Almacenes Éxito S.A.

Interim separate financial statements

At September 30, 2017

Almacenes Éxito S.A.
Interim separate financial statements
Notes to the interim separate financial statements
At September 30, 2017, September 30, 2016 and December 31, 2016

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Almacenes Éxito S.A.
Interim separate statements of financial position
At September 30, 2017 and December 31, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	September 30, 2017	December 31, 2016 (1)
Current assets			
Cash and cash equivalents	6	586,761	1,098,825
Trade receivables and other accounts receivable	7	153,903	183,330
Prepaid expenses	8	22,314	16,728
Accounts receivable from related parties	9	107,969	115,190
Inventories	10	1,232,502	1,077,659
Tax assets	20	125,050	191,292
Other financial assets	11	9,907	12,252
Total current assets		**2,238,406**	**2,695,276**
Non-current assets			
Property, plant and equipment, net	12	2,423,585	2,497,016
Investment property, net	13	453,296	312,047
Goodwill	14	1,453,077	1,453,077
Intangible assets other than goodwill, net	14	163,964	174,413
Investments accounted for using the equity method, net	15	8,329,479	8,207,810
Trade receivables and other accounts receivable	7	22,985	21,546
Prepaid expenses	8	5,659	12,638
Accounts receivable from related parties	9	2,015	2,045
Other financial assets	11	71,286	73,842
Other non-financial assets		398	398
Total non-current assets		**12,925,744**	**12,754,832**
Total assets		**15,164,150**	**15,450,108**
Current liabilities			
Financial liabilities	17	1,076,826	469,362
Employee benefit provisions		5,218	3,267
Other provisions	18	23,860	23,801
Trade payables and other accounts payable	19	2,174,522	2,968,282
Accounts payable to related parties	9	77,673	183,309
Tax liabilities	20	29,268	43,920
Other financial liabilities	21	77,399	87,457
Other non-financial liabilities	22	395,417	151,277
Total current liabilities		**3,860,183**	**3,930,675**
Non-current liabilities			
Financial liabilities	17	3,374,060	3,499,454
Employee benefit provisions		26,762	26,762
Other provisions	18	18,699	23,093
Deferred tax liabilities	20	70,241	201,049
Other financial liabilities	21	16,953	-
Other non-financial liabilities	22	45,813	47,388
Total non-current liabilities		**3,552,528**	**3,797,746**
Total liabilities		**7,412,711**	**7,728,421**
Shareholders' equity, see attached statement		**7,751,439**	**7,721,687**
Total liabilities and shareholders' equity		**15,164,150**	**15,450,108**

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

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

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Almacenes Éxito S.A.
Interim separate statements of income
For the nine-month and three-month periods ended September 30, 2017 and September 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to September 30, 2017	January 1 to September 30, 2016 (1)	July 1 to September 30, 2017	July 1 to September 30, 2016 (1)
Continuing operations					
Revenue from ordinary activities	25	7,886,718	8,093,451	2,643,984	2,733,095
Cost of sales	10	(6,035,200)	(6,166,339)	(2,044,801)	(2,084,915)
Gross profit		**1,851,518**	**1,927,112**	**599,183**	**648,180**
Distribution expenses	26	(939,015)	(865,476)	(312,975)	(285,058)
Administration and sales expenses	26	(110,353)	(124,478)	(36,451)	(38,872)
Employee benefit expenses	27	(689,276)	(661,373)	(232,736)	(229,451)
Other operating revenue	28	14,872	18,115	6,183	1,679
Other operating expenses	28	(44,413)	(61,324)	(1,714)	322
Other (losses), net	28	(7,935)	1,040	(513)	(267)
Impairment (loss)		(1,481)	-	-	-
Profit from operating activities		**73,917**	**233,616**	**20,977**	**96,533**
Financial revenue	29	98,551	283,518	9,028	29,886
Financial expenses	29	(410,732)	(621,340)	(105,187)	(156,129)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	30	178,259	27,579	45,039	(6,698)
(Loss) before income tax from continuing operations		**(60,005)**	**(76,627)**	**(30,143)**	**(36,408)**
Tax revenue (expense)	20	90,344	(71,344)	(1,188)	(66,875)
Net period profit (loss) from continuing operations		**30,339**	**(147,971)**	**(31,331)**	**(103,283)**
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share from continuing operations	31	67.78	(330.58)	(69.99)	(230.75)
Earnings per diluted share (*):					
Diluted earnings (loss) per share from continuing operations	31	67.78	(330.58)	(69.99)	(230.75)

(*) Amounts expressed in Colombian pesos.

(1) Some minor reclassifications to distribution expenses, administration and sales expenses, employee benefits, other revenue and revenue from ordinary activities were included in these financial statements for comparison to 2017.

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

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Almacenes Éxito S.A.
Interim separate statements of comprehensive income
For the nine-month and three-month periods ended September 30, 2017 and September 30, 2016
(Amounts expressed in millions of Colombian pesos)

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net earnings (loss) for the period	**30,339**	**(147,971)**	**(31,331)**	**(103,283)**
Other comprehensive income for the period				
Components of other comprehensive income that will not be reclassified to period results, net of taxes				
Gain from new measurement of defined benefit plans	34	-	-	-
Total other comprehensive income that will not be reclassified to period results, net of taxes	**34**	**-**	**-**	**-**
Components of other comprehensive income that will be reclassified to period results, net of taxes				
Exchange translation differences	(89,716)	341,324	(139,978)	(11,662)
Cash flow hedges	(9,632)	(2)	411	(2)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(1,117)	6,057	(94)	(1,251)
Total other comprehensive income that will be reclassified to period results, net of taxes	**(100,465)**	**347,379**	**(139,661)**	**(12,915)**
Total other comprehensive income	**(100,431)**	**347,379**	**(139,661)**	**(12,915)**
Total comprehensive income	**(70,092)**	**199,408**	**(170,992)**	**(116,198)**
Earnings per share (*)				
Earnings per basic share (*):				
(Loss) earnings per basic share from continuing operations	(156.59)	445.50	(382.01)	(259.60)
Earnings per diluted share (*):				
Diluted (loss) earnings per share from continuing operations	(156.59)	445.50	(382.01)	(259.60)

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Interim separate statements of cash flows
For the six-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	September 30, 2017	September 30, 2016
Cash flows provided by operating activities		
Net earnings (loss) for the period	**30,339**	**(147,971)**
Period profit (loss) reconciliation adjustments		
Income tax	(90,344)	71,344
Financial costs	249,970	266,794
Financial revenue	(14,829)	(6,508)
(Increase) decrease in inventories	(154,843)	14,632
(Increase) decrease in trade receivables	(48,153)	15,410
Decrease in other accounts receivable provided by operating activities	67,835	2,905
(Decrease) in trade payables	(408,336)	(671,683)
(Increase) in prepaid expenses	(5,443)	(4,958)
(Decrease) increase in other accounts payable provided by operating activities	(262,830)	103,535
Depreciation and amortization of fixed assets and intangible assets	172,965	175,414
Provisions	124,672	97,979
(Gain) from net unrealized exchange difference	(11,258)	(18,181)
Loss from reappraisal at fair value	6,982	-
Undistributed (gains) from the application of the equity method	(178,259)	(27,579)
Other adjustment from items other than cash	(3,767)	(780)
Loss (gain) from the disposal of non-current assets	5,236	(22,997)
Total adjustments to reconcile period (loss) profits	**(550,402)**	**(4,673)**
Net cash flows (used in) operating activities	**(520,063)**	**(152,644)**
Income tax paid	(97,105)	(149,815)
Other cash inflows	126,741	-
Net cash flows (used in) operating activities	**(490,427)**	**(302,459)**
Cash flows provided by investment activities		
Cash flows used to gain control of subsidiaries or other businesses	(3,848)	(4,303)
Proceeds from the sale of other long-term assets	1,096	-
Revenue from the reimbursement of contributions in investments with equity method	-	145,000
Proceeds from the sale of property, plant and equipment	-	38,730
Acquisition of property, plant and equipment	(256,496)	(348,002)
Acquisition of intangible assets	(57,061)	(41,582)
Acquisition of other long-term assets	-	(4,500)
Dividends received	106,286	174,507
Interest received	12,601	5,728
Net cash flows (used in) investment activities	**(197,422)**	**(34,422)**
Cash flows provided by financing activities		
Borrowings	957,754	554,936
Loan repayments	(444,990)	(97,495)
Settlement of finance lease liabilities	(2,339)	(3,084)
Resources from changes in the ownership of interest in subsidiaries	2,266	-
Other cash inflows	2,605	-
Dividends paid	(86,280)	(216,109)
Interest paid	(252,913)	(258,518)
Net cash flows provided by (used in) financing activities	**176,103**	**(20,270)**
Net decrease in cash and cash equivalents, before the effects of changes in exchange rates	**(511,746)**	**(357,151)**
Effects of the variation in the exchange rates on cash and cash equivalents	(318)	420
Net decrease in cash and cash equivalents	**(512,064)**	**(356,731)**
Cash and cash equivalents at the beginning of period	**1,098,825**	**810,647**
Cash and cash equivalents at the end of period	**586,761**	**453,916**

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Almacenes Éxito S.A.
Interim separate statements of changes in shareholders' equity
For the nine-month periods ended September 30, 2017 and September 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Donations reserve	Other Reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total shareholders' equity**
	(Note 23)	(Note 23)	(Note 23)	(Note 24)	(Note 24)	(Note 24)	(Note 24)	(Note 24)	(Note 24)	(Note 24)	(Note 24)			
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	-	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**
Cash dividend declared (Note 36)	-	-	-	-	-	-	(15,709)	-	-	(15,709)	-	(286,748)	-	(302,457)
Net period (loss)	-	-	-	-	-	-	-	-	-	-	-	(147,971)	-	(147,971)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	347,379	-	-	347,379
Appropriation for reserves	-	-	-	-	279,937	-	-	6,810	-	286,747	-	(286,747)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	-	-	-	-	3,980	3,980	-	(15,612)	(8,089)	(19,721)
Balance at September 30, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	3,980	**1,694,434**	**(37,924)**	**953,093**	**(49,105)**	**7,405,712**
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**
Cash dividend declared (Note 36)	-	-	-	-	-	-	-	-	-	-	-	(21,771)	-	(21,771)
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	30,339	-	30,339
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(100,431)	-	-	(100,431)
Appropriation for reserves	-	-	-	-	21,757	-	-	-	-	21,757	-	(21,757)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	5,375	-	-	(6,810)	2,229	794	-	77,453	43,368	121,615
Balance at September 30, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	-	7,901	**1,718,677**	**37,872**	**1,209,000**	**(59,324)**	**7,751,439**

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

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Note 1. General information

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

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

The Company's main corporate purpose is:

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

The Company's ultimate controlling entity is Casino Guichard Perrachon S.A.(France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At September 30, 2017, the controlling entity had a 55.30% interest (December 31, 2016 - 55.30%) in the share capital of the Company.

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

Note 2. Basis for preparation

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

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

Financial statements herein presented

These interim consolidated financial statements of the Company are made of the statements of financial position at September 30, 2017 and December 31, 2016, the statements of income and of comprehensive income for the nine-month and three-month periods ended September 30, 2017 and September 30, 2016, and the statements of changes in shareholders' equity and the statements of cash flows for the nine-month periods ended September 30, 2017 and September 30, 2016.

These financial statements are presented based on interim financial reporting requirements under IAS 34, and do not include all reporting disclosures required for annual financial statements under IAS 1.

Statement of accountability

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

Estimates and accounting judgment

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

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

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

Distinction between current and non-current items

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

Functional currency

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

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

Foreign currency transactions

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

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

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

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

Accounting accrual basis

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

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

Fair value measurement

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

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

Note 3. Significant accounting policies

The attached interim separate financial statements at September 30, 2017 have been prepared using the same accounting policies, measurements and basis used to present the separate financial statements for the annual period ended December 31, 2016, pursuant to accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496 and on December 22, 2016 by Regulatory Decree 2131 and without applying any of the exceptions to the IFRS therein contained.

The following accounting policies have been applied in preparing the attached financial statements, a summary of which was included with the financial statements for the period ended December 31, 2016:
- Investments in subsidiaries, associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Put options granted to the holders of non-controlling ownership interests
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading and discontinued operations
- Leases
    * Finance leases
    * Operating leases
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
    * Financial assets measured at fair value through income
    * Financial assets measured at amortized cost
    * Financial assets at fair value through other comprehensive income
    * Derecognition
    * Effective interest method
    * Impairment of financial assets
    * Loans and accounts receivable
    * Cash and cash equivalents

- Financial liabilities
    * Financial liabilities measured at fair value through income
    * Financial liabilities measured at amortized cost
    * Derecognition
    * Effective interest method
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
    * Cash flow hedges
    * Fair value hedges
    * Foreign net investment hedges
- Employee benefits
    * Defined contribution plans
    * Defined post-employment benefit plans
    * Long-term employee benefits
    * Short-term employee benefits
    * Employee termination benefits
- Provisions, contingent assets and liabilities
- Taxes
    * Current income tax
    * Deferred income tax
- Share capital
- Ordinary revenue
- Loyalty programs
- Costs and expenses
- Earnings per share

Note 4. New and modified standards and interpretations

Note 4.1. Standards not yet in force, issued during the nine-month period ended September 30, 2017

No Regulatory Decrees enabling the application of the new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the nine-month period ended September 30, 2017.

No new standards or amendments to already published standards were issued by the IASB during the nine-month period ended September 30, 2017.

Note 4.2. Standards applied earlier during the nine-month period ended September 30, 2017

During the nine-month period ended September 30, 2017, and based on section 4.1, no Standards have been adopted earlier by the Company.

Note 4.3. Standards effective as of January 1, 2017

During the year ended December 31, 2016, the IASB issued several standards, as detailed in section 4.4. Out of such standards issued, the following started to be applied as of January 1, 2017 according to the adoption date by the IASB:
- Amendment to IAS 12, in force as of January 2017.
- Amendment to IAS 7, in force as of January 2017.

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

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

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

The amendments are effective for periods commencing on or after January 1, 2017. Earlier application was permitted. The Company did not consider early application thereof.

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

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

The amendments are effective for periods commencing on or after January 1, 2017. Earlier application is permitted. The Company did not consider early application thereof.

Note 4.4. Standards not yet effective at September 30, 2017

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 nine-month period ended September 30, 2017.

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following new standards and amendments, which are not in force at September 30, 2017:

- IFRIC 22 - Foreign currency transactions and advance consideration, in force as of January 2018.
- Amendment to IAS 40, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.
- Amendment to IFRS 2, in force as of January 2018.
- IFRS 16 - Leases, in force as of January 2019.
- IFRS 15 - Revenue from ordinary activities under contracts with customers, in force as of January 2018.

<u>IFRIC 22 - Foreign currency transactions and advance consideration (December 2016).</u>

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

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

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

<u>Amendment to IAS 40 "Investment property" (December 2016).</u>

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

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

<u>Amendment to IFRS 4 "Insurance contracts" (September 2016).</u>

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

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

<u>Amendment to IFRS 2 "Share-based payments" (June 2016)</u>

The amendment relates to the following aspects:

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

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

<u>IFRS 16 - Leases (January 2016)</u>

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.

IFRS 15 - Revenue from ordinary activities under contracts with customers (May 2014).

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

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

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

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

The standard is effective for periods commencing on or after January 1, 2018. Company management are assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set out by the standard. The Company does not consider early application thereof.

Note 4.5. Standards applied earlier at December 31, 2016

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

Note 5. Business combinations

Note 5.1. Business combinations achieved during the nine-month period ended September 30, 2017

No business combinations were achieved during the nine-month period ended September 30, 2017.

Note 5.2. Business combinations achieved during the year ended December 31, 2016

No business combinations were achieved during the year ended December 31, 2016.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	September 30, 2017	December 31, 2016
Cash at hand and in banks	572,063	1,066,830
Fiduciary rights	14,698	31,995
Total cash and cash equivalents	**586,761**	**1,098,825**

At September 30, 2017 and December 31, 2016, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 7. Trade receivables and other accounts receivable

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

	September 30, 2017	December 31, 2016
Trade accounts receivable (7.1)	67,401	84,962
Other accounts receivable (7.2)	109,487	119,914
Total trade receivables and other receivables	**176,888**	**204,876**
Current (7.3)	**153,903**	**183,330**
Non-current (7.3)	**22,985**	**21,546**

Note 7.1. Trade accounts receivable

The balance of trade receivables is as follows:

	September 30, 2017	December 31, 2016
Trade accounts	66,809	79,862
Rental instalments and concessions receivable	7,143	9,482
Employee funds and lending	2,229	3,903
Impairment loss (1)	(8,780)	(8,285)
Total trade receivables	**67,401**	**84,962**

(1) The impairment of receivables is calculated on an individual basis based on receivables with due dates beyond the behavior of historic payments. Impairment is recognized as expense in period results. However, even if impaired, the Company believes these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings when they are available in credit databases recognized in the market. The net effect of the impairment of receivables on the statement of income at September 30, 2017 relates to an expense in amount of $495 (at December 31, 2016 it represented revenue from recovery in amount of $3,106).

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

At December 31, 2016	**8,285**
Impairment loss recognized during the period	6,417
Reversal of impairment losses	(3,753)
Receivables written-off	(2,169)
At September 30, 2017	**8,780**

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	September 30, 2017	December 31, 2016
Employee funds and lending	59,823	58,787
Business agreements	13,707	39,386
Sale of property, plant and equipment, intangible assets and other assets	13,702	13,357
Money transfer services	4,400	1,227
Tax claims	1,360	1,405
Money remittances	3,613	3,026
Taxes receivable	8,402	165
Other accounts receivable	4,480	2,561
Total trade receivables	**109,487**	**119,914**

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

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

	September 30, 2017	December 31, 2016
Trade receivables - current portion	66,809	79,862
Other funds and employee loans	37,790	38,504
Business agreements	13,707	39,386
Sale of property, plant and equipment	13,702	13,357
Rental instalments and concessions receivable	7,143	9,482
Employee funds and lending	2,229	3,903
Other	3,528	1,298
Money transfer services	4,400	1,227
Money remittances	3,613	3,026
Taxes receivable	8,402	165
Tax claims	1,360	1,405
Impairment loss	(8,780)	(8,285)
Total current	**153,903**	**183,330**
Other funds and employee loans	22,032	20,283
Other	953	1,263
Total non-current	**22,985**	**21,546**

Note 7.4. Trade receivables and other accounts receivable by age

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

			Overdue			
Period	Total	Not due	< 30 days	31 - 60 days	61 - 90 days	> 90 days
September 30, 2017	185,668	63,672	85,609	6,421	-	29,966
December 31, 2016	213,161	12,094	143,545	36,726	927	19,869

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	September 30, 2017	December 31, 2016
Leases (1)	7,013	13,232
Maintenance (2)	8,685	4,877
Other advance payments	139	948
Insurance	11,955	10,309
Advertising	181	-
Total prepaid expenses	**27,973**	**29,366**
Current	**22,314**	**16,728**
Non-current	**5,659**	**12,638**

(1) Includes the lease instalments of the Éxito San Martin store paid in advance, covering contract term to 2034.

(2) For 2017, includes advance payments in amount of $2,058 for software maintenance and support, and $1,250 for software licensing.

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

Transactions with related parties represent sales of goods, loans, purchase of goods for trading, provision of services and advance payments received. The balance of accounts receivable from and payable to related parties, as well as collections and advance payments received from related parties is made as follows:

	Accounts receivable		Accounts payable		Other non-financial liabilities		Other financial liabilities	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Joint ventures (1)	59,751	56,574	-	558	-	-	28,914	27,812
Subsidiaries (2)	45,322	53,770	59,759	124,789	316,664	53,746	-	-
Controlling entity (3)	1,532	3,606	13,181	52,988	-	-	-	-
Grupo Casino companies (4)	3,356	3,256	4,567	4,881	-	-	-	-
Key management personnel (5)	23	29	-	-	-	-	-	-
Members of the Board	-	-	166	93	-	-	-	-
Total	**109,984**	**117,235**	**77,673**	**183,309**	**316,664**	**53,746**	**28,914**	**27,812**
Current	**107,969**	**115,190**	**77,673**	**183,309**	**316,664**	**53,746**	**28,914**	**27,812**
Non-current	**2,015**	**2,045**	**-**	**-**	**-**	**-**	**-**	**-**

(1) The balance of accounts receivable refers to royalties, reimbursement of shared expenses and coupon-related charges, that will be paid in the short term. 2016 includes a balance receivable from the subscription of shares in Compañía de Financiamiento Tuya S.A. on December 27, 2016 in amount of $15,973. Given that at December 31, 2016 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, the amount disbursed by the Company was recorded as an account receivable. This balance was capitalized during the first quarter of 2017.

The balance of other financial liabilities includes collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 21).

(2) The balance of accounts receivable relates to: direct operations of Almacenes Éxito Inversiones S.A.S where Almacenes Éxito S.A acts as payer to third parties under a mandate agreement in amount of $1,847 (2016 - $9,941); collection of dividends declared, administration services and reimbursement of expenses from Stand-Alone Trust Funds, $18,094 (2016 - $22,926); sale of goods, administration services, reimbursement of expenses and loans to Gemex O&W S.A.S., $17,772 (2016 - $12,096); transfer of the put option contract to Spice Investments Mercosur S.A., $3,460 (2016 - $3,460); strategic direction services to Libertad S.A., $662 (2016 - $2,726); sale of goods, administration services, reimbursement of expenses and loans to Logística, Transporte y Servicios Asociados S.A.S., $2,276 (2016 - $0) and other collections from all other subsidiaries in amount of $1,211 (2016 - $2,621).

Accounts payable to subsidiaries include the following items: purchase of goods and rental of premises to Distribuidora de Textiles y Confecciones S.A., $24,893 (2016 - $96,907); reimbursement of expenses to Gemex O&W S.A.S., $296 (2016 - $7); dividends received in advance from Carulla Vivero Holding Inc., $4,455 (2016 - $4,575); transportation services received from Logística, Transporte y Servicios Asociados S.A.S, $5,028 (2016 - $4,511); rentals, purchase of goods and tax withholdings on earnings declared by Patrimonios Autónomos, $1,065 (2016 - $7,898); collections, purchase of tourism packages and redemption of points with Éxito Viajes y Turismo S.A.S.,$1,919 (2016 - $1,981); purchase of inventories, assets and balance pending capitalization payable to Cdiscount Colombia S.A.S., $7,146 (2016 - $8,714) and loans from Libertad S.A., $14,957 (2016 - $0).

The balance of other non-financial liabilities relates to revenue received in advance from Patrimonio Autónomo Viva Malls for real estate project development services (Nota 22).

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

Accounts payable arise from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. They also include dividends payable in amount of $6,020 (2016 - $41,818).

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

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

Note 10. Inventories and cost of sales

Note 10.1. Inventories

The balance of inventories is as follows:

	September 30, 2017	December 31, 2016
Inventories available for trading	1,194,629	1,058,160
Inventories in transit	38,830	31,004
Materials, small spares, accessories and packaging material	4,149	12,596
Product in process	2,849	2,604
Raw materials	2,011	2,313
Inventories of property under construction (1)	834	1,897
Inventory impairment (2)	(10,800)	(30,915)
Total inventories	**1,232,502**	**1,077,659**

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

For 2016, related to Cota Hotel and Univalledupar real estate projects, under construction for trading purposes. However, since 2015 these projects are in a construction reorganization stage.

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

Balance at December 31, 2016	**30,915**
Reversal of impairment provisions (10.2)	(20,115)
Balance at September 30, 2017	**10,800**

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

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

Note 10.2. Cost of sales

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Cost of goods sold (1)	6,667,706	6,703,592	2,245,996	2,308,435
Trade discounts and rebates on purchases	(914,444)	(838,898)	(301,735)	(316,716)
Logistics costs (2)	184,367	187,862	62,990	63,086
Damage and unknown reduction	117,686	104,173	43,261	26,329
(Reversal) of impairment loss recognized during the period (3)	(20,115)	9,610	(5,711)	3,781
Total cost of goods sold	**6,035,200**	**6,166,339**	**2,044,801**	**2,084,915**

(1) Includes $12,944 of depreciation and amortization cost (2016 - $11,308).
Includes $15 allowance for trade receivables (2016 - $194).

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Services	89,324	98,066	30,591	29,858
Employee benefits	43,990	41,172	15,526	16,576
Leases	40,151	39,290	13,361	13,402
Depreciation and amortization	10,902	9,334	3,512	3,250
Total	**184,367**	**187,862**	**62,990**	**63,086**

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

Note 11. Other financial assets

The balance of other financial assets is as follows:

	September 30, 2017	December 31, 2016
Financial assets measured at amortized cost (1)	77,341	75,157
Derivative financial instruments (2)	2,304	9,547
Financial assets measured at fair value through income (3)	1,300	1,142
Financial assets measured at fair value through other comprehensive income	248	248
Total other financial assets	**81,193**	**86,094**
Current	**9,907**	**12,252**
Non-current	**71,286**	**73,842**

(1) Financial assets measured at amortized cost are investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Company has the intention and capability of holding until maturity. These investments are part of Tarjeta Éxito corporate collaboration agreement, with nominal value of $74,500, a term of between 1 and 10 years and a yield of CPI + 6%.

(2) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position, the Company measures derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2016 and September 30, 2017 relates to the decrease in the valuation of closing rates for forwards and swaps, below the average of the rates agreed upon with various financial players, giving rise to an obligation (liability) but not to a right (asset).

The detail of maturities of these instruments at September 30, 2017 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	100	678	67	1,459	-	**2,304**

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

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	41	1,219	309	-	-	1,569
Swap	-	2,279	952	-	4,747	7,978
	41	**3,498**	**1,261**	-	**4,747**	**9,547**

(3) Financial assets measured at fair value through income include investments in equity securities of Fondo Valorar Futuro to manage liquidity, which are measured at fair value based on the Fondo's unit value. Changes in fair value are recognized as revenue or expense in the statement of income.

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

	September 30, 2017	December 31, 2016
Current		
Financial assets measured at amortized cost	7,603	7,452
Derivative financial instruments	2,304	4,800
Total current	**9,907**	**12,252**
Non-current		
Financial assets measured at amortized cost	69,738	67,705
Financial assets measured at fair value through income	1,300	1,142
Financial assets measured at fair value through other comprehensive income	248	248
Derivative financial instruments	-	4,747
Total non-current	**71,286**	**73,842**

There are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of the Company's investment in Tuya S.A.'s bonds, which were issued as part of Tarjeta Éxito's business collaboration agreement. Additionally, during the reporting periods none of assets was impaired.

Note 12. Property, plant and equipment, net

	September 30, 2017	December 31, 2016
Land	651,062	643,398
Buildings	990,339	991,929
Machinery and equipment	635,462	603,994
Furniture and fixtures	369,039	352,391
Assets under construction	29,259	26,222
Improvements to third party properties	264,692	253,951
Vehicles and transportation equipment	5,052	5,280
Computers	131,212	127,182
Other	16,050	16,050
Total cost of property, plant and equipment	**3,092,167**	**3,020,397**
Accumulated depreciation	(668,582)	(523,381)
Total net property, plant and equipment	**2,423,585**	**2,497,016**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Transportation equipment	Computers	Other	Total
Balance at December 31, 2016	**643,398**	**991,929**	**603,994**	**352,391**	**26,222**	**253,951**	**5,280**	**127,182**	**16,050**	**3,020,397**
Additions	-	2,422	12,450	3,250	61,025	5,080	15	834	-	85,076
Increase (decrease) from movements between property, plant and equipment accounts	7,664	3,370	20,031	14,066	(57,988)	10,095	(242)	3,004	-	-
Derecognition of property, plant and equipment (1)	-	(7,382)	(1,014)	(668)	-	(5,092)	(1)	(123)	-	(14,280)
Other changes	-	-	1	-	-	658	-	315	-	974
Balance at September 30, 2017	**651,062**	**990,339**	**635,462**	**369,039**	**29,259**	**264,692**	**5,052**	**131,212**	**16,050**	**3,092,167**
Accumulated depreciation										
Balance at December 31, 2016	**-**	**85,711**	**176,825**	**108,612**	**-**	**88,508**	**2,512**	**59,568**	**1,645**	**523,381**
Depreciation expense/cost	-	21,830	51,709	32,177	-	26,243	537	17,672	591	150,759
Depreciation reversals (1)	-	(751)	(758)	(595)	-	(3,899)	(1)	(117)	-	(6,121)
Other changes	-	(138)	163	(140)	-	677	(33)	35	(1)	563
Balance at September 30, 2017	**-**	**106,652**	**227,939**	**140,054**	**-**	**111,529**	**3,015**	**77,158**	**2,235**	**668,582**

(1) Includes the closing of Carulla San Jerónimo store at a net value of $1,152; derecognition of the CEDI Envigado distribution center at a net value of $4,610, and derecognition of the Torre Sur Building at a net value of $539.

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

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

	September 30, 2017	December 31, 2016
Machinery and equipment	769	769
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**16,530**	**16,530**
Accumulated depreciation	(2,437)	(2,006)
Total net property, plant and equipment	**14,093**	**14,524**

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

There are no limitations or liens imposed on property, plant and equipment that restrict realization or tradability thereof. For the periods reported in these financial statements, the Company has no commitments to acquire, construct or develop property, plant and equipment.

During the nine-month period ended September 30, 2017, $277 (2016 - $6,588) were received from third parties as compensations related with assets damaged in accidents.

During the nine-month period ended September 30, 2017 an impairment loss was recognized on Torre Sur Building in amount of $1,481, resulting from demolition thereof. Information about the methodology applied to test for impairment is disclosed in Note 33.

Note 13. Investment property, net

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

	September 30, 2017	December 31, 2016
Land	65,370	65,370
Buildings	215,381	123,577
Construction in progress	178,489	126,073
Total cost of investment property	**459,240**	**315,020**
Accumulated depreciation	(5,944)	(2,973)
Total investment property, net	**453,296**	**312,047**

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

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2016	**65,370**	**123,577**	**126,073**	**315,020**
Additions	-	22,932	118,482	141,414
Capitalization of loan-related costs (1)	-	-	3,447	3,447
Increase (decrease) from movements between investment property accounts.	-	69,513	(69,513)	-
Other changes	-	(641)	-	(641)
Balance at September 30, 2017	**65,370**	**215,381**	**178,489**	**459,240**

Accumulated depreciation	Buildings
Balance at December 31, 2016	**2,973**
Depreciation expense	2,826
Other changes	145
Balance at September 30, 2017	**5,944**

(1) Capitalization rate used to determine the value of capitalized loan-related costs was 6.593%

Except for the Envigado property, which is in the construction stage and will be contributed to Patrimonio Autónomo Viva Malls in 2018, no restrictions or liens are levied on property, plant and equipment that limit realization or tradability thereof. For the reporting periods the Company has no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties, other than constructions in progress. The Company has not received compensations from third parties arising from the damage or loss of investment properties. No impairment losses have been recognized. Information about the methodology applied to test for impairment is disclosed in Note 33.

Note 14. Goodwill and intangible assets other than goodwill

The balance of goodwill at September 30, 2017 and December 31, 2016, relates to goodwill resulting from the following business combinations:

	September 30, 2017	December 31, 2016
Carulla Vivero S.A.	827,420	827,420
Super Inter	453,649	453,649
Cafam	122,219	122,219
Other	49,789	49,789
Total	**1,453,077**	**1,453,077**

The balance of intangible assets other than goodwill at September 30, 2017 and at December 31, 2016 is as follows:

	September 30, 2017	December 31, 2016
Computer software	141,590	133,953
Trademarks	81,131	81,131
Rights	24,760	24,760
Other	1,522	1,522
Total intangible assets other than goodwill	**249,003**	**241,366**
Accumulated amortization	(85,039)	(66,953)
Total intangible assets other than goodwill, net	**163,964**	**174,413**

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

Cost	Trademarks (1)	Computer software (2)	Rights (3)	Other	Total
Balance at December 31, 2016	**81,131**	**133,953**	**24,760**	**1,522**	**241,366**
Additions	-	8,555	-	-	8,555
Transfers	-	348	-	-	348
Disposals and derecognition	-	(1,266)	-	-	(1,266)
Balance at September 30, 2017	**81,131**	**141,590**	**24,760**	**1,522**	**249,003**
Accumulated amortization					
Balance at December 31, 2016	**-**	**65,462**	**-**	**1,491**	**66,953**
Amortization expense/cost	-	19,341	-	-	19,341
Transfers	-	11	-	-	11
Disposals and derecognition	-	(1,266)	-	-	(1,266)
Balance at September 30, 2017	**-**	**83,548**	**-**	**1,491**	**85,039**

(1) Relate to Surtimax trademark in amount of $17,427 acquired in the merger with Carulla Vivero S.A., and Super Inter trademark acquired in the business combination with Comercializadora Giraldo Gómez y Cía. S.A. in amount of $63,704. Such trademarks have indefinite useful life on the grounds of the Company's considerations thereon, and consequently they are not amortized.

(2) Includes the net value of, among other, the following software: system application and products (SAP), $13,956 (2016 - $17,801); trade information system (Sinco), $12,501 (2016 - $16,843); single customer, $3,390 (2016 - $4,244); pricing, $2,130 (2016 - $2,951); demand forecast, $3,631 (2016 - $2,737); databases, $2,674 (2016 - $2,648); printing, $2,892 (2016 - $2,281), display and space, $983 (2016 - $1,949); pos and pin pads, $1,108 (2016 - $1,890); exchange license, $772 (2016 - $1,862); sinemax, $1,110 (2016 - $1,516); IT security, $1,201 (2016 - $1,439); pc stations, $950 (2016 - $1,334), C&C licenses, $870 (2016 - $1,094); monitoring, $454 (2016 - $1,130); slotting, $845 (2016 - $1,088); WMS, $2,142 (2016 - $0) and central equipment viewer, $1,464 (2016 - $0).

(3) $13,238 and $11,522 from the recognition of a contract executed to acquire the rights to exploit trade premises during September and December 2016, respectively. Given the relevant usage considerations that the Company has thereon, such rights have indefinite useful life, and consequently they are not amortized.

Intangible assets other than goodwill are not restricted or subject to lien that would restrict realization or tradability thereof. For the periods reported in these financial statements, the Company has neither commitments to acquire or develop intangible assets, nor has it recognized any impairment losses. Information about the methodology applied to test for impairment is disclosed in Note 33.

Note 15. Investments accounted for using the equity method

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

Company	Classification	September 30, 2017	December 31, 2016
Onper Investment 2015 S.L.	Subsidiary	5,469,650	5,477,557
Spice Investment Mercosur S.A.	Subsidiary	1,807,753	1,789,663
Patrimonio Autónomo Viva Malls	Subsidiary	549,489	398,227
Patrimonio Autónomo Viva Villavicencio	Subsidiary	109,148	109,148
Distribuidora de Textiles y Confecciones S.A.	Subsidiary	102,729	159,415
Compañía de Financiamiento Tuya S.A.	Joint venture	97,158	90,171
Patrimonio Autónomo Centro Comercial	Subsidiary	57,294	57,294
Patrimonio Autónomo Viva Sincelejo	Subsidiary	42,057	42,531
Cdiscount Colombia S.A.S.	Subsidiary	29,681	22,838
Patrimonio Autónomo San Pedro Etapa I	Subsidiary	17,647	17,960
Patrimonio Autónomo Centro Comercial Viva Barranquilla	Subsidiary	11,984	11,086
Cnova N.V.	Associate	9,222	9,222
Éxito Viajes y Turismo S.A.S.	Subsidiary	4,879	4,221
Almacenes Éxito Inversiones S.A.S.	Subsidiary	4,593	-
Carulla Vivero Holding Inc.	Subsidiary	4,368	4,464
Fideicomiso Girardot Plot of Land	Subsidiary	3,850	3,850
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	3,597	606
Patrimonio Autónomo Iwana	Subsidiary	3,209	3,280
Puntos Colombia S.A.	Joint venture	1,171	-
Patrimonio Autónomo Centro Comercial Viva Riohacha (1)	Subsidiary	-	6,277
Total		**8,329,479**	**8,207,810**

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

Note 16. Changes in the classification of financial assets

During the nine-month period ended September 30, 2017, there were no material changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 17. Financial liabilities

The balance of financial liabilities is as follows:

	September 30, 2017	December 31, 2016
Current		
Bank loans (1)	1,073,291	465,700
Finance leases	3,535	3,662
Total current financial liabilities	**1,076,826**	**469,362**
Non-current		
Bank loans (1)	3,361,707	3,484,498
Finance leases	12,353	14,956
Total non-current financial liabilities	**3,374,060**	**3,499,454**

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

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

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

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

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

In February 2017 and in August 2017, the Company repaid $194,990 ($97,495 each month) of the outstanding balance of non-current bank loans; in June 2017 and in August 2017, it repaid $200,000 and $50,000, respectively, of current bank loans (syndicated revolving credit).

Below is a detail of annual maturities of non-current bank loans and finance leases for the period ended September 30, 2017, discounted at present value:

Year	**Total**
2018	1,977,983
2019	512,715
2020	326,806
>2021	556,556
	3,374,060

Note 17.1. Commitments undertaken under credit contracts (financial liabilities)

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

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

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

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

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

Note 17.2. Obligations undertaken under credit contracts (financial liabilities)

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

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

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

Note 18. Other provisions

The balance of other provisions is made as follows:

	September 30, 2017	December 31, 2016
Legal proceedings (1)	13,882	15,570
Taxes other than income tax (2)	9,111	11,091
Restructuring (3)	3,423	3,141
Other (4)	16,143	17,092
Total other provisions	**42,559**	**46,894**
Current Note 18.1	**23,860**	**23,801**
Non-current Note 18.1	**18,699**	**23,093**

The Company has not recognized provisions for the protection of contracts for consideration during the reporting periods.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from labor and civil lawsuits brought against the Company, assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of $9,336 (2016 -$10,155) for labor lawsuits and $4,546 (2016 - $5,415) for civil lawsuits.

(2) Provisions for taxes other than income tax relate to the Industry and Trade tax in amount of $3,006 (2016 - $4,986), real estate tax in amount of $5,571 (2016 - $5,571) and value added tax in amount of $534 (2016 - $534).

The decrease as compared to 2016 is because in July 2017, the Council of State issued an appeal judgement for the Company in proceedings related with the 2005 industry and trade tax of the Neiva municipality in amount of $1,980.

(3) The restructuring provision relates to reorganization processes announced to the employees of stores and distribution centers that will affect Company activities. The provision is estimated based on the cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation are expected to be completed during 2017. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provision relates to:

	September 30, 2017	December 31, 2016
Gemex O & W S.A.S. (a)	12,227	7,278
Provision to protect against the loss of merchandise "*VMI*"	3,916	5,599
Almacenes Éxito Inversiones S.A.S. (a)	-	4,215
Total	**16,143**	**17,092**

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

The development of provisions during the period is as follows:

	Proceedings Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2016	**15,570**	**11,091**	**3,141**	**17,092**	**46,894**
Increase	2,890	-	22,174	8,655	33,719
Uses	(112)	-	-	(900)	(1,012)
Payments	(1,498)	-	(20,988)	(1,909)	(24,395)
Derecognition of unused amounts	(2,968)	(1,980)	(904)	(6,795)	(12,647)
Balance at September 30, 2017	**13,882**	**9,111**	**3,423**	**16,143**	**42,559**

Note 18.1. Other provisions classified as current and non-current

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

	September 30, 2017	December 31, 2016
Current		
Legal proceedings	4,294	3,568
Restructuring	3,423	3,141
Other	16,143	17,092
Total other current provisions	**23,860**	**23,801**
Non-current		
Legal proceedings	9,588	12,002
Taxes other than income tax	9,111	11,091
Total other non-current provisions	**18,699**	**23,093**

Note 18.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at September 30, 2017 will be:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	4,294	-	3,423	16,143	23,860
More than one year	9,588	9,111	-	-	18,699
Total estimated payments	**13,882**	**9,111**	**3,423**	**16,143**	**42,559**

Note 19. Trade payables and other accounts payable

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

	September 30, 2017	December 31, 2016
Suppliers	1,703,825	2,304,514
Costs and expenses payable	224,912	279,075
Employee benefits	141,507	113,386
Funding for the acquisition of assets	58,044	137,365
Tax withholdings payable	24,748	48,613
Taxes collected payable	2,024	31,305
Dividends payable	6,424	35,134
Other	13,038	18,890
Total	**2,174,522**	**2,968,282**

Note 20. Income tax

During the nine-month period ended September 30, 2017, no changes have been implemented regarding tax rules applied at the closing of the year ended December 31, 2016, exception made of the following, which were enacted with the tax reform pursuant to Law 1819 of December 29, 2016:

a. Income tax

Introduces an increase in the general income tax rate for domestic companies. The current rate of 25% is increased to 34% for 2017, and to 33% for 2018 onwards.

Introduces an income tax surcharge of 6% for 2017 and 4% for 2018, to be levied on domestic companies, applicable to tax profits higher than $800.

Eliminates the income tax rate for equality CREE and the surcharge thereon as of 2017.

b. Tax on dividends

Introduces a tax on dividends paid to individuals resident in Colombia at a rate of 5% if the amount distributed is between 600 UVT ($19 for 2017) and 1000 UVT ($31 for 2017) and 10% on higher amounts when such dividends have been taxed upon the distributing companies.

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

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

The above will apply to earnings obtained as of 2017.

c. IFRS base for tax purposes

Accounting under International Financial Reporting Standards accepted in Colombia is adopted as the base for tax purposes, with certain exceptions related with the realization of revenue, recognition of costs and expenses and the merely accounting effects of the opening balance sheet upon adoption of these standards.

d. Presumptive income

Presumptive income is increased from 3% to 3.5% of tax equity as of 2017.

e. Foreign controlled entities

Under the special regime applicable to foreign subsidiaries that are investment vehicles, the standard sets out that passive revenue obtained by such vehicles must be included in the year of accrual and not in the year of effective distribution of profits as authorized until 2016.

f. Tax losses and closing of tax returns

A term of 12 periods after a loss is defined as the maximum term to offset such tax loss. Until 2016 there was no time limit. Also, the general term to close tax returns is increased from 2 to 3 years, and from 2 to 6 years for taxpayers required to report transfer pricing information. Tax returns including offsetting of tax losses will be closed in 6 years.

g. Entities under the special tax regime

Several measures are introduced seeking to improve the control over entities under the special tax regime, including an exhaustive list of qualifying activities and the requirement of obtaining a qualification from the National Tax and Customs Direction DIAN to act as entities under the special tax regime. Those entities that fail to comply with the requirements will become income taxpayers under the ordinary tax regime.

h. Tax on financial transactions

The tax on financial transactions becomes a permanent tax.

Note 20.1. Current tax assets and liabilities

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

<u>Current tax assets</u>

	September 30, 2017	**December 31, 2016**
Income tax advances and self-withholdings (1)	114,282	129,715
Industry and trade tax advances and withholdings.	10,768	12,250
Income tax for equality - CREE balance receivable (2)	-	26,626
Income tax for equality - CREE paid in advance	-	22,701
Total current tax assets	**125,050**	**191,292**

(1) The balance is comprised of:

	September 30, 2017	**December 31, 2016**
Income tax withholdings	133,059	148,384
Tax discount to be requested	16,921	19,376
Subtotal	**149,980**	**167,760**
Income tax (expense) (Note 20.2)	(35,698)	(38,045)
Total income tax advances and self-withholdings	**114,282**	**129,715**

(2) The balance is made as follows:

	September 30, 2017	**December 31, 2016**
Income tax for equality CREE withholdings	-	48,212
Less income tax for equality CREE expense	-	(21,586)
Total income tax for equality - CREE balance receivable	**-**	**26,626**

Current tax liabilities

	September 30, 2017	December 31, 2016
Industry and trade tax payable	28,785	43,726
Tax on equity	483	194
Total current tax liabilities	**29,268**	**43,920**

Note 20.2. Income tax

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016	December 31, 2016
(Loss) earnings before income tax	**(60,005)**	**(76,627)**	**(30,143)**	**(36,408)**	**116,197**
Add:					
Tax on wealth	19,804	51,083	-	-	51,083
Accounting provisions and receivables written off (recovered)	9,731	2,206	259	948	(5,423)
Tax on financial transactions	6,061	6,434	1,534	1,813	8,230
Non-deductible expenses	3,052	26	403	(11)	13,690
Non-deductible inventory losses	3,252	-	1,673	-	-
Taxes taken on and revaluation	2,850	4,828	1,403	2,416	6,488
Fines, penalties and litigation expenses	1,680	2,646	607	1,366	3,144
Net income - recovery of depreciation of fixed assets sold	970	8,901	970	-	21,356
Reimbursement of deduction of income-generating fixed assets	117	4,624	117	-	90,404
Non-deductible taxes	15	19	(2)	-	19
Selling price of fixed assets held less than two years	-	-	-	-	195,058
Presumptive interest	-	55	-	55	-
Accrued unpaid industry and trade tax expense	-	-	-	-	2,313
Less:					
Goodwill tax deduction, in addition to the accounting deduction	(143,829)	(14,214)	38,499	-	(18,362)
40% deduction of investment in income-generating assets	(84,908)	(129,757)	(26,363)	(52,139)	(128,076)
Tax-exempt dividends received from subsidiaries	(50,149)	-	-	-	-
IFRS adjustments with no tax effects	(35,335)	103,027	(54,185)	46,221	(101,642)
Derecognition of gain from the sale of fixed assets reported as occasional gain	(5,094)	(19,711)	(1,440)	-	(72,984)
Disabled employee deduction	(733)	(629)	(181)	(210)	(811)
Recovery of provisions	(425)	(1,852)	(41)	(1)	(1,941)
2015 industry and trade tax paid in 2016	-	(10,966)	-	3,426	-
Allowance for doubtful accounts	-	(6,281)	-	360	-
Cost of fixed assets sold held less than two years	-	-	-	-	(195,058)
Net (loss)	**(332,946)**	**(76,188)**	**(66,890)**	**(32,164)**	**(16,315)**
Current year presumptive income	**107,125**	-	**21,068**	-	**159,371**
Net taxable income	**107,125**	-	**21,068**	-	**159,371**
Income tax rate	33%	25%	33%	25%	25%
Subtotal income tax (expense)	**(35,351)**	-	**(6,090)**	-	**(39,843)**
Occasional gains tax (expense)	(347)	(888)	(80)	-	(1,988)
Adjustment to effective rate	-	(23,365)	-	(10,456)	-
Tax discounts	-	3,553	-	-	3,786
Total income tax (expense)	**(35,698)**	**(20,700)**	**(6,170)**	**(10,456)**	**(38,045)**
Income tax for equality - CREE (expense)	-	**(15,479)**	-	**(7,286)**	**(12,072)**
Income tax for equality - CREE surcharge (expense)	-	**(9,230)**	-	**(3,896)**	**(9,514)**
(Expense) from previous year tax	-	**(1,714)**	-	-	**(1,714)**
Total current income tax (expense)	**(35,698)**	**(47,123)**	**(6,170)**	**(21,638)**	**(61,345)**

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Current income tax (expense)	(35,698)	(47,123)	(6,170)	(21,638)
Deferred income tax revenue (expense) (Note 20.3)	126,042	(24,221)	4,982	(45,237)
Total revenue (expense) from income tax	**90,344**	**(71,344)**	**(1,188)**	**(66,875)**

Presumptive income was determined as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016	December 31, 2016
Net shareholders' equity	3,635,130	-	1,132,659	-	5,360,305
Less net shareholders' equity to be excluded	(64,286)	-	(20,581)	-	(47,962)
Shareholders' equity base	**3,570,844**	**-**	**1,112,078**	**-**	**5,312,343**
Presumptive income	**107,125**	**-**	**21,068**	**-**	**159,371**

Note 20.3. Deferred tax

The Company recognizes deferred taxes receivable or payable, arising from temporary differences representing a lower or higher payment of the current year income tax, estimated at expected recovery rates (tax rates in force 2017 - 34%; 33% as of 2018), provided there is reasonable expectation that such differences will revert in future. Should there be any deferred tax asset, an analysis will be made of whether the Company will generate enough taxable income in future that allow offsetting the asset, in full or in part.

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

	September 30, 2017			December 31, 2016		
	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets (liabilities)	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets (liabilities)
Land	5,559	(41,886)	(36,327)	5,559	(44,590)	(39,031)
Buildings	145,892	(228,871)	(82,979)	132,782	(222,035)	(89,253)
Investment property	-	(4,532)	(4,532)	-	(2,966)	(2,966)
Construction in progress	145,342	(180,000)	(34,658)	145,193	(167,833)	(22,640)
Intangible assets	23,664	(109,730)	(86,066)	33,448	(84,615)	(51,167)
Other fixed assets	420,417	(446,797)	(26,380)	421,035	(447,886)	(26,851)
Non-operating real estate property	103	-	103	103	-	103
Equity investments	240,423	(324,984)	(84,561)	198,623	(272,838)	(74,215)
Investments at amortized cost	-	-	-	1,116	(1,118)	(2)
Deferred charges	96,876	(83,101)	13,775	94,033	(85,183)	8,850
Real estate for trading	-	-	-	-	(83)	(83)
Inventories	1,846	-	1,846	31,725	(5,696)	26,029
Accounts receivable	23,260	(7,694)	15,566	14,608	(11,542)	3,066
Financial liabilities	5,878	-	5,878	2,019	-	2,019
Other liabilities	48,511	(12,160)	36,351	54,626	(63,158)	(8,532)
Tax consolidation and readjustment	15,867	-	15,867	19,407	-	19,407
Excess presumptive income and tax losses	195,876	-	195,876	54,217	-	54,217
Total	**1,369,514**	**(1,439,755)**	**(70,241)**	**1,208,494**	**(1,409,543)**	**(201,049)**

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Deferred income tax	137,449	(35,326)	17,993	(42,613)
Deferred CREE tax	-	(12,717)	-	(15,341)
Deferred CREE tax surcharge	-	8,173	-	702
Deferred occasional gains tax	(13,463)	11,614	(13,011)	12,015
Retained earnings Uruguay and Brazil	56	4,035	-	-
Total deferred income tax revenue (expense)	**126,042**	**(24,221)**	**4,982**	**(45,237)**

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Gain from derivative financial instruments designated as hedge instruments	4,766	-	196	-
Total	**4,766**	**-**	**196**	**-**

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

	September 30, 2017	December 31, 2016
Subsidiaries domiciled abroad	(231,886)	(187,362)
Subsidiaries domiciled in Colombia	(14,166)	(27,620)
Other	(9,731)	(13,133)
Total	**(255,783)**	**(228,115)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at September 30, 2017 amount to$1,569,338 (2016 - $1,522,480).

Note 21. Other financial liabilities

The balance of other financial liabilities is as follows:

	September 30, 2017	December 31, 2016
Current		
Collections received on behalf of third parties (1)	52,897	69,849
Derivative financial instruments designated as hedge instruments (2)	1,652	-
Derivative financial instruments (3)	22,850	17,608
Total current	**77,399**	**87,457**
Non-current		
Derivative financial instruments designated as hedge instruments (2)	14,255	-
Derivative financial instruments (3)	2,698	-
Total non-current	**16,953**	**-**

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

	September 30, 2017	December 31, 2016
Éxito Card collections	28,914	27,812
Non-banking correspondent	15,427	34,376
Direct trading (market place)	3,692	3,967
Money transfer services	1,146	1,364
Other collections	3,718	2,330
Total	**52,897**	**69,849**

(2) As of 2017, derivative instruments designated as hedge instrument reflect swap transactions carried out by the Company under contracts executed with financial entities which 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 become capable of being determined in local currency. The fair values of these instruments are determined based on valuation models, commonly used by market participants.

Financial exchanges are used to hedge exchange and/or interest 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 documents accounting hedging relationships and conducts efficacy testing from initial recognition and along the hedging relationship to its derecognition. No inefficacy has been identified during the periods reported.

At September 30, 2017 relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedging instruments	Net amount Fair value
Swap	Interest rate	Financial obligations	IBR 3M	5.1% - 6.0%	14,806
Swap	Interest and exchange rates	Financial obligations	Libor USD 1M + 2.22%	9.06%	1,101
					15,907

The detail of maturities of these hedge instruments at September 30, 2017 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap		-	-	1,652	14,255	**15,907**

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

The detail of maturities of these instruments at September 30, 2017 is as follows:

	Less than 3 months	From 3 to 6 months	From 6 to 12 months	Total
Forward	6,203	10,629	3,602	**20,434**

	Less than 1 year	More than 1 year	Total
Swap	2,416	2,698	**5,114**

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

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

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

Note 22. Other non-financial liabilities

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

	September 30, 2017	December 31, 2016
Current		
Advance payments under lease agreements and other projects (1)	317,693	54,766
Revenue received in advance (2)	39,461	57,862
Customer loyalty programs (3)	36,593	37,334
Instalments received under "plan resérvalo"	1,040	1,266
Repurchase coupon	630	49
Total current	**395,417**	**151,277**
Non-current		
Advance payments under lease agreements and other projects	45,813	47,388
Total non-current	**45,813**	**47,388**

(1) For 2017 includes revenue in amount of $316,664 received in advance from Patrimonio Autónomo Viva Malls for real estate project development services (2016 - $53,746).

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

	September 30, 2017	December 31, 2016
Gift card	23,523	43,264
Cafam comprehensive card	10,109	9,035
Exchange card	2,945	3,326
Fuel card	866	932
Other	2,018	1,305
Total	**39,461**	**57,862**

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At September 30, 2017, the effect of the valuation, issue, redemption and expiry of points related with these programs, in Company results, was a lower value of sales revenue in amount of $1,467 (2016 - $1,718).

Note 23. Share capital, own shares repurchased and premium on the issue of shares

The Company's authorized capital is represented in 530,000,000 ordinary shares with par value of $10 (*) each; subscribed and paid-in capital amounts to $4,482 at September 30, 2017 and December 31, 2016. The number of outstanding shares is 447,604,316 and the number of repurchased own shares is 635,835 with value of $2,734 on the same reporting dates.

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

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to $4,843,466 at September 30, 2017 and December 31, 2016. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in Colombian pesos.

Note 24. Reserves, retained earnings and other comprehensive income

Reserves

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

Retained earnings

Retained earnings include the effect on shareholders' equity of the convergence to IFRS in amount of $1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) 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 information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 2131.

Other accumulated comprehensive income

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

	September 30, 2017			**December 31, 2016**		
	Gross amount	**Tax effect**	**Net amount**	**Gross amount**	**Tax effect**	**Net amount**
Measurement of financial assets at fair value through other comprehensive income (1)	(2,976)	-	(2,976)	(2,976)	-	(2,976)
Measurement of defined benefit plans (2)	(2,049)	676	(1,373)	(2,083)	676	(1,407)
Translation exchange differences (3)	41,829	-	41,829	131,545	-	131,545
(Loss) from the hedging of cash flows (4)	(14,398)	4,766	(9,632)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	10,024	-	10,024	11,141	-	11,141
Total other accumulated comprehensive income	**32,430**	**5,442**	**37,872**	**137,627**	**676**	**138,303**

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

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

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

(4) Represents the accumulated value of the effective portion of gains or losses arising from the 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 entry.

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

Note 25. Revenue from ordinary activities

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Total retail sales (1)	7,666,684	7,880,451	2,563,439	2,663,461
Service revenue (2)	188,843	130,644	70,997	45,680
Other ordinary revenue (3)	31,191	82,356	9,548	23,954
Revenue from ordinary activities	**7,886,718**	**8,093,451**	**2,643,984**	**2,733,095**

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Sale of goods, net of sales returns and rebates	7,663,199	7,850,928	2,559,954	2,663,461
Revenue from the sale of real estate projects (a)	3,485	29,523	3,485	-
Total revenue from retail sales	**7,666,684**	**7,880,451**	**2,563,439**	**2,663,461**

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

(2) Mainly relates to revenue from the lease of premises and physical spaces at the stores (traders), to revenue as non-banking correspondent and to revenue from the provision of advertising services.

(3) The balance of other revenue relates to:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Royalty revenue	5,996	54,553	3,006	17,633
Other revenue (a)	25,195	27,803	6,542	6,321
Total other ordinary revenue	**31,191**	**82,356**	**9,548**	**23,954**

(a) Relates to:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Other revenue from Latam strategic direction	7,413	3,630	2,155	-
Other exploitation activities	6,304	4,432	1,121	2,596
Revenue from financial services	1,457	1,298	336	295
Other	10,021	18,443	2,930	3,430
Total other revenue	**25,195**	**27,803**	**6,542**	**6,321**

Note 26. Distribution expenses and administration and sales expenses

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Leases	208,793	171,362	74,729	57,985
Depreciation and amortization	131,886	131,610	43,686	42,571
Taxes other than income tax	119,181	118,731	34,201	33,617
Fuels and power	123,960	126,762	40,887	41,960
Advertising	87,422	89,793	26,934	30,425
Repairs and maintenance	66,049	58,112	24,783	17,413
Administration of trade premises	28,878	23,601	9,822	7,799
Packaging and marking materials	21,619	21,001	6,895	7,163
Commissions on debit and credit cards	20,105	19,956	6,440	6,836
Insurance	19,944	13,658	5,804	4,652
Transport	18,288	17,265	7,312	6,205
Fees	17,879	14,379	6,903	6,174
Allowance for trade receivables	4,874	2,097	231	802
Travel expenses	4,680	4,462	1,747	1,681
Legal expenses	2,971	2,385	722	579
Contributions and affiliations	1,004	910	1,004	293
Other	61,482	49,392	20,875	18,903
Total distribution expenses	**939,015**	**865,476**	**312,975**	**285,058**

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Fees	30,048	32,852	11,242	9,745
Depreciation and amortization	28,096	32,433	9,811	8,958
Taxes other than income tax	16,070	16,041	2,838	5,328
Services	5,423	3,556	2,109	1,255
Travel expenses	5,155	5,832	1,692	1,747
Repairs and maintenance	5,116	5,925	2,267	1,303
Outsourced employees	2,219	1,415	613	28
Fuels and power	1,852	1,744	588	596
Leases	1,691	1,311	762	546
Allowance for trade receivables	1,528	5,426	232	194
Insurance	1,523	2,117	367	793
Contributions and affiliations	1,307	1,304	743	1,001
Legal expenses	1,141	1,198	96	883
Transport	1,107	2,398	347	448
Other provisions expense	182	-	108	-
Packaging and marking materials	27	55	16	33
Administration of trade premises	6	14	1	5
Other (1)	7,862	10,857	2,619	6,009
Total administration and sales expenses	**110,353**	**124,478**	**36,451**	**38,872**

(1) Includes expenses arising from sundries entertainment, legal proceedings, menu tastings, internal and external communications.

Note 27. Employee benefit expense

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Wages and salaries	579,348	564,258	195,343	192,320
Contributions to the social security system	8,178	7,677	2,735	2,575
Other short-term employee benefits	35,644	33,830	11,723	11,409
Total short-term employee benefit expenses	**623,170**	**605,765**	**209,801**	**206,304**
Post-employment benefit expenses, defined contribution plans	53,085	51,220	18,091	17,851
Post-employment benefit expenses, defined benefit plans	2,218	2,016	676	611
Total post-employment benefit expenses	**55,303**	**53,236**	**18,767**	**18,462**
Termination benefit expenses	1,477	1,869	180	1,019
Other long-term employee benefits (1)	168	(8,458)	53	84
Other personnel expenses	9,158	8,961	3,935	3,582
Total employee benefit expenses	**689,276**	**661,373**	**232,736**	**229,451**

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

Note 28. Other operating revenue, other operating expenses and other net gains

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

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Other operating revenue				
Recurring				
Revenue from insurance compensation	4,391	-	417	-
Recovery of allowance for trade receivables	3,753	4,973	-	4,973
Reimbursement of tax-related costs and expenses	1,980	1,051	1980	1,010
Recovery of other provisions	1,682	-	1,682	-
Recovery of other provisions related to civil lawsuits	868	1,634	868	93
Recovery of other provisions related to labor lawsuits	592	4,429	491	(192)
Reimbursement of ICA-related costs and expenses	425	1,774	40	1
Other recurring operating revenue	-	27	-	(4,973)
Total recurring	**13,691**	**13,888**	**5,478**	**912**
Non-recurring				
Recovery of other provisions	904	767	705	767
Insurance compensations for damages	277	-	-	-
Other revenue (1)	-	3,460	-	-
Total non-recurring	**1,181**	**4,227**	**705**	**767**
Total other operating revenue	**14,872**	**18,115**	**6,183**	**1,679**
Other operating expenses				
Restructuring expenses (2)	(22,174)	(8,891)	(1,640)	5
Tax on wealth expense (3)	(19,804)	(51,083)	-	-
Other expenses (4)	(2,435)	(1,350)	(74)	317
Total other operating expenses	**(44,413)**	**(61,324)**	**(1,714)**	**322**
Other (loss) gains, net				
(Loss) gain from derecognition of property, plant and equipment	(6,677)	1,085	(56)	(267)
(Loss) from the sale and derecognition of property, plant and equipment	(1,258)	(45)	(457)	-
Total other (loss) gains, net	**(7,935)**	**1,040**	**(513)**	**(267)**

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

(1) Refers to the price charged to Spice Investment Mercosur S.A. upon the assignment of the put option contract to which the Company was a party.

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

(2) Refers to the tax on wealth introduced by the National Government by means of Law 1739 of December 23, 2014.

(4) For 2017, relates to expenses incurred in establishing real estate vehicles in amount of $1,427; expenses arising from the closing of shops and stores in amount of $342; costs of the transaction related with the acquisition of the operations in Brazil and Argentina in amount of $315 and other minor expenses in amount of $351

Note 29. Financial revenue and expenses

The balance of financial revenue and expenses is as follows:

	January 1 to September 30, 2017	**January 1 to September 30, 2016**	**July 1 to September 30, 2017**	**July 1 to September 30, 2016**
Gain from derivative financial instruments (1)	16,302	19,550	(50,563)	18
Gain (loss) from exchange difference (1)	64,824	241,430	54,579	22,006
Other financial revenue	11,139	18,487	3,020	6,372
Revenue from interest, cash and cash equivalents	6,286	4,051	1,992	1,490
Total financial revenue	**98,551**	**283,518**	**9,028**	**29,886**
Interest, borrowings and finance lease (expense)	(249,291)	(266,494)	(77,601)	(97,606)
(Loss) gain from derivative financial instruments (1)	(115,107)	(198,804)	(32,514)	(27,580)
(Loss) from exchange difference (1)	(34,849)	(138,004)	6,529	(25,063)
Other financial (expenses)	(9,766)	(16,217)	(1,019)	(5,481)
Commission (expense)	(1,719)	(1,821)	(582)	(399)
Total financial expenses	**(410,732)**	**(621,340)**	**(105,187)**	**(156,129)**

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

Note 30. Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Spice Investments Mercosur S.A.	76,517	72,910	17,104	10,149
Onper Investments 2015 S.L.	58,659	(65,027)	(2,835)	(25,295)
Patrimonio Autónomo Viva Malls	17,900	(586)	7,206	(586)
Cdiscount Colombia S.A.S.	16,717	(9,410)	17,083	(3,376)
Almacenes Éxito Inversiones S.A.S.	8,809	3,000	1,224	1,672
Patrimonio Autónomo Viva Villavicencio	6,639	9,110	1,952	2,140
Éxito Viajes y Turismo S.A.S.	2,379	1,350	679	1,047
Patrimonio Autónomo Centro Comercial	2,296	5,238	722	777
Patrimonio Autónomo Viva Sincelejo	2,167	2,308	806	855
Logística, Transportes y Servicios Asociados S.A.S.	2,019	(1,421)	122	110
Patrimonio Autónomo Fideicomiso San Pedro Etapa I	906	1,014	304	318
Patrimonio Autónomo Centro Comercial Viva Barranquilla	899	(258)	458	302
Patrimonio Autónomo Centro Comercial Viva Riohacha	385	4,472	-	1,771
Carulla Vivero Holding Inc.	23	-	(170)	-
Patrimonio Autónomo Iwana	(49)	46	(4)	17
Puntos Colombia S.A.S.	(1,704)	-	(1,706)	
Distribuidora de Textiles y Confecciones S.A.	(2,739)	3,658	108	2,844
Gemex O & W S.A.S.	(4,949)	(3,820)	(1,546)	(1,429)
Compañía de Financiamiento Tuya S.A.	(8,615)	-	3,532	-
Patrimonio Autónomo Viva Laureles (1)	-	4,253	-	1,663
Patrimonio Autónomo Viva Palmas (1)	-	744	-	323
Patrimonio Autónomo Local 108 (Vizcaya) (1)	-	(2)	-	-
Total	**178,259**	**27,579**	**45,039**	**(6,698)**

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

Note 31. Earnings per share

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

The Company has not carried out transactions with potential ordinary shares for the reported periods or between the closing date and the date of release of these financial statements.

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

<u>In period results:</u>

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net gain (loss) attributable to continuing operations	30,339	(147,971)	(31,331)	(103,283)
Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**30,339**	**(147,971)**	**(31,331)**	**(103,283)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic and diluted earnings (loss) per share (in Colombian pesos)	**67.78**	**(330.58)**	**(69.99)**	**(230.75)**

In total comprehensive period results:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net (loss) earnings attributable to total comprehensive income	70,092	199,408	(170,992)	(116,196)
Net gain attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**70,092**	**199,408**	**(170,992)**	**(116,196)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic and diluted earnings (loss) per share (in Colombian pesos)	**156.59**	**445.50**	**(382.01)**	**(259.60)**

Note 32. Transactions with related parties

Note 32.1. 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 recognized during the nine-month periods ended September 30, 2017 and September 30, 2016, is as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Short-term employee benefits (1)	30,752	31,330	9,254	10,151
Post-employment benefits	1,136	1,078	375	375
Termination benefits	105	-	105	-
Long-term employee benefits	-	437	-	437
Total	**31,993**	**32,845**	**9,734**	**10,963**

(1) A portion of short-term employee benefits is being reimbursed by Casino Guichard Perrachon S.A. and Libertad S.A. under a Latin American strategic direction service agreement entered with these companies. Revenue from Latam strategic direction was recognized during the nine months ended September 30, 2017 in amount of $7,413 (2016 - $3,630) as described in Note 25.

Note 32.2. Transactions with related parties

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

	Revenue			
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Controlling entity (1)	5,240	3,630	1,535	-
Subsidiaries (2)	12,334	12,504	4,451	1,826
Grupo Casino companies (3)	1,135	411	22	(1,192)
Joint ventures (4)	20,748	-	7,048	-
Total	**39,457**	**16,545**	**13,056**	**634**

	Costs and expenses			
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Controlling entity (1)	19,602	20,009	7,274	6,509
Subsidiaries (2)	339,112	241,174	138,433	82,000
Grupo Casino companies (3)	9,839	20,671	2,483	5,941
Joint ventures (4)	1,868	-	564	-
Members of the Board	903	1,051	371	388
Total	**371,324**	**282,905**	**149,125**	**94,838**

(1) Revenue with the Controlling entity refer to a Latin America strategic direction service agreement entered with Casino Guichard Perrachon S.A. Costs and expenses with the Controlling entity refer to consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V.

(2) Revenue generated from transactions with subsidiaries relate to the sale of goods to Cdiscount Colombia S.A.S.; provision of administrative services to Almacenes Éxito Inversiones S.A.S., Gemex O&W S.A.S., Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos, and to the lease of premises to Patrimonios Autónomos and to Éxito Viajes y Turismo S.A.S. For 2016 it also includes the revenue from the transfer to Spice Investments Mercosur S.A. of the put option contract entered with the holders of non-controlling interests in subsidiary Grupo Disco del Uruguay.

Cost and expenses arising from transactions with subsidiaries mainly refer to the purchase of goods from Distribuidora de Textiles y Confecciones S.A.; 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.; purchase of goods for trading from Cdiscount Colombia S.A.S.; and services received, purchase of goods and reimbursements with other subsidiaries.

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Distribuidora de Textiles y Confecciones S.A.	228,471	178,469	95,294	59,684
Logística, Transporte y Servicios Asociados S.A.S.	67,001	38,846	30,151	13,897
Patrimonios Autónomos (Stand-alone trust funds)	33,894	11,988	11,125	4,384
Almacenes Éxito Inversiones S.A.S.	9,231	7,920	1,722	3,421
Gemex O & W S.A.S.	197	-	-	-
Éxito Viajes y Turismo S.A.S.	318	67	141	67
Companhia Brasileira de Distribuição - CBD	-	4	-	-
Cdiscount Colombia S.A.S.	-	3,880	-	547
Total	**339,112**	**241,174**	**138,433**	**82,000**

(3) Costs and expenses accrued with Grupo Casino companies mainly arise from energy optimization services received and intermediation in the import of goods.

(4) Transactions with joint ventures mainly refer to revenue from the lease of premises and expenses from commissions on means of payment with Compañía de Financiamiento Tuya S.A.

Note 33. Asset impairment

Note 33.1. Financial assets

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

Note 33.2. Non-financial assets

The Company tested non-financial assets for impairment, based on external and in-house information available at September 30, 2017. During the nine-month period ended September 30, 2017, no material losses were recognized from the impairment of financial assets, except for the loss identified at Torre Sur building.

At June 30, 2017 the Parent tested such property for impairment given that it was currently in the process of being demolished for the construction of Centro Comercial Viva Envigado. At September 30, 2017, the building has been fully demolished. The recoverable value of the building was estimated using the depreciated reposition cost method, which consists of establishing a fair value of the asset based on an estimation of the total cost of a similar asset at market prices less accumulated depreciation, implementing a system that takes into consideration the age and state of preservation of the asset appraised, in this case affected by dismantling costs. Such appraisal determined $539 as the recoverable value of the asset, and the Company recognized impairment in its financial statements in amount of $1,481.

No material losses arising from impairment of non-financial assets were recognized for other non-current assets. The Company conducted the annual impairment testing at December 31, 2016 by cash-generating units.

Note 34. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities of the Company at September 30, 2017 and December 31, 2016 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	September 30, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Loans at amortized cost	32,346	25,647	26,120	22,665
Investments in private equity funds	1,300	1,300	1,142	1,142
Equity investments	248	248	248	248
Investment in bonds	77,341	75,919	75,157	75,055
Forward contracts measured at fair value through income	845	845	1,569	1,569
Swap contracts measured at fair value through income	1,459	1,459	7,978	7,978

	September 30, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial liabilities				
Financial liabilities and finance leases at amortized cost	4,450,886	4,499,966	3,968,816	3,960,935
Forward contracts measured at fair value through income	20,178	20,178	16,346	16,346
Swap contracts measured at fair value through income	5,370	5,370	1,262	1,262
Swap contracts denominated as hedge instruments	15,908	15,908	-	-

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the 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 might 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 dates.	CPI 12 months + Basis points negotiated

	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 dates.	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 the treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the net swap value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. Swap LIBOR curve. Treasury Bond curve. CPI 12 months
Derivative 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)

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

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

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

Note 35. Contingent assets and liabilities

Note 35.1. Contingent assets

The Company has no material contingent assets at September 30, 2017.

Note 35.2. Contingent liabilities

Contingent liabilities at September 30, 2017 are:

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

    - Proceedings seeking nullity of the resolution on changes to the Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of $11,830 (2016 - $11,830).

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

    - Proceedings seeking nullity of resolutions on the inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (2016 - $1,088).

    - Proceedings seeking nullity of the resolutions issued by the Bogotá Treasury Secretary's office regarding changes to the Industry and Trade tax returns for the bi-monthly periods 2, 3, 4, 5 and 6 of 2012 in amount of $5,000 (2016 - $5,000). The purpose of the nullity and restoration of rights action is that the Company be exempted from paying the amounts claimed by the tax authority.

b. The Company also is a part in the following legal proceedings:

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

    - Alleged failure to comply with a concession contract, on the grounds of having withdrawn the concessionaire's elements with no prior authorization or agreement between the parties, in amount of $1,880 (2016 - $0).

c. Other contingent liabilities:

    - The memorandum of understanding executed on September 23, 2016 with Fondo Inmobiliario Colombia to capitalize the real estate business through Patrimonio Autónomo Viva Malls was formalized on December 23, 2016. By means of the capitalization, the Company gained 51% of the interest in such Patrimonio Autónomo. As part of memorandum of understanding, the Company shall contribute the property Viva Envigado on March 31, 2018.

    - On June 1, 2017 the Company granted a guarantee on behalf of Almacenes Éxito Inversiones S.A.S. in amount of $2,631 (2016 - $0) to cover a potential failure to comply with its obligations with one of its main suppliers.

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 36. Dividends declared and paid

At September 30, 2017

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

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

At December 31, 2016

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

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

Dividends paid during the nine-month period ended September 30, 2016 amounted to $216,109.

(*) Expressed in Colombian pesos.

Note 37. Seasonality of transactions

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

Note 38. Financial risk management policy

During the nine-month period ended September 30, 2017, there have not been significant changes to the Company's risk management policies, or changes in the analysis of risk factors that might influence the Company, such as the general risk management framework, financial risk management, credit risk, market risk, interest rate risk, currency risk, stock pricing risk and liquidity risk.

Note 39. Relevant facts

At September 30, 2017

Damages at Éxito Buenaventura store

The structure, inventories and property and equipment of Éxito Buenaventura store were damaged on May 19, 2017 as result of a situation of public order in the municipality of Buenaventura. At present, the Company is in the process of providing the insurance company with supporting evidence of damages. The store was reopened on June 28, 2017.

New loyalty program "Puntos Colombia"

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

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

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

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

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

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

General Meeting of Shareholders

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

At December 31, 2016

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

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

Final agreement with Fondo Inmobiliario Colombia ("FIC")

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

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

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

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

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

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

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

Revolving trench disbursement

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

Reopening of Almacén Éxito Las Flores in Valledupar.

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

Termination of a shareholders' agreement

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

Appointment of the Statutory Auditor

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

Appointment of new members of the Board of Directors.

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

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

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

General Meeting of Shareholders

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

Revolving trench disbursement

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

Note 40. Events after the reporting period

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