



Éxito Express: a new proposal for our costumers

## For the quarter and nine-month period ended September 30, 2010

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

Medellín, Colombia – October 27, 2010 – 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, 2010. All figures are expressed in COP-Colombian pesos (US\$1 = COP1,799,89 at September 30, 2010).

- Working capital reached a favorable position of COP\$138,355 million, improving COP\$177,954 million compared to the COP\$39,599 million for the same period 2009.
- Financial debt decreased 43.7% for a total of COP\$644,633 million.
- Net Revenues increased 7.5% for the third quarter 2010, for a total of COP\$1,753,324 million.
- Selling and administrative expense increased 4.1% to COP\$373,807 million. As a percentage of Net Revenues they went down to 21.3% from 22.0%.
- Operating income increased 20.4% to COP\$62,767 million. The Operating margin went up to 3.6% in the third quarter 2010 from 3.2% in the same period last year.
- EBITDA increased 8.0% to COP\$132,629 million. The EBITDA margin went up to 7.6% from 7.5%.
- Net income increased 121.5% to COP\$36,942 million. Net income margin went up to 2.1% from 1.0%.

## Third quarter 2010 operating highlights

- **Colombian authorities approve merger:** during the quarter, the Colombian Financial Superintendence approved the merger between Carulla Vivero S.A. and Almacenes Éxito S.A., which signifies the conclusion of the integration process that began in 2007.
- **The Superintendence of Industry and Commerce** decided not to object to the alliance between Cafam and Éxito. As a result, this will allow the Cafam drugstore service to become national, while Éxito will operate the 31 Cafam stores in Bogotá and Cundinamarca, the most competitive retail business region of Colombia.
- **Ten stores reconverted to Éxito and Surtimax:** seven Ley stores were converted to the Éxito brand in Armenia, Cartago, Pereira, Medellín, Bogotá, Palmira and Duitama, as well as the Vivero Unicentro store in Villavicencio. Also, the Carulla Cristo Rey store in Medellín was converted to Bodega Surtimax and the Próximo store in Medellín was converted to an Éxito Express store. Including these projects, the company reached a total of 10 conversions in this quarter and 25 for the nine-month period.
- **Two new stores:** with 2 new Éxito Express stores in Bogotá, the company has reached a total of 4 openings for the first nine months of the year. This is a reflection of the continuing consolidation and optimization of Éxito's multi – brand strategy.
- **Colombian designer Esteban Cortázar** launched his new fashion collection at the opening of Colombiamoda, the most important fashion week in the country. The collection was sold in ten Éxito stores, one day after being presented on a fashion parade, an unprecedented event in the country.
- **Carulla celebrates 105 years and is still undergoing renovation:** during this period, seven (7) Carulla sales points located in the cities of Bogotá, Rionegro and Medellín improved their layout and assortment to benefit their customers.
- **Ordinary Éxito bonds with AAA rating:** in a meeting held on September 21, 2010, Fitch Ratings Colombia confirmed the AAA rating for the outstanding bonds of Almacenes Éxito. According to the rating agency, this is the highest credit rating, which reflects the company's position as the retail business leader in Colombia, its multi – format strategy, the development of competitive advantages and its permanent operational and financial optimization.
- **Special events for customers:** the company held the fifth annual Expovinos (wine promotion) event, which was attended by 20,000 visitors and included 92 wine experts from 10 countries. At the same time, in celebration of Colombia's Bicentennial, "La gran bandera Éxito", a large Éxito banner was created to cover the Plaza de Bolívar in Bogotá, and was made in the shape of the map of the country. The company also held "Revela tu interior y tu belleza" a lingerie promotional event throughout all Éxito stores nationwide.
- **Committed to the environment and children,** Grupo Éxito presented its environmental initiatives, including a new design for its reusable bag, recycling banks at our stores and Mi Planeta Éxito program (My Éxito Planet). At the same time, Fundación Éxito published its contribution for the first semester of 2010, when 23,122 children and 754 expectant mothers from 171 institutions in all the country were benefited by the foundation food donations during the year. This represented a total investment of COP\$ 4,675 million.

## Consolidated financial statements

### Consolidated income statement for the third quarter

	Third quarter, 2010		Third quarter, 2009		% Var
	Million of COP	% Net revenues	Million of COP	% Net revenues	
<b>NET REVENUES</b>	1,753,324	100.0	1,631,156	100.0	7.5
Cost of sales	-1,316,750	-75.1	-1,219,869	-74.8	7.9
<b>GROSS PROFIT</b>	436,574	24.9	411,287	25.2	6.1
Selling and administrative expense	-373,807	-21.3	-359,164	-22.0	4.1
<b>OPERATING INCOME</b>	62,767	3.6	52,123	3.2	20.4
Financial income	17,671	1.0	10,695	0.7	65.2
Financial expense	-27,303	-1.6	-40,606	-2.5	-32.8
Other non-operating income and expense	-8,978	-0.5	8,132	0.5	N/A
Minority interest	74	0.0	-4,794	-0.3	N/A
Income before taxes	44,231	2.5	25,550	1.6	73.1
Income taxes	-7,289	-0.4	-8,871	-0.5	-17.8
<b>NET INCOME</b>	36,942	2.1	16,679	1.0	N/A
<b>EBITDA</b>	132,629	7.6	122,792	7.5	8.0

### Consolidated income statement for the nine-month period ended September 30

	Nine months ended September 30, 2010		Nine months ended September 30, 2009		% Var
	Million of COP	% Net revenues	Million of COP	% Net revenues	
<b>NET REVENUES</b>	5,215,041	100.0	4,942,125	100.0	5.5
Cost of sales	-3,943,150	-75.6	-3,732,349	-75.5	5.6
<b>GROSS PROFIT</b>	1,271,891	24.4	1,209,776	24.5	5.1
Selling and administrative expense	-1,102,679	-21.1	-1,084,445	-21.9	1.7
<b>OPERATING INCOME</b>	169,212	3.2	125,331	2.5	35.0
Financial income	43,465	0.8	34,305	0.7	26.7
Financial expense	-78,343	-1.5	-125,415	-2.5	-37.5
Other non-operating income and expense	-17,708	-0.3	50,285	1.0	N/A
Minority interest	13	0.0	-14,089	-0.3	N/A
Income before taxes	116,639	2.2	70,417	1.4	65.6
Income taxes	-24,068	-0.5	-26,447	-0.5	-9.0
<b>NET INCOME</b>	92,571	1.8	43,970	0.9	N/A
<b>EBITDA</b>	380,483	7.3	338,761	6.9	12.3

## Consolidated balance sheet

(in million of Colombian pesos)

	Sept. 2010	Sept. 2009	% Var
<b>ASSETS</b>	6,004,449	5,619,592	6.8%
Current assets	1,456,655	1,431,791	1.7%
Cash	188,547	97,132	94.1%
Marketable securities	280,977	308,577	-8.9%
Inventories	750,570	792,545	-5.3%
Others	236,561	233,537	1.3%
Non-current assets	4,547,794	4,187,801	8.6%
<b>LIABILITIES</b>	1,832,285	2,175,275	-15.8%
Current liabilities	1,459,502	1,452,636	0.5%
Financial obligations short term	334,016	466,153	-28.3%
Suppliers	780,763	670,304	16.5%
Others	344,723	316,179	9.0%
Non-current liabilities	372,783	722,639	-48.4%
Financial obligations long term	310,617	678,899	-54.2%
Others	62,166	43,740	42.1%
Minority interest	2,531	139,179	-98.2%
<b>SHAREHOLDERS' EQUITY</b>	4,169,633	3,305,138	26.2%



Carulla celebrated 105 years. In the picture, Carulla La Visitación in Medellín



## Third quarter 2010 financial highlights

**Working capital** reached a favorable COP\$ 138,355 million, improving COP\$ 177,954 compared to COP\$ 39,599 million during the same period in 2009, mainly due to a 5.3% inventory reduction and a 16.5% increase in accounts payable to suppliers, in comparison with the same period in 2009.

**Financial debt** decreased 43.70%, reaching COP\$ 644,633 million compared to COP\$ 1,145,052 million from the same period in 2009. When compared to the same period last year, there was an improvement in the interest expense coverage ratio and the leverage ratio, reaching 16.28 versus 7.07 and 1.12 versus 1.99, respectively.

**Net Revenues** increased 7.5% to COP\$ 1,753,324 million for the third quarter of 2010, compared to COP\$ 1,631,156 million for the same period in 2009, which reflected a 6.0% increase in same store sales, as well as a 1.5% increase obtained from the company's expansion plan.

**Gross profit** increased 6.1%, reaching COP\$ 436,574 million, compared to COP\$ 411,287 million in the same period in 2009. As a percentage of Net Revenues, gross margin decreased from 25.2% to 24.9%, principally due to: (i) a greater share of the electronics category and (ii) a more promotional quarter, compared with the same period last year.

**Selling and Administrative expense** increased 4.1% to COP\$ 373,807 million, compared to COP\$ 359,164 million from the same period in 2009. As a percentage of Net Revenues, SG&A decreased from 22.0% to 21.3%, mainly due to: (i) the execution of the operational excellence program and (ii) the dilution of expenditures given the increase in Net Revenues.

**Operating income** increased 20.4% for a total of COP\$ 62,767 million, compared to COP\$ 52,123 million obtained in the same period of 2009. As a percentage of Net Revenues, the operating income reached 3.6% in the third quarter of 2010, from 3.2% in the same period of 2009, principally due to lower expenses as a percentage of Net Revenues.

**EBITDA** increased 8.0% for a total of COP\$ 132,629 million, compared to COP\$ 122,792 million in the same period of 2009. As a



Esteban Cortazar collection was sold exclusively at Éxito stores

percentage of the Net Revenues, the EBITDA margin increased from 7.5% in the third quarter of 2009 to 7.6% for the same period in 2010 mainly due to lower expenses as a percentage of Net Revenues.

**Net financial expense** decreased 67.8% to COP\$ 9,632 million from COP\$29,911 million for the same period in 2009. As a percentage of Net Revenues, they went from 1.8% to 0.5%, principally explained because of a lower financial debt.

**Other non-operating income and expense** reached (COP\$ 8,978) million, compared to COP\$ 8,132 million in the third quarter of 2009. This was mainly due to the earnings obtained in the third quarter of 2009 as a result of asset sales.

**Income tax** declined to COP\$ 7,289 million in the third quarter of 2010, compared to COP\$ 8,871 million in the same period last year. As a percentage of Net Revenues, taxes represented 0.4%, beginning to reflect some of the tax synergies following the final approval of the merger between Almacenes Éxito and Carulla – Vivero.

**Net income** reached COP\$ 36,942 million for the third quarter of 2010, compared to COP\$ 16,679 million for the same period from last year. As a percentage of Net Revenues, the net margin rose to 2.1% in 2010, from 1.0% in the third quarter of 2009.

## Other operating information as of September 30, 2010

### Number of stores, selling area

Brand	Stores	Selling area (sq m)
Éxito	110	480,456
Carulla, Pomona	81	77,420
Bodega Surtimax	52	42,598
Other	20	34,188
<b>TOTAL</b>	<b>263</b>	<b>634,662</b>

### Number of stores, selling area (owned/leased)

Owned / Leased	Stores		Area	
	Stores	%	Area (sq m)	%
Leased	133	51%	236,816	37%
Owned	130	49%	397,846	63%
<b>TOTAL</b>	<b>263</b>	<b>100%</b>	<b>634,662</b>	<b>100%</b>

### Openings, closings and conversions for the nine months ended September 30, 2010

Brand	Opened	Closed	Converted	
Éxito	4	1	20	From Ley, Vivero and Carulla brands
Carulla, Pomona	0	0	0	
Bodega Surtimax	0	0	5	From Ley and Carulla brands
Other	0	0	0	
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>25</b>	

### Same store sales growth

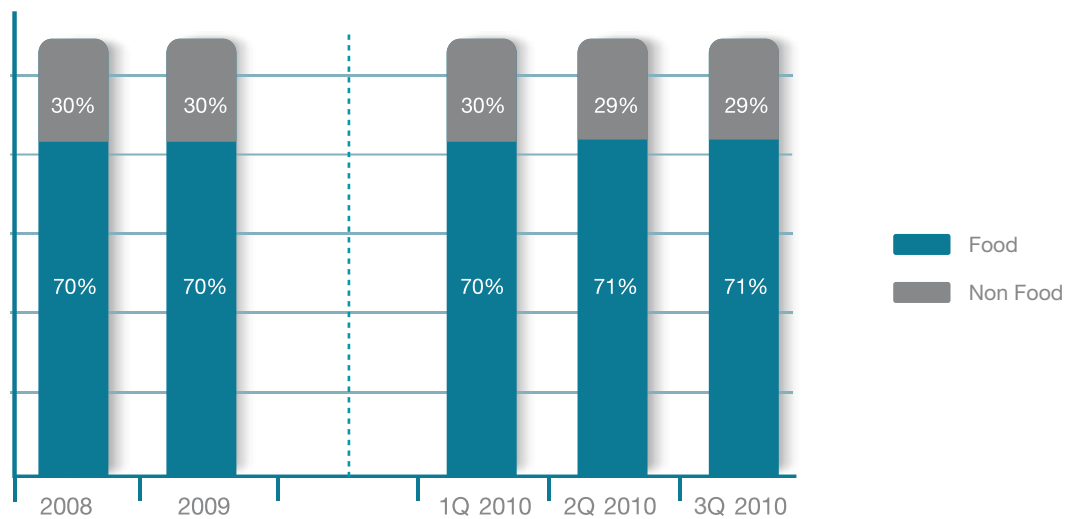
	2010	2009
First quarter	2.6%	-6.6%
Second quarter	4.6%	-3.6%
Third quarter	6.0%	-5.8%
As of September	4.4%	-5.4%



## Sales by brand

Brand	%
Éxito	74.7
Carulla, Pomona	17.6
Bodega, Bodeguita Surtimax	4.4
Other: Ley, Homemart	3.3
<b>TOTAL</b>	<b>100.0</b>

## Sales mix evolution



## ROA y ROE

	2007	2008	2009	2010 Mar	2010 Jun	2010 Sept
ROA	2.1%	2.5%	2.3%	2.7%	2.8%	3.3%
ROE	3.9%	4.5%	3.5%	4.1%	4.3%	4.7%

Historic value*	2007	2008	2009	2010 Mar	2010 Jun	2010 Sept
ROA	4.3%	4.2%	5.0%	4.3%	4.4%	4.8%
ROE	10.7%	10.2%	8.8%	7.6%	7.6%	7.8%

\* Historic value does not include valuations and inflation adjustments



# grupo éxito®

Bodega Surtimax Cristo Rey store, Medellín.

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#### 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.