

Almacenes Éxito S.A.

Consolidated Financial Results

2012

For the third quarter and nine-month period ended September 30, 2012



Viva Laureles
new shopping
mall in Medellín

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

Medellín, Colombia – October 29, 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 September 30, 2012. All figures are expressed in COP - Colombian pesos (US\$1 = COP\$1,800.52 at September 30, 2012).

Third Quarter 2012 Financial Highlights

Note: Consolidated figures include the third quarter results of Grupo Exito in Colombia and the financial results of Spice Investment for the period ended September 30, 2012, of which financial results include the consolidation of 62.49% of Disco and 100% of Devoto Companies.

- **Net Revenues** increased 20.3% to \$2,438,775 million in the third quarter 2012.
- **Selling and Administrative Expense** increased 22.8% to COP\$525,414 million. As a percentage of Net Revenues, SG&A represented 21.5%.
- **Operating Income** increased 30.4% to COP\$97,218 million. The Operating Margin was 4.0%.
- **EBITDA** increased 22.4% to COP\$185,364 million for an EBITDA margin of 7.6%.
- **Net Income** increased 31.7% to COP\$77,386 million to total Net Income Margin of 3.2% .
- **Working Capital** reached a favorable position of COP\$448,443, with a freeing-up COP\$116,053 million.



Third Quarter 2012 Operating Highlights

2012

Openings and conversions

A total of 13 stores opened in third quarter 2012: 7 Éxito and 6 Surtimax stores, both through organic growth and acquisitions of minor independent stores. The Company entered mid-sized cities such as La Estrella, Carepa and Girardota for the first time.

Surtimax is close to reach 100 stores in Colombia

With the opening of 4 new stores in the central region of the country, and 2 in the intermediate cities La Estrella and Girardota, the Company is close to reach 100 Surtimax stores in Colombia. This brand now has presence in 30 cities and municipalities in Antioquia, Atlántico, Bolívar, Cundinamarca and Valle.

Éxito brand

5 Éxito Express opened in Medellín, Bogotá and Santa Marta. In-line with the strategy of penetrating new markets, 2 Éxito hypermarkets opened in Carepa and in Armenia, a city in Colombia's coffee region.

Conversions

3 conversions were completed from the Pomona to the Carulla brand during the third quarter. Only 1 Pomona store is pending to fully unify the Carulla brand which is expected to conclude by the end of the year.

In summary, during the first nine months 2012, Grupo Éxito reached a total of 395 stores in Colombia, for a nation-wide presence in 72 cities, in addition to the 52 stores in 4 cities in Uruguay for a consolidated total of 447 stores, and more than 790,000 sqm of selling area.

“Viva” shopping malls

4 real estate projects have started thus far in 2012. The Viva Envigado stage zero concluded with the opening in August of a Homecenter store of approximately 15,000 square meters. The Viva Laureles shopping mall will open to the public in November. This project has 85 commercial sites with 6,500 sqm of GLA.

During the third quarter, Viva Villavicencio initiated construction in partnership with Grupo Argos. This is the third project that the Company started thus far in 2012, with completion expected by the end of 2014.

The Viva Sincelejo is under construction and is expected to open by the end of 2013.



Exito Carepa store in Apartadó, Antioquia.

Surtimax Cevillar store in Barranquilla.



New Éxito stores:

Pilarica, Monterrey, Exposiciones in Medellín; 15 con 82 in Bogotá; Rodadero Sur in Santa Marta; Carepa in Carepa, and Unicentro in Armenia.

New Surtimax stores:

La Luna in Cali; Yanguas in Soacha; Girardota in Girardota; Cevillar in Barranquilla and La Estrella in La Estrella.

Carulla San Lucas former Pomona store.



Commercial activities

From the 29th of June to the 9th of July, the Company held the “Megaprima” promotion with million of products on sale at 160 Éxito’s stores across Colombia. In Uruguay, the three banners undertook the following commercial activities: commercial activities “Los Frescos más Frescos” at Devoto, “Operation Anniversary” at Disco and “Spring/Summer” mailing at Geant.

Bronzini, the private label for women’s underwear, presented its latest collection “Bronzini by Ana Sofia Henao”, featuring the renowned Colombian model Ana Sofía Henao. At the same time, partnered with the Coca-Cola Company to sell exclusive products for beach, picnic, home decor, pijamas, towels, among others products at 38 Éxito Stores.

The Company also hosted the 2nd annual “Salón del Queso” Carulla-Éxito in Bogotá with over 30 thousand visitors, in September 2012.

Commercial agreements

Grupo Éxito signed a business cooperation agreement with Exxon Mobil to purchase fuel at Exxon Mobil stations with a highly competitive wholesale discount. Exxon Mobil will offer Grupo Exito up to 100 sites within its gas stations to analyze the feasibility of opening Éxito proximity and convenience stores.

The Group also signed an agreement with Green Yellow to implement energy saving solutions at 20 of the Company’s stores.

Awards and rating

Grupo Éxito’s e-commerce business was recognized for second time with the “2012 Colombia eCommerce Award” by the Latin American Institute of Electronic Commerce as the retail e-commerce leader in Colombia.

Fitch Ratings Colombia S.A. maintained its “AAA” rating and stable outlook with regards to Almacenes Éxito S.A.’s Ordinary Bonds.

Sustainability initiatives

During this quarter and for the first time, the Company engaged stakeholders to share opinions to jointly develop the Company’s Sustainability Model. In addition, members of the Executive Committee held The 2nd Sustainability Convention to align sustainability issues with the Company’s overall strategy. Finally, Fundación Éxito recognized the efforts of 4 institutions at the 9th annual “Prize for Early Childhood”.



Megaprima promotion.



Exclusive products from Coca-Cola Company.



Employees are happy to open a new store.



Fundación Exito’s Prize for Early Childhood.

Consolidated Financial Statements as of September 30, 2012

2012

Consolidated Income Statement for the Third Quarter 2012

	Third Quarter 2012		Third Quarter 2011		% Var
	Millions of COP	% Net revenues	Millions of COP	% Net revenues	
Net revenues	2,438,775	100%	2,026,470	100%	20.3%
Cost of sales	-1,816,143	-74.5%	-1,524,245	-75.2%	19.2%
Gross profit	622,632	25.5%	502,225	24.8%	24.0%
Selling and administrative expense	-525,414	-21.5%	-427,696	-21.1%	22.8%
Operating income	97,218	4.0%	74,529	3.7%	30.4%
Financial income	52,990	2.2%	39,040	1.9%	35.7%
Financial expense	-36,424	-1.5%	-38,996	-1.9%	-6.6%
Other non-operating income and expense	-9,942	-0.4%	-7,049	-0.3%	41.0%
Minority interest	-165	0.0%	-26	0.0%	N/A
Income before taxes	103,677	4.3%	67,498	3.3%	53.6%
Income taxes	-26,291	-1.1%	-8,742	-0.4%	N/A
Net income	77,386	3.2%	58,756	2.9%	31.7%
EBITDA	185,364	7.6%	151,408	7.5%	22.4%

Consolidated Income Statement for the nine-month period ended September 30, 2012

	Nine months ended September 30, 2012		Nine months ended September 30, 2011		% Var
	Millions of COP	% Net revenues	Millions of COP	% Net revenues	
Net revenues	7,291,000	100.0%	5,992,152	100.0%	21.7%
Cost of sales	-5,418,787	-74.3%	-4,516,925	-75.4%	20.0%
Gross profit	1,872,213	25.7%	1,475,227	24.6%	26.9%
Selling and administrative expense	-1,583,132	-21.7%	-1,252,593	-20.9%	26.4%
Operating income	289,081	4.0%	222,634	3.7%	29.8%
Financial income	186,739	2.6%	111,242	1.9%	67.9%
Financial expense	-113,831	-1.6%	-119,859	-2.0%	-5.0%
Other non-operating income and expense	-30,790	-0.4%	-21,549	-0.4%	42.9%
Minority interest	-609	0.0%	-65	0.0%	N/A
Income before taxes	330,590	4.5%	192,403	3.2%	71.8%
Income taxes	-75,837	-1.0%	-25,040	-0.4%	N/A
Net income	254,753	3.5%	167,363	2.8%	52.2%
EBITDA	560,958	7.7%	447,755	7.5%	25.3%

Consolidated Balance Sheet

(in millions of Colombian pesos)

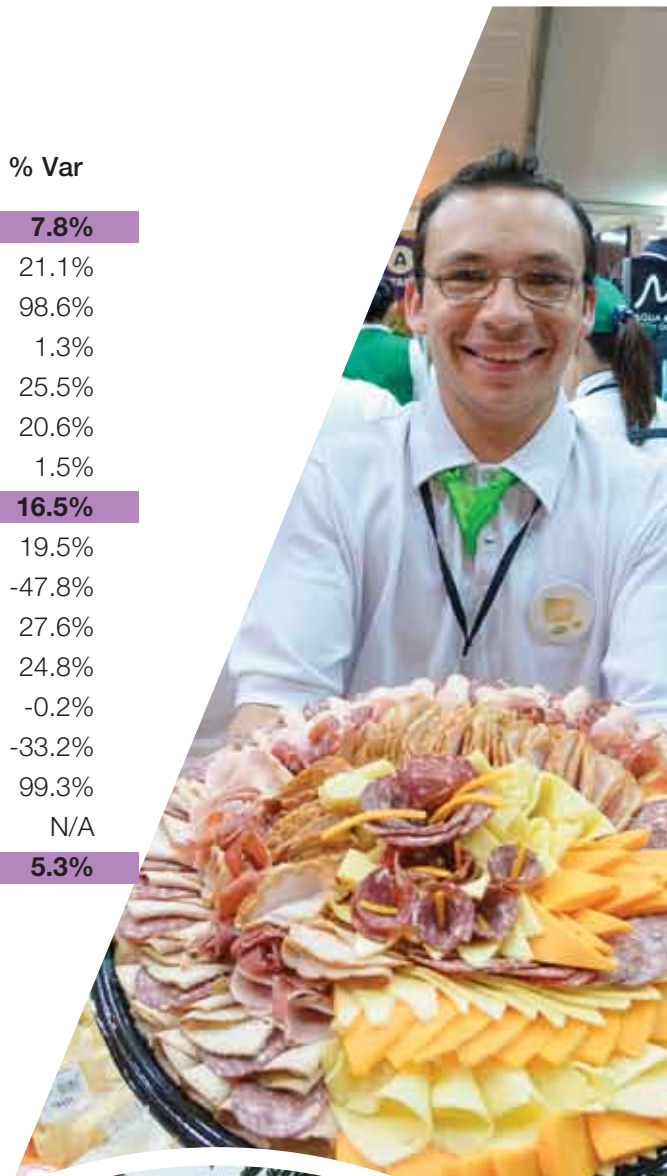
	September 2012	September 2011	% Var
Assets	9,503,043	8,812,378	7.8%
Current assets	3,436,850	2,837,364	21.1%
Cash	615,087	309,659	98.6%
Marketable securities	1,400,608	1,383,269	1.3%
Inventories	1,052,783	839,030	25.5%
Others	368,372	305,406	20.6%
Non-current assets	6,066,193	5,975,014	1.5%
Liabilities	2,249,609	1,931,795	16.5%
Current liabilities	1,950,864	1,632,529	19.5%
Financial obligations short term	81,266	155,703	-47.8%
Suppliers	1,210,643	948,946	27.6%
Others	658,955	527,880	24.8%
Non-current liabilities	298,745	299,266	-0.2%
Financial obligations long term	150,000	224,650	-33.2%
Others	148,745	74,616	99.3%
Minority interest	8,921	2,758	N/A
Shareholders' equity	7,244,513	6,877,825	5.3%

ROA and ROE

	2011 Sept	2012 Sept
ROA	3.7%	5.0%
ROE	4.8%	6.6%

Historic Value*	2011 Sept	2012 Sept
ROA	4.7%	6.2%
ROE	6.4%	8.6%

*Historic value does not include valuations and inflation adjustments.



"Salón del Queso" held in Bogotá.

Third Quarter 2012 Financial Highlights

2012

- **Net Revenues** rose 20.3% in the third quarter 2012 to COP \$2,438,775 million compared to COP\$2,026,470 million in the same quarter 2011. This growth included 4.3% growth in same store sales and a 16% increase in sales attributable to the Company's local and international expansion plan.
- **Gross Profit** grew 24.0% to COP\$622,632 million versus COP\$502,225 million in the third quarter 2011. As a percentage of Net Revenues, Gross Margin rose from 24.8% in third quarter 2011 to 25.5% in third quarter 2012, mainly reflecting a solid sales mix performance and an increased share of complementary businesses in Net Revenues.
- **Selling, General and Administrative Expenses** increased 22.8% in third quarter 2012 to COP\$525,414 million compared to COP\$427,696 million in the same period last year. As a percentage of Net Revenues, SG&A went from 21.1% to 21.5% mainly related to higher operational expenses due to the Uruguayan operation.
- **Operating Income** rose 30.4% in the third quarter 2012 to COP\$97,218 million compared to COP\$74,529 million in the same period 2011. Operating Margin increased 30 basis points from 3.7% to 4.0% as a percentage of Net Revenues driven by improved Gross Margin levels.
- **EBITDA** grew 22.4% in the third quarter 2012 compared to the same period 2011, from COP \$151.408 million to COP \$185.364 million. As a percentage of Net Revenues, EBITDA margin increased from 7.5% to 7.6%, mainly explained by the favorable performance of the sales mix at both companies and higher gross margin levels at the Uruguayan operation.
- **Net Financial Result** in third quarter 2012 showed Net Financial Income of COP\$16,566 million compared to a Net Financial Income of COP\$44 million reported in the same period last year. The positive outcome of the Net Financial result of COP\$16,610 million was derived from increased revenues from short-term investments. The Company's conservative cash management strategy for resources available stipulates short-term investments no longer than 120 days, and rated above AA+ to ensure the lowest level of capital risk.
- **Other Non-Operating Income and Expense** rose to an expense of COP\$9,942 million in third quarter of 2012 from an expense of COP\$7,049 million in the same period last year. This was mainly due to profits obtained back in the third quarter of 2011 as a result of asset disposals.
- **Income Tax** grew 31.7% to COP\$26,291 million in third quarter 2012 compared to COP\$8,742 million in the same period 2011. Higher tax provisions were related to the impact of increased earnings before taxes, Uruguay's tax structure and decreased tax benefits.
- **Net Income** grew 31.7% to COP\$77,386 million in the third quarter 2012 compared to COP\$58,756 million in the same period 2011. As a percentage of Net Revenues, Net Income margin increased 30 basis points from 2.9% to 3.2% when compared to the same period 2011, as a result of operational efficiency and higher financial income.

Other operating information as of September 30, 2012

Number of stores and selling area

Brand	Stores	Selling area (sq m)
Éxito	220	583,745
Carulla Pomona	76	70,607
Surtimax	94	54,921
Others	5	8,239
TOTAL COLOMBIA	395	717,511
Devoto	24	33,118
Disco	27	28,971
Geant	1	10,800
TOTAL URUGUAY	52	72,889
TOTAL GRUPO EXITO	447	790,400

Number of stores, selling area (owned/leased)

COLOMBIA	Stores		Area	
	Stores	%	Area (sq m)	%
Own	144	36%	419,261	58%
Leased	251	64%	298,250	42%
Total	395	100%	717,511	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 nine-month period ended September 30, 2012

Brand	Opened	Closed	Converted
Éxito	31	5 (Express)	4 From Cafam, Ley and Surtimax brands
Carulla, Pomona	1		10 From Pomona brand
Surtimax	19	2	
Other: Ley, Homemart, Cafam			
Disco	0		
Devoto	0		
Geant	0		
Total	51	7	14

Same store sales growth Colombia

	2012	2011
First quarter	13.0%	1.9%
Second quarter	-1.5%	14.8%
Third quarter	4.3%	9.3%
As of September	5.0%	8.7%

Sales mix evolution

Sales mix 3Q 12

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

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Surtimax La Luna, the first store of this brand in Cali.

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