest rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In its statement of financial position, the Company measures derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at June 30, 2019 is as follows:

	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	8,658	3,087	-	-	11,745
Swap	117	-	-	335	452
					12,197

The detail of maturities of these instruments at December 31, 2018 is as follows:

	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	192	1,506	-	-	1,698
Swap	-	72	-	-	72
					1,770

Note 24. Other non-financial liabilities

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

	June 30, 2019	December 31, 2018
Advance payments for real estate projects (1)	76,817	108,597
Revenue received in advance (2)	42,797	68,772
Customer loyalty programs (3)	4,522	18,539
Advance payments under lease agreements and other projects	3,132	977
Instalments received under "plan resérvalo"	636	647
Repurchase coupon	11	176
Total current	**127,915**	**197,708**
Advance payments under lease agreements and other projects	697	727
Total non-current	**697**	**727**

(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). At June 30, 2019 and at December 31, 2018, the Company has construction contracts pending legalization for the purpose of finally settling the construction of buildings, which is expected during the last quarter of 2019. The relevant fees will be recognized after legalization.

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

	June 30, 2019	December 31, 2018
Gift card	29,204	57,199
Cafam comprehensive card	7,671	7,210
Exchange card	3,350	3,492
Fuel card	785	820
Other	1,787	51
Total	**42,797**	**68,772**

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At June 30, 2019, the effect of the redemption and expiry of points related with these programs, in Company results, was a higher value in sales revenue in amount of $14,017 (June 30, 2018 - lower value in sales revenue in amount of $797).

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

At June 30, 2019 and December 31, 2018 the Company's authorized capital is represented in 530,000,000 common shares with a nominal value of $10 (*) each; subscribed and paid-in capital amounts to $4,482; the number of outstanding shares is 447,604,316 and the number of treasury shares reacquired is 635,835 valued at $2,734.

(*) Expressed in Colombian pesos.

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

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to $4,843,466 at June 30, 2019 and at December 31, 2018. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account as result of the issue of a share-based dividend.

Note 26. Reserves, Retained earnings and Other comprehensive income

Reserves

Reserves are appropriations of prior period results by the General Meeting of Shareholders. In addition to the legal reserve, there is an occasional reserve, a reserve for the reacquisition of shares and a reserve for 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 and updated on December 28,m 2018 by Regulatory Decree 2483.

Other accumulated comprehensive income

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

	June 30, 2019			June 30, 2018 (1)			December 31, 2018		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Measurement of financial statements at fair value through other comprehensive income (2)	(3,852)	-	(3,852)	(6,281)	-	(6,281)	(7,200)	-	(7,200)
Measurement of defined benefit plans (3)	(4,808)	1,432	(3,376)	(4,449)	1,472	(2,977)	(4,760)	1,432	(3,328)
Translation exchange differences (4)	(889,546)	-	(889,546)	(1,041,260)	-	(1,041,260)	(648,244)	-	(648,244)
(Loss) from the hedging of cash flows (5)	(5,125)	1,671	(3,454)	(9,121)	3,010	(6,111)	(5,978)	1,954	(4,024)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (6)	(59,814)	-	(59,814)	(76,343)	-	(76,343)	(41,486)	-	(41,486)
Total other accumulated comprehensive income	**(973,145)**	**3,103**	**(970,042)**	**(1,137,454)**	**4,482**	**(1,132,972)**	**(707,668)**	**3,386**	**(704,282)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(2) 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.

(3) 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.

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

(5) 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.

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

Note 27. Revenue from ordinary activities under contracts with customers

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

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Total retail sales (1)	5,259,483	5,108,402	2,614,852	2,537,885
Service revenue (2)	123,910	134,402	65,239	71,100
Other ordinary revenue (3)	53,693	42,987	26,165	25,471
Total revenue from ordinary activities	**5,437,086**	**5,285,791**	**2,706,256**	**2,634,456**

(1) The balance of retail sales represents the sale of goods and real estate projects net of returns and rebates. The balance in this account is comprised of:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Sale of goods, net of sales returns and rebates	5,248,483	5,108,402	2,614,852	2,537,885
Sale of real-estate project inventories (a)	11,000	-	-	-
Total retail sales	**5,259,483**	**5,108,402**	**2,614,852**	**2,537,885**

(a) Represents the sale of the Copacabana real estate project inventory.

(2) The balance of service revenue relates to:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Distributors	48,278	47,693	23,585	23,642
Advertising	28,481	29,626	17,498	19,440
Commissions	11,349	10,569	5,582	5,069
Non-banking correspondent	9,756	8,308	4,750	4,245
Lease of real estate	7,995	28,095	4,177	13,355
Administration of real estate	5,346	2,752	2,295	1,554
Lease of physical space	3,998	922	2,905	499
Money transfer	3,450	3,827	1,781	1,931
Other services	5,257	2,610	2,666	1,365
Total service revenue	**123,910**	**134,402**	**65,239**	**71,100**

(3) The balance of other ordinary revenue relates to:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Involvement in collaboration agreement (a)	25,013	20,073	10,510	13,997
Royalties	7,951	4,642	4,191	2,096
Marketing events	6,098	4,360	2,688	2,099
Exploitation of assets	5,993	5,425	4,495	2,892
Latam strategic direction (Note 34)	5,757	4,878	3,183	2,553
Financial services	1,188	1,307	340	306
Use of parking spaces	794	858	342	535
Technical assistance	498	733	245	448
Other	401	711	171	545
Total other ordinary revenue	**53,693**	**42,987**	**26,165**	**25,471**

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

Note 28. Distribution expenses and Administration and sales expenses

The balance of administration and sales expenses is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Depreciation and amortization (1) (2)	162,730	162,886	81,472	80,034	80,571	39,792
Fuels and power (2)	69,222	64,949	64,949	26,070	23,356	23,357
Taxes other than income tax	68,056	81,820	81,820	26,090	28,515	28,515
Advertising	44,051	47,317	47,317	25,272	22,143	22,143
Repairs and maintenance (2)	43,711	41,053	41,053	19,724	18,665	18,666
Security services	32,741	32,857	32,857	16,234	17,218	17,218
Administration of trade premises	21,262	20,090	20,090	10,636	10,234	10,234
Services (2)	20,903	15,789	15,789	10,079	8,059	8,058
Cleaning services	20,305	19,481	19,481	10,117	9,684	9,684
Commissions on debit and credit cards	14,194	13,633	13,633	7,080	6,872	6,872
Transport (1)	13,347	13,135	13,135	6,953	7,497	7,497
Professional fees	13,016	12,199	12,199	6,642	6,108	6,108
Leases (1) (2)	11,344	6,300	132,750	2,157	(590)	63,059
Insurance	10,821	9,286	9,286	5,689	4,684	4,684
Impairment expense	8,885	2,619	2,619	3,148	2,044	2,044
Packaging and marking materials	8,107	7,422	7,422	4,399	3,862	3,862
Cleaning and cafeteria	5,126	4,394	4,394	2,915	2,200	2,200
Outsourced employees	3,817	5,290	5,290	1,255	2,680	2,680
Travel expenses	2,668	2,530	2,530	1,376	1,227	1,227
Other commissions	2,605	2,839	2,839	1,365	1,296	1,296
Stationery	2,150	2,142	2,142	1,304	982	982
Ground transportation	2,109	2,053	2,053	1,112	1,070	1,070
Other provisions expense	2,028	865	865	1,624	(120)	(120)
Legal expenses	1,961	1,963	1,963	621	593	593
Contributions and affiliations	141	649	649	(228)	333	333
Other	31,923	24,915	24,915	13,474	14,234	14,234
Total distribution expenses	**617,223**	**598,476**	**643,512**	**285,142**	**273,417**	**296,288**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts is due to the recognition of depreciation of use rights and derecognition of fixed expenses under lease agreements.

(2) As of January 1, 2019, based on reviews to Company operations, certain items that until December 31, 2018 were shown as administration expenses and employee benefit expenses, which are related with food preparation operating processes, are being recorded under the cost of goods sold. Such items were reclassified in the financial statements at June 30, 2018 only for comparison to the financial statements at June 30, 2019.

The balance of administration and sales expenses is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Professional fees	20,630	19,937	19,937	13,107	9,620	9,620
Depreciation and amortization (1)	17,790	18,143	17,736	9,002	8,507	8,303
Taxes other than income tax	7,235	9,218	9,218	2,193	3,548	3,548
Leases (1)	6,864	6,991	7,462	3,329	3,561	3,798
Repairs and maintenance	6,065	4,774	4,774	3,234	2,441	2,441
Impairment expense	4,017	2,321	2,321	(266)	2,030	2,030
Travel expenses	3,090	2,863	2,863	1,474	1,318	1,318
Public utilities	2,913	7,306	7,306	1,544	1,116	1,116
Outsourced employees	2,249	1,586	1,586	1,141	749	749
Other provisions expense	2,097	47	47	1,135	44	44
Insurance	2,044	1,717	1,717	1,038	877	877
Commissions	1,490	1,076	1,076	716	542	542
Fuels and power	1,472	1,086	1,086	931	557	557
Fines, penalties and litigation	1,090	198	198	943	59	59
Transport	668	685	685	368	386	386
Other commissions	661	456	456	470	202	202
Administration of trade premises	606	257	257	343	255	255
Telephone services	433	1,052	1,052	110	671	671
Entertainment	371	437	437	216	376	376
Contributions and affiliations	358	441	441	259	278	278
Legal expenses	195	254	254	130	53	53
Packaging and marking materials	78	19	19	8	4	4
Advertising	8	-	-	8	-	-
Other	1,000	1,445	1,445	(261)	348	348
Total administration and sales expenses	**83,424**	**82,309**	**82,373**	**41,172**	**37,542**	**37,575**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts is due to the recognition of depreciation of use rights and derecognition of fixed expenses under lease agreements.

Note 29. Employee benefit expense

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

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Wages and salaries (1)	267,888	260,881	109,689	102,193
Contributions to the social security system	4,544	4,936	1,940	2,350
Other short-term employee benefits	19,746	22,291	8,671	11,114
Total short-term employee benefit expense	**292,178**	**288,108**	**120,300**	**115,657**
Post-employment benefit expenses, defined contribution plans	23,756	27,858	9,190	13,609
Post-employment benefit expenses, defined benefit plans (2)	(5,430)	1,677	(6,146)	954
Total post-employment benefit expenses	**18,326**	**29,535**	**3,044**	**14,563**
Termination benefit expenses	883	980	364	521
Other long-term employee benefits	232	130	129	47
Other personnel expenses	7,582	5,065	4,762	3,563
Total employee benefit expenses	**319,201**	**323,818**	**128,599**	**134,351**

(1) As of January 1, 2019, based on reviews to Company operations, certain items that until December 31, 2018 were shown as administration expenses and employee benefit expenses, which are related with food preparation operating processes, are being recorded under the cost of goods sold. Such items were reclassified in the financial statements at June 30, 2018 only for comparison to the financial statements at June 30, 2019.

(2) During 2019, the Company agreed with the employees on the elimination of the retirement pension-related bonus benefit, which resulted in a significant change in post-employment benefits and defined benefit plans, showing a decrease of $6,830 at June 30, 2019.

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 and expense significant elements whose occurrence is exceptional and the effects arising from items that given its nature are not included in an assessment of recurring operating performance of the Company, such as impairment losses, disposal of non-current assets and the effects of business combinations, among other.

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

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Other operating revenue						
Recurring						
Recovery of allowance for trade receivables (Note 7.2)	11,724	5,093	5,093	1,712	3,384	3,384
Reimbursement of tax-related costs and expenses	5,578	192	192	2,753	54	54
Recovery of other provisions related to civil lawsuits	2,024	537	537	1,461	(62)	(62)
Recovery of other provisions	1,214	826	826	(1)	826	826
Compensation from insurance companies	933	630	630	602	251	251
Recovery of other provisions related to labor lawsuits	473	-	-	265	(71)	(71)
Reimbursement of tax provision expenses	50	1,911	1,911	-	1,911	1,911
Other revenue	362	-	-	-	-	-
Total recurring	**22,358**	**9,189**	**9,189**	**6,792**	**6,293**	**6,293**
Non-recurring						
Recovery of provisions related with reorganization processes	1,186	-	-	1,186	-	-
Recovery of other provisions	-	760	760	-	760	760
Total non-recurring	**1,186**	**760**	**760**	**1,186**	**760**	**760**
Total other operating revenue	**23,544**	**9,949**	**9,949**	**7,978**	**7,053**	**7,053**
Other operating expenses						
Restructuring expenses (2)	(28,435)	(35,951)	(35,951)	(9,951)	(570)	(570)
Other expenses (3)	(2,398)	(2,166)	(2,166)	(1,404)	(1,550)	(1,550)
Total other operating expenses	**(30,833)**	**(38,117)**	**(38,117)**	**(11,355)**	**(2,120)**	**(2,120)**
Other net gains (losses)						
Derecognition of property, plant and equipment (4)	(403)	(5,794)	(5,794)	(403)	(3,876)	(3,876)
Expenses from the disposition of assets	(13)	(172)	(172)	-	(165)	(165)
Impairment of non-current assets (5)	-	(3,307)	(3,307)	-	(3,307)	(3,307)
Derecognition of lease agreements (1)	-	177	-	-	71	-
Total other net (losses)	**(416)**	**(9,096)**	**(9,273)**	**(403)**	**(7,277)**	**(7,348)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account is due to the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements.

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

(3) In 2019, represents expenses from the restructuring of stores in amount of $15,559; IRFS 6 - Leases implementation expenses in amount of $748; Bricks II project expenses in amount of $63 and expenses related with the closure of stores in amount of $28.

For 2018, relates to expenses arising from the closure of shops and stores in amount of $1,264, expenses from the restructuring of shops in amount of $812 and other minor expenses in amount of $90.

(4) In 2019 represents the closure of Éxito Castilla, $69; Surtimax Calle 48, $12 and Surtimax Funza, $97. It also includes the derecognition of machinery and equipment and of furniture and fixtures of service stations, in amount of $225.

In 2018 relates to the closure of the following of Parent stores: Éxito Barranquilla Alto Prado $3,007, Carulla Express Olaya Herrera $473, Éxito Express Altos de la Carolina $319, Surtimax Los Olivos $309, Éxito Express Ciudadela $291, Éxito Express Costa de Oro $232, Éxito Mini Barzal $201, Éxito Express Avenida 60 $196, Surtimax Ciudad Bolivar $167, Éxito Mini Parque de las Cigarras $132, Éxito Mini Yerbabuena $121.

(5) In 2018 represents an impairment loss related with computer software in amount of $3,307.

Note 31. Financial revenue and expenses

The balance of financial revenue and expenses is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Gain from exchange difference	120,860	43,137	43,137	6,522	(76,587)	(76,587)
Gain from derivative financial instruments	92,976	34,772	34,772	45,896	34,531	34,531
Revenue from interest, cash and cash equivalents (Note 6)	3,498	2,531	2,531	588	602	602
Other financial revenue	4,453	4,350	4,350	2,573	1,796	1,796
Total financial revenue	**221,787**	**84,790**	**84,790**	**55,579**	**(39,658)**	**(39,658)**
Loss from derivative financial instruments	(134,376)	(88,940)	(88,940)	(38,491)	37,876	37,876
Interest, loans and finance lease expenses	(144,594)	(157,355)	(157,355)	(73,222)	(81,898)	(81,898)
Loss from exchange difference	(91,851)	(16,274)	(16,274)	(21,234)	(9,185)	(9,185)
Interest expense from lease liabilities (1)	(62,252)	(65,450)	-	(31,036)	(33,017)	-
Commission expense	(2,379)	(1,628)	(1,628)	(1,081)	(734)	(734)
Other financial expenses	(1,451)	(1,655)	(1,655)	(720)	(915)	(915)
Total financial expenses	**(436,903)**	**(331,302)**	**(265,852)**	**(165,784)**	**(87,873)**	**(54,856)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the recognition of interest expense upon measurement of lease liabilities using the effective interest method.

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

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

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Spice Investments Mercosur S.A. (1)	48,967	60,673	65,814	14,444	15,495	20,315
Patrimonio Autónomo Viva Malls (1)	25,397	13,975	9,683	20,812	11,074	8,931
Éxito Viajes y Turismo S.A.S. (1)	2,497	1,328	1,303	1,681	609	590
Logística, Transportes y Servicios Asociados S.A.S. (1)	1,151	1,094	1,150	552	706	732
Éxito Industrias S.A.S. (1)	975	(798)	(906)	(1,082)	502	448
Marketplace Internacional S.A.S.	(15)	-	-	(15)	-	-
Patrimonio Autónomo Iwana (1)	(18)	(124)	(134)	42	(43)	(48)
Carullla Vivero Holding Inc.	(66)	(79)	(79)	45	224	224
Almacenes Éxito Inversiones S.A.S.	(500)	(157)	(157)	(388)	(142)	(142)
Puntos Colombia S.A.S.	(1,771)	(3,387)	(3,387)	(545)	(2,078)	(2,078)
Gemex O & W S.A.S. (1)	(3,284)	(1,776)	(1,771)	(1,674)	(874)	(871)
Onper Investments 2015 S.L. (1)	(4,334)	113,305	109,360	(747)	96,514	94,376
Compañía de Financiamiento Tuya S.A.	(5,558)	17,769	17,769	(4,605)	4,879	4,879
Patrimonio Autónomo Viva Villavicencio (1) (2)	-	5,385	5,311	-	3,660	3,628
Patrimonio Autónomo Centro Comercial (1) (2)	-	1,525	1,625	-	789	842
Patrimonio Autónomo Viva Sincelejo (1) (2)	-	1,570	1,442	-	782	719
Patrimonio Autónomo Fideicomiso San Pedro Etapa I (1) (2)	-	552	552	-	296	296
Total	**63,441**	**210,855**	**207,575**	**28,520**	**132,393**	**132,841**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the results of the associate.

(2) On December 28, 2018, these stand-alone trust funds were contributed to Patrimonio Autónomo Viva Malls.

Note 33. Earnings per share

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

At June 30, 2019 and at December 31, 2018, 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:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Net (loss) gain attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**(30,552)**	**123,903**	**128,988**	**(18,211)**	**114,410**	**119,004**
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
(Loss) earnings per basic and diluted share (in Colombian pesos)	**(68.26)**	**276.81**	**288,17**	**(40.69)**	**255.61**	**265.87**

In total period comprehensive results:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Net (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**(296,312)**	**(958,799)**	**(968,483)**	**94,719**	**(464,011)**	**(465,819)**
Weighted average of the number of ordinary shares attributable to earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
(Loss) per basic and diluted share (in Colombian pesos)	**(662.00)**	**(2,142.07)**	**(2,163.70)**	**211.61**	**(1,036.65)**	**(1,040.69)**

(1) Estimation of the net earnings per share based on restated amounts that include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

Note 34. Transactions with related parties

Note 34.1. Key management personnel compensation

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

Compensation of key management personnel is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Short-term employee benefits (1)	19,390	21,630	10,183	10,835
Post-employment benefits	825	822	412	384
Termination benefits	216	1,016	216	124
Long-term employee benefits	11	-	-	-
Total	**20,442**	**23,468**	**10,811**	**11,343**

(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 period ended June 30, 2019 in amount of $5,757 (June 30, 2018 - $4,878) as described in Note 27.

Note 34.2. Transactions with related parties

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

	Revenue			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Joint ventures (1)	36,135	31,426	16,529	20,220
Subsidiaries (2)	12,564	10,463	7,311	4,776
Controlling entity (3)	4,364	3,493	2,530	1,825
Grupo Casino companies (4)	2,572	113	1,597	(754)
Total	**55,635**	**45,495**	**27,967**	**26,067**

	Costs and expenses			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Joint ventures (1)	46,278	1,425	28,980	758
Subsidiaries (2)	153,354	231,592	76,872	124,279
Controlling entity (3)	14,810	13,618	9,985	6,897
Grupo Casino companies (4)	15,770	4,728	9,312	972
Members of the Board	638	714	357	275
Total	**230,850**	**252,077**	**125,506**	**133,181**

	Other transactions			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Subsidiaries (2)	-	788	-	788
Total	**-**	**788**	**-**	**788**

(4) Revenue represent yields on bonds and coupons and energy with Compañía de Financiamiento Tuya S.A. in amount of $7,575 (June 30, 2018 - $9,243), involvement in the corporate collaboration agreement entered with Compañía de Financiamiento Tuya S.A. in amount of $25,013 (June 30, 2018 - $20,073), lease of real estate property to Compañía de Financiamiento Tuya S.A. in amount of por $2,745 (June 30, 2018 - $1,819), other services provided to Compañía de Financiamiento Tuya S.A. in amount of $473 (June 30, 2018 - $190) and to services provided to Puntos Colombia S.A.S. in amount of $329 (June 30, 2018 - $101).

Costs and expenses represent the cost of the loyalty program and liability management of Puntos Colombia S.A.S. in amount of $44,792 (June 30, 2018 - $172), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of $1,486 (June 30, 2018 - $1,253).

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

Cost and expenses arising from transactions with subsidiaries mainly refer to the purchase of goods for trading from Éxito Industrias S.A.S.; transportation services provided by Logística, Transporte y Servicios Asociados S.A.S.; leases and real estate management activities with Patrimonios Autónomos; purchase of corporate plans from Almacenes Éxito Inversiones S.A.S.; and services received, purchase of goods and reimbursements with other subsidiaries.

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

	Revenue			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Patrimonios Autónomos (Stand-alone trust funds)	7,708	5,103	4,269	2,593
Libertad S.A.	1,517	1,385	1,026	728
Gemex O & W S.A.S.	1,291	1,409	650	725
Almacenes Éxito Inversiones S.A.S.	680	530	629	(141)
Éxito Viajes y Turismo S.A.S.	531	624	267	69
Éxito Industrias S.A.S.	418	883	170	515
Logística, Transporte y Servicios Asociados S.A.S.	316	458	197	216
Companhia Brasileira de Distribuição - CBD	60	62	60	62
Devoto Hermanos S.A.	43	9	43	9
Total	**12,564**	**10,463**	**7,311**	**4,776**

	Costs and expenses			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Logística, Transporte y Servicios Asociados S.A.S.	67,981	62,077	34,904	32,421
Éxito Industrias S.A.S.	39,617	129,608	17,922	63,816
Patrimonios Autónomos (Stand-alone trust funds)	34,785	27,686	18,369	16,075
Almacenes Éxito Inversiones S.A.S.	10,507	11,787	5,591	11,728
Gemex O & W S.A.S.	389	203	11	170
Éxito Viajes y Turismo S.A.S.	75	121	75	69
Libertad S.A.	-	110	-	-
Total	**153,354**	**231,592**	**76,872**	**124,279**

(3) Revenue from the controlling entity relates 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.

(4) Revenue mainly relates to the provision of services and success fees from suppliers. Costs and expenses accrued mainly arise from energy optimization services received and intermediation in the import of goods and procurement of goods. The following is the detail of transactions:

	Revenue			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Casino International	1,557	108	754	(531)
Greenyellow Energía de Colombia S.A.S.	1,015	-	843	-
Casino Services	-	5	-	-
International Retail Trade and Services	-	-	-	(223)
Total	**2,572**	**113**	**1,597**	**(754)**

	Costs and expenses			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Casino International	10,970	-	10,970	(2,541)
Greenyellow Energía de Colombia S.A.S.	3,818	-	(782)	-
Distribution Casino France	690	1,866	(1,089)	1,089
Casino Services	292	1,619	213	1,619
International Retail Trade and Services	-	979	-	541
Monoprix Exploitation	-	264	-	264
Total	**15,770**	**4,728**	**9,312**	**972**

Note 35. Impairment of assets

Note 35.1. Financial assets

No material losses from the impairment of financial assets were identified at June 30, 2019 and at December 31, 2018.

Note 35.2. Non-financial assets

At December 31, 2018, the Company completed the annual impairment testing by cash-generating units, which is duly supported in the financial statements at the closing of such year.

No indication of impairment of non-financial assets was identified at June 30, 2019.

Note 36. Fair value measurement

Below is a comparison of book values to fair values of financial assets and liabilities and non-financial assets of the Company at June 30, 2019 and at December 31, 2018 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.

	June 30, 2019		December 31, 2018	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Trade receivables and other accounts receivable at amortized cost	35,016	33,415	36,130	34,064
Investments in private equity funds (Note 11)	1,298	1,298	1,201	1,201
Equity investments (Note 11)	932	932	708	708
Investment in bonds (Note 11)	39,808	39,566	39,821	39,983
Forward contracts measured at fair value through income (Note 11)	8,094	8,094	38,675	38,675
Swap contracts measured at fair value through income (Note 11)	50,166	50,166	74,866	74,866
Swap contracts denominated as hedge instruments (Note 11)	211	211	480	480
Non-financial assets				
Investment property (Note 13)	89,482	155,660	97,680	163,617
Financial liabilities				
Financial liabilities at amortized cost (Note 18)	3,813,318	3,897,232	3,867,878	3,882,015
Finance leases at amortized cost (Note 18)	11,497	11,488	13,336	13,324
Lease liabilities (Note 21)	1,499,241	1,499,241	1,506,796	1,506,796
Forward contracts measured at fair value through income (Note 23)	11,745	11,745	1,698	1,698
Swap contracts measured at fair value through income (Note 23)	452	452	72	72
Swap contracts denominated as hedge instruments (Note 23)	5,541	5,541	6,911	6,911
Non-financial liabilities				
Customer loyalty liability (Note 24)	4,522	4,522	18,539	18,539

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

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
			period, plus the net gain arising from the hypothetical sale of the property at the end of the investment period.	
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 on an ongoing basis 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.
Lease liabilities	Level 2	Discounted cash flows method	Future cash flows of lease contracts are discounted using the market rate for loans in similar conditions on contract start date in accordance with the irrevocable minimum term.	Reference Banking Index (RBI) + basis points in accordance with risk profile.

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

Balance at December 31, 2018	**18,539**
Issue	-
Maturity	(10,045)
Redemption	(3,972)
Balance at June 30, 2019	**4,522**

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 June 30, 2019 and at December 31, 2018.

Note 37.2. Contingent liabilities

The following are the contingent liabilities at June 30, 2019 and December 31, 2018:

a. The following proceedings are underway, seeking that the Company be exempted from paying the amounts claimed by the complainant entity:

   - Administrative discussion with DIAN amounting to $26,118 (December 31, 2018 - $18,483) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the income tax return for 2015.

   - Resolutions by means of which the District Tax Direction of Bogotá issued to the Company an official revision settlement of the industry and trade tax for the bimonthly periods 4, 5 and 6 of 2011 on the grounds of alleged inaccuracy in payments, in amount of $11,830 (December 31, 2018 - $11,830).

   - Resolutions issued by the District Finance Direction of Bogotá by means of which the industry and trade tax return of the Company for the bimonthly periods 2, 3, 4, 5 and 6 of 2012 were amended on the grounds of alleged inaccuracy in payments in amount of $5,000 (December 31, 2018 - $5,000).

   - Claim on the grounds of failure to comply with contract conditions, asking for damages arising from the purchase-sale of a property in amount of $2,600 (December 31, 2018 - $-).

   - Resolution defining the budget and approving the distribution and individual allocation of the reappraisal of the general benefit contribution for the development of a public works program regarding Company property in amount of $1,163 (December 31, 2018 - $1,163).

   - Resolutions by means of which a penalty was imposed on the grounds of inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (December 31, 2018 - $1,088).

   - Resolution and official assessment imposing penalties on the Company on the grounds of errors in the self-assessment of contributions to the Social Security System in amount of $940 (December 31, 2018 - $940).

   - Resolution by means of which the DIAN issued official revision assessment regarding sales tax of the first bimonthly period of taxable 2013, on the grounds of alleged inaccuracy in payments in amount of $544 (December 31, 2018 - $544).

b. Other proceedings:

   - Third party liability lawsuit amounting to $1,800 (December 31, 2018 - $1,531) for alleged injuries to a customer at Éxito Santa Marta store premises.

   - Third party liability lawsuit amounting to $700 (December 31, 2018 - $700) for alleged damages to the plaintiff's property during the demolition of Club Campestre Sincelejo and subsequent construction of Almacén Éxito Sincelejo on the same land.

c. Other contingent liabilities:

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

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

Note 38. Dividends declared and paid

At June 30, 2019

The Company's General Meeting of Shareholders held on March 27, 2019, declared a dividend of $139,706, equivalent to an annual dividend of $312.12 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2019, and January 2020.

Dividends paid during the six-month period ended June 30, 2019 amounted to $62,118.

(*) Expressed in Colombian pesos.

At December 31, 2018

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

Dividends paid during the annual period ended December 31, 2018 amounted to $87,072.

(*) Expressed in Colombian pesos.

Note 39. Seasonality of transactions

Company's operating cycles show certain seasonality in operating and financial results, with a concentration during the last quarter of the year, mainly due to Christmas and "Special Price Days", which is the second most important promotional event of the year.

Note 40. Financial risk management policy

During the six-month period ended June 30, 2019, there have not been significant changes to the Parent's and its subsidiaries' risk management policies as applied at December 31, 2018, nor changes in the analysis of risk factors that might have an effect on them, such as the general risk management framework, financial risk management, credit risk, market risk, interest rate risk, currency risk, stock pricing risk and liquidity risk.

At December 31, 2018, the Company submitted a detailed report on its risk management policies, which is well documented in the financial statements at the closing of such year.

Note 41. Non-current assets held for trading

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

The balance of non-current assets held for trading at June 30, 2019 and at December 31, 2018 as included in the statement of financial position is as follows:

	June 30, 2019	December 31, 2018
Property, plant and equipment (1)	16,489	16,489
Investment property (2)	10,119	10,119
Total	**26,608**	**26,608**

(1) Represents the Lote property and the Hotel Cota project.

(2) Represents the following real estate property:

	June 30, 2019	December 31, 2018
Lote La Secreta (land)	5,960	5,960
Kennedy trade premises (building)	1,640	1,640
Kennedy trade premises (land)	1,229	1,229
Lote Casa Vizcaya (land)	595	595
Pereira Plaza trade premises (building)	556	556
Lote La Secreta (construction in progress)	139	139
Total	**10,119**	**10,119**

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

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

Note 41.1 Facts and circumstances that extend to more than one year the selling period of non-current assets held for trading.

Progress in the selling process

At June 30, 2019, external factors out of the control of management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and of benefit to the Company caused management to reconsider the original selling schedule whose completion had been forecasted for the first half of 2019.

Some of the external factors that influenced the sale transaction schedule at the closing of June 30, 2019 were:

- During the end of 2018, the national politics environment arising from the most polarized nation-wide elections in the recent history of the country, namely the elections to the National Congress on March 11, 2018 and the Presidential Elections on May 27, 2018 (first round) and on June 17, 2018 (second round), resulted in the general uncertainty of investors and the decrease of investors' appetite for real-estate property.

- Economic indicators relevant to construction as prepared by the National Department of Statistics (DANE by its Spanish acronym) evidenced that at the closing of 2018 the sector reached a weak 0.3% YTD growth as compared to 2017, and only grew by 0.9% during the last quarter of 2018.

- The beginning of 2019 was not positive; the real-estate market expected recovery signs and particularly the construction industry; general dynamics contracted and resulted in a decrease in proposals of potential investors willing to acquire assets. During the first quarter of 2019, the industry contracted even more (-5.6%) as compared to the same period of 2018 (-0.9%). According to economic studies by the Cámara Colombiana de la Construcción – CAMACOL, even if the granting of housing and other construction licenses slowly recovered by 1.2% as compared to the first quarter of 2018, a significant decrease (-11.8%) was carried forward.

- Neither the Economic Indicators Around Construction (IEAC) prepared by the National Department of Statistics - DANE were encouraging since they showed that during the first quarter of 2019 (January to March), the GDP at constant prices grew by 2.8% as compared to the same quarter of 2018; however, a 5.6% decrease in the added value of the construction segment was identified when analyzing the result of the added value by large segments of the industry. Such result is mainly explained by the annual negative variation in the subsegments of construction of residential and non-residential buildings (-8.8%) and the added value of specialized activities (-5.9%).

Since June 2018, actions taken by management to accomplish the sale of real-estate assets have been concrete and focused on each property, seeking to guarantee the feasibility of the sale, ensure that property is cured and obtain added-value economic proposals.

In pursuing this effort, the Company retained independent realtors who joined the internal teams of experts in the market potential. Developments are as follows:

(a) Lote La Secreta: in process of consolidating ownership, opening the auction for awarding, cancelling easements before controlling agencies, structuring the project by steps (architectural concept, public utilities feasibility analysis and analysis of proposals submitted by potential buyers).

(b) Kennedy Trade Premises: the independent retailer has been hired and is in the process of offering the property to the present lessor in pursuance of the preferential rights under the lease contract.

(c) Pereira Plaza Trade Premises: in process of analyzing offers submitted by interested parties.

(d) Lote Casa Vizcaya: in process of analyzing offers submitted by interested parties.

The Company continues strongly committed to the selling process of such assets.

Note 42. Relevant facts

At June 30, 2019

General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 23, 2019, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2018 and approval of dividend distribution to shareholders.

At December 31, 2018

Contribution to Patrimonio Autónomo Viva Malls

On December 28, 2018 the Company made an additional contribution of the following assets to Patrimonio Autónomo Viva Malls, as part of the memorandum of understanding executed on December 23, 2016 with Fondo Inmobiliario Colombia:

Fiduciary interests:
- Patrimonio Autónomo Viva Villavicencio,
- Patrimonio Autónomo Centro Comercial,
- Patrimonio Autónomo Viva Sincelejo, and
- Patrimonio Autónomo San Pedro Etapa I.

Real estate property:
- Lote Sincelejo, and
- Fontibón real estate property

With the mentioned contributions, the Company remains the trustor with 51% of interest in Patrimonio Autónomo Viva Malls, but changed its interest in contributed Patrimonios from 51% to 26.01%

<u>General Meeting of Shareholders</u>

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

Note 43. Events after the reporting period

<u>Proposal to acquire the interest of the Parent in subsidiary Companhia Brasileira de Distribuição -CBD by its controlling entity Casino Guichard-Perrachon S.A.</u>

On July 24, 2019, as part of its plan to simplify the investment structure, Casino Guichard-Perrachon S.A. submitted to the Company a proposal to purchase through Segisor S.A. the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD at a price set from BRL 109 per share.

<u>Takeover bid issued by its subsidiary Companhia Brasileira de Distribuição - CBD</u>

On July 24, 2019, subsidiary Companhia Brasileira de Distribuição - CBD issued, through one of its subsidiaries, a takeover bid on 100% of the shares of its Parent Almacenes Éxito S.A., at a price of $18,000 (*) per share.

This takeover bid shall be filed with the Colombian Finance Superintendence once the Company has approved the offer of Casino Guichard-Perrachon S.A. to buy the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD.

(*) Expressed in Colombian pesos.

<u>Start of the process to assess the sale of the shares held in Companhia Brasileira de Distribuição -CBD</u>

The Audit and Risk Committee of the Company met on July 30, 2019 to start the process of assessing the sale of the indirect interest in and control over Companhia Brasileira de Distribuição -CBD, in accordance with the terms of the purchase proposal submitted by Casino Guichard-Perrachon S.A. An independent financial advisor was appointed as part of the process to analyze the purchase proposal and present recommendations to the Board of the Company no later than August 31, 2019.

Note 44. Information regarding the adoption of IFRS 16

The Company started to apply IFRS 16 - Leases as of January 1, 2019. This standard requires recognizing a use right asset and a lease liability.

Use rights assets are assets representing the right of the Company as lessee to use an underlying asset during the term of a lease agreement. The liability represents future payments under the lease agreement.

The Company elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements. For comparison purposes, the Company prepared the financial statements of prior periods including the effects of adopting IFRS 16.

As a result of adoption:
- Use right assets were recognized;

- Lease liabilities were recognized;
- Lease expenses were eliminated (fixed payments under lease agreements);
- Depreciation of use rights was recognized;
- Interest expense was recognized upon measurement of lease liabilities using the effective interest method.
- Fixed payments made and new amendments to the lease agreement were recognized under lease liabilities.
- The effects on deferred tax arising from temporary differences resulting upon recognition of use rights and lease liabilities were recognized.

The effects shown in the statement of financial position at December 31, 2018 are:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16	IFRS 16 adjustment	
Total current assets	**3,914,728**	**3,914,728**	**-**	
Non-current assets				
Trade receivables and other accounts receivable	23,177	23,177		
Prepaid expenses	10,231	10,231		
Accounts receivable from related parties	3,807	3,807		
Other financial assets	66,729	66,729		
Property, plant and equipment, net	2,055,879	2,055,879		
Investment property, net	97,680	97,680		
Use rights, net	1,299,546	-	1,299,546	(1)
Goodwill	1,453,077	1,453,077		
Intangible assets other than goodwill, net	144,245	144,245		
Investments accounted for using the equity method, net	7,755,180	7,851,746	(96,566)	(2)
Deferred tax assets, net	106,936	41,652	65,284	(3)
Other non-financial assets	398	398		
Total non-current assets	**13,016,885**	**11,748,621**	**1,268,264**	
Total assets	**16,913,613**	**15,663,349**	**1,268,264**	
Current liabilities				
Accounts payable to related parties	120,972	120,972		
Financial liabilities	1,042,781	1,042,781		
Employee benefits	3,648	3,648		
Other provisions	12,292	12,292		
Trade payables and other accounts payable	3,567,527	3,567,527		
Lease liabilities	179,392	-	179,392	(4)
Tax liabilities	50,458	50,458		
Other financial liabilities	111,269	111,269		
Other non-financial liabilities	197,708	197,708		
Total current liabilities	**5,286,047**	**5,106,655**	**179,392**	
Non-current liabilities				
Financial liabilities	2,838,433	2,838,433		
Employee benefits	27,560	27,560		
Other provisions	38,788	38,783	5	(4)
Lease liabilities	1,327,404	-	1,327,404	(5)
Other financial liabilities	1,451	1,451		
Other non-financial liabilities	727	727		
Total non-current liabilities	**4,234,363**	**2,906,954**	**1,327,409**	
Total liabilities	**9,520,410**	**8,013,609**	**1,506,801**	
Shareholders' equity	**7,411,203**	**7,649,740**	**(238,537)**	
Total liabilities and shareholders' equity	**16,931,613**	**15,663,349**	**1,268,264**	

(1) The adjustment represents the recognition of use rights.

(2) The adjustment represents the recognition of the effects of application of this standard on the equity of investments accounted for using the equity method.

(3) The adjustment represents the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities.

(4) The adjustment represents the recognition of the effects of applying this standard on the equity of subsidiary Gemex O&W S.A.S., which shows negative equity.

(5) The adjustment represents the recognition of lease liabilities.

The effects shown in the statement of income at June 30, 2018 are:

	June 30, 2018 with IFRS 16	June 30, 2018 without IFRS 16	IFRS 16 adjustment	
Continuing operations				
Revenue from ordinary activities under contracts with customers	5,285,791	5,285,791		
Cost of sales	(4,141,023)	(4,148,985)	7,962	(6)
Gross profit	**1,144,768**	**1,136,806**		
Distribution expenses	(598,476)	(643,512)	45,036	(6)
Administration and sales expenses	(82,309)	(82,373)	64	(6)
Employee benefit expenses	(323,818)	(323,818)		
Other operating revenue	9,949	9,949		
Other operating expenses	(38,117)	(38,117)		
Other (losses), net	(9,096)	(9,273)	177	(7)
Profit (loss) from operating activities	**102,901**	**49,662**		
Financial revenue	84,790	84,790		
Financial expenses	(331,302)	(265,852)	(65,450)	(8)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method.	210,855	207,575	3,280	(9)
(Loss) from continuing operations before income tax	**67,244**	**76,175**		
Tax revenue	56,659	52,813	3,846	(10)
Net period profit (loss) from continuing operations	**123,903**	**128,988**	**(5,085)**	

(6) The adjustment relates to the derecognition of fixed payments under lease agreements and the recognition of the depreciation of use rights.

(7) The adjustment represents the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements.

(8) The adjustment represents the recognition of interest expense upon measurement of lease liabilities using the effective interest method.

(9) The adjustment represents the recognition of the effects of application of this IFRS on the income of subsidiaries that are accounted for using the equity method.

(10) The adjustment represents the recognition of the effects of application of this IFRS on deferred tax revenue.