

Almacenes Éxito S.A. Consolidated Financial Results

2012

For the second quarter and six-month period ended June 30, 2012



Carulla Country
in Bogotá
with the
new
look of the brand.

Second Quarter 2012 **Financial highlights**

BVC (The Colombian Stock Exchange):
“ÉXITO” ADR Program: “ALAXL”

Medellín, Colombia – July 24, 2012 – Almacenes Éxito S.A. (“ÉXITO” or “the Company”), the largest retail Company in Colombia today announced its consolidated financial results for the period ended June 30, 2012. All figures are expressed in COP -Colombian pesos (US\$1 = COP\$1,784.60 at June 30, 2012).

Note: Consolidated figures include the second quarter outcome of Grupo Exito in Colombia and the financial results of Spice Investment for the period April-June, 2012, of which financial results consolidate 62.49% of Disco and 100% of Devoto companies.

Note: Financial Statements for Q2 are not fully comparable to those of 2011. Almacenes Éxito moved its “Aniversario Exito” promo event from April 1 to 17 in 2011 to February 29 to March 16 in 2012.

- **Net Revenues** increased 14% to \$2,396,800 million for the second quarter 2012.
- **Selling and Administrative Expense** increased 25.2% to COP\$532,564 million. As a percentage of Net Revenues they represent 22.2%.
- **Operating Income** increased 1.8% to COP\$91,621 million. The Operating margin is 3.8%.
- **EBITDA** increased 12% to COP\$184,101 million with an EBITDA margin of 7.7%.
- **Net Income** increased 27.4% to COP\$83,614 million with a Net income margin of 3.5%.
- **Working capital** reached a favorable position of COP\$658,937 with a freed up of COP\$118,605 million.



Second quarter 2012 Operating highlights

2012

Openings and conversions

A total of 21 stores were opened in second quarter 2012: 14 Éxito, 1 Carulla and 6 Surtimax. These openings were undertaken both through organic growth and by acquisitions of minor independents. The Company also opened stores in two new mid-sized cities where the Company has presence for the first time: Fredonia and La Calera. Grupo Éxito ended the first half 2012 with a total of 435 stores.

Brand streamlining strategy

Grupo Éxito is in the final process to consolidate in its three main brands: Éxito, Carulla and Surtimax. With the opening of Exito Belén store in Medellín, the Ley brand finished its conversion plan. In addition, 7 Pomona stores were converted to Carulla brand, thus 4 Pomona stores are pending on the process to unify the Carulla brand.

During this quarter 1 Surtimax store was converted to Exito in Girardot.

Completing the CAFAM integration

With the conversion to Exito Floresta in Bogotá, Grupo Éxito completed the conversion of the last Cafam store from 31 stores that were converted to different brands and formats. This process began in the fourth quarter of 2010.



The new Surtimax in Fredonia - Antioquia, the first store in this mid-sized city.

New Éxito stores:

Plaza 74, Prado and Coliseo Cra. 43 in Barranquilla; Las Américas and San Martín in Cartagena; Chilacos in Chía; Cra. 53 con 73, Cra. 24 con 45A and Cra 11A con 94A in Bogotá; Terminal del Norte, Colores and Estadio in Medellín; Peñón in Girardot. Éxito Tecno Home Mart Oviedo in Medellín.

New Carulla stores:

Arrecife in Santa Marta

New Surtimax stores:

20 de Julio, El Divino and Campanela in Bogotá; Camellón in Girardot, La Calera and Fredonia in these mid-size cities.

New Éxito Tecno Oviedo in Medellín.



Employees celebration in the conversión of Ley to Exito.



Two thematic exhibitions:

Grupo Éxito held in May in Bogotá the 2nd version of *Carulla es Café* to promote the consumption of our national drink. More than five thousand people visited this exhibition. In addition, in June, Exito hosted the 7th Annual *Expovinos* event, the most recognized wine event in the country with more than 30 thousand visitors, 100 international experts related to Enology and more than 120 thousand bottles of wine sold.



Second versión of “Carulla es Café”.

Éxito.com pioneer in innovation

As part of the Company’s e-commerce business strategy Grupo Éxito launched its mobile and virtual site and exito.com app for ipad allowing clients to make purchases easier and to find stores in user’s proximity.



Launch of mobile and virtual site, and éxito.com app for ipad.

New features

The Company exclusively offered in stores to clients the new “Juanes MTV Unplugged DVD”. The artist also became the image of “Padres de Éxito”, the Company’s campaign for Father’s Day while Mother’s Day season featured the top model Alessandra Ambrosio for “Arkitect Maternity” campaign.

Carulla modernized its look

In addition, the 106-year-old brand Carulla modernized its look to better convey freshness, innovation, simplicity and service with a smile.



Alliance with Juanes, a recognized colombian artist.



Alessandra Ambrosio, the top model image for the Arkitect Maternity campaign.

Consolidated Financial Statements as of June 30, 2012

2012

Consolidated Income Statement for the Second Quarter 2012

	Second quarter, 2012		Second quarter, 2011		% Var
	Millions of COP	% Net Revenues	Millions of COP	% Net Revenues	
Net revenues	2,396,800	100.0%	2,101,829	100.0%	14.0%
Cost of sales	-1,772,615	-74.0%	-1,586,661	-75.5%	11.7%
Gross profit	624,185	26.0%	515,168	24.5%	21.2%
Selling and administrative expense	-532,564	-22.2%	-425,211	-20.2%	25.2%
Operating income	91,621	3.8%	89,957	4.3%	1.8%
Financial income	72,130	3.0%	39,253	1.9%	83.8%
Financial expense	-41,323	-1.7%	-45,665	-2.2%	-9.5%
Other non-operating income and expense	-13,415	-0.6%	-8,837	-0.4%	51.8%
Minority interest	-160	0.0%	-34	0.0%	N/A
Income before taxes	108,853	4.5%	74,674	3.6%	45.8%
Income taxes	-25,239	-1.1%	-9,029	-0.4%	N/A
Net income	83,614	3.5%	65,645	3.1%	27.4%
EBITDA	184,101	7.7%	164,385	7.8%	12.0%

Consolidated Income Statement for the six-month period ended June 30, 2012

	Six months ended June 30, 2012		Six months ended June 30, 2011		% Var
	Millions of COP	% Net Revenues	Millions of COP	% Net Revenues	
Net revenues	4,852,225	100.0%	3,965,682	100.0%	22.4%
Cost of sales	-3,602,644	-74.2%	-2,992,680	-75.5%	20.4%
Gross profit	1,249,581	25.8%	973,002	24.5%	28.4%
Selling and administrative expense	-1,057,718	-21.8%	-824,897	-20.8%	28.2%
Operating income	191,863	4.0%	148,105	3.7%	29.5%
Financial income	133,749	2.8%	72,202	1.8%	85.2%
Financial expense	-77,407	-1.6%	-80,863	-2.0%	-4.3%
Other non-operating income and expense	-20,848	-0.4%	-14,500	-0.4%	43.8%
Minority interest	-443	0.0%	-39	0.0%	N/A
Income before taxes	226,914	4.7%	124,905	3.1%	81.7%
Income taxes	-49,546	-1.0%	-16,298	-0.4%	N/A
Net income	177,368	3.7%	108,607	2.7%	63.3%
EBITDA	375,594	7.7%	296,347	7.5%	26.7%

Consolidated Balance Sheet

(in millions of Colombian pesos)

	June 2012	June 2011	% Var
Assets	9,616,425	6,383,270	50.7%
Current Assets	3,569,220	1,815,258	96.6%
Cash	1,159,176	345,987	N/A
Marketable Securities	1,009,224	296,275	N/A
Inventories	1,041,724	808,312	28.9%
Others	359,096	364,684	-1.5%
Non-current assets	6,047,205	4,568,012	32.4%
Liabilities	2,461,581	2,133,366	15.4%
Current Liabilities	2,138,488	1,833,163	16.7%
Financial Obligations short term	78,731	119,835	-34.3%
Suppliers	1,327,217	1,058,350	25.4%
Others	732,540	654,978	11.8%
Non-current liabilities	323,093	300,203	7.6%
Financial Obligations long term	150,000	224,650	-33.2%
Others	173,093	75,553	129.1%
Minority interest	8,659	2,750	N/A
Shareholders' equity	7,146,185	4,247,154	68.3%

ROA and ROE

	2011 Jun	2012 Jun
ROA	4.8%	4.8%
ROE	7.2%	6.4%

Historic Value*	2011 Jun	2012 Jun
ROA	6.6%	5.9%
ROE	11.5%	8.5%

*Historic value does not include valuations and inflation adjustments.



Second quarter 2012

Financial highlights

2012

- **Net Revenues** increased 14% in the second quarter 2012 to COP \$2,396,800 million compared to COP\$2,101,829 in the same quarter 2011. This growth includes 1.5% decrease in same store sales due to the effect derived from moving Éxito's anniversary promotion entirely into the first quarter and 15.5% growth attributable to the company's local and international expansion plan.
- **Gross Profit** grew 21.2% to COP\$624,185 million versus COP\$515,168 million in second quarter 2011. As a percentage of Net Revenues, Gross Margin rose from 24.5% in second quarter 2011 to 26% in second quarter 2012 as a result of a solid sales mix performance, the effect of Uruguay in the overall Company's structure and the increasing share of complementary businesses in Net Revenues.
- **Selling, General and Administrative Expenses** increased 25.2% in second quarter 2012 to COP\$532,564 million compared to COP\$425,211 million for the same period last year. As a percentage of Net Revenues the SG&A went from 20.2% to 22.2% derived from moving the promotion, the amortization of goodwill related to the integration of the Uruguayan operation.
- **Operating Income rose 1.8%** in the second quarter 2012 to COP\$91,621 million from COP\$89,957 million. As a percentage of Net Revenues, operating margin decreased 50 basis points from 4.3% in the to 3.8% in the same period 2012. This result was expected due to the effect of the promotional event moved to the first quarter this year.
- **EBITDA** grew 12% in the second quarter 2012 compared to the same period in 2011, rising from COP\$164,385 million to COP\$184,101 million. As a percentage of Net Revenues, EBITDA margin went from 7.8% to 7.7%.
- **Net Financial Result** in second quarter 2012 shows a Net Financial income of COP \$30.807 compared to a Net Financial Expense of COP \$6.412 reported in the same period last year. The result is a net financial income of \$37,219 million coming from increased revenues from short-term financial investments.
- **Other Non-Operating Income and Expense** went from an expense of COP\$8,837 million in second quarter of 2011 to an expense of COP\$13,415 million in the same period 2012. This was mainly due to a lower provision reported versus last year.
- **Income Tax** increased to COP\$25,239 million in second quarter from COP\$9,029 million for the same period last year. Higher tax provisions were related to the impact of increased earnings before taxes, Uruguay's financial results and tax structure, and lower debt levels.
- **Net Income** grew 27.4% in second quarter 2012 to COP\$83,614 million from COP\$65,645 million in the same period 2011. As a percentage of Net Revenues, the Net Income margin increased from 3.1% to 3.5% as a result of operational efficiencies, higher financial income and decreased financial expenses due to lower debt levels.

Other operating information as of June 30, 2012

Number of stores and selling area

Brand	Stores	Selling area (sq m)
Éxito	213	575,713
Carulla Pomona	76	70,081
Surtimax	89	51,957
Otros	5	8,239
TOTAL COLOMBIA	383	705,990
Devoto	24	33,118
Disco	27	28,971
Geant	1	10,800
TOTAL URUGUAY	52	72,889
TOTAL GRUPO EXITO	435	778,879

Number of stores, selling area (owned/leased)

COLOMBIA	Stores		Area	
	Stores	%	Area (sq m)	%
Own	144	38%	417,184	59%
Leased	239	62%	288,806	41%
Total	383	100%	705,990	100%
URUGUAY	Stores		Area	
	Stores	%	Area (sq m)	%
Own	13	25%	25,087	34%
Leased	39	75%	47,802	66%
Total	52	100%	72,889	100%

Openings, closings and conversions for the six-month period ended June 30, 2012

Brand	Opened	Closed	Converted
Éxito	24	5 (Express)	4 From Cafam, Ley and Surtimax brands
Carulla, Pomona	1		7 From Pomona brand
Surtimax	13	1	
Other: Ley, Homemart, Cafam	0		
Disco	0		
Devoto	0		
Geant	0		
Total	38	6	11

Same store sales growth Colombia

	2012	2011
First quarter	13.0%	1.9%
Second quarter	-1.5%	14.8%
As of June	5.3%	8.4%

Sales mix evolution

Sales mix 2Q 12

	Colombia	Uruguay	Grupo Éxito
Food	70%	86%	72%
Non Food	30%	14%	28%

Contact information:

Grupo Éxito Investor Relations

Phone: (574) 339 65 60

E-mail: exitoinvestor.relations@grupo-exito.com

www.grupoexito.com.co



New Éxito Girardot in Bogotá

Note on Forward Looking Statements

This press release contains forward-looking statements of expected future developments. This information as well as statements regarding future events and expectations is subject to risks and uncertainties, as well as factors that could cause the results, performance and achievements of the Company to differ at any time. Such factors include changes in the general retail industry, economic, political, governmental and commercial conditions both domestically and globally, as well as variations in interest rates, inflation rates, exchange rate volatility and tax rates. As a result of these risks and factors, actual results could materially differ from the estimates provided; therefore, the Company does not accept responsibility for any variations or for the information provided by official sources