

# Almacenes Éxito S.A.

(BVC: EXITO)



## Consolidated Financial Results

For the fourth quarter and twelve-month period ended December 31, 2016

4Q16

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

Medellín, Colombia – February 27, 2017 – Almacenes Éxito S.A. ("Éxito" or "the Company"), the largest retail company in Colombia today announced its consolidated financial results for the period ended December 31, 2016. All figures are expressed in COP -Colombian pesos.

## Big Steps towards Grupo Éxito Latam Consolidation

### Fourth Quarter 2016 Financial Highlights

#### CONSOLIDATED

- **Consolidated Net Revenues** grew by 19.4% in 4Q16. Net Revenues reflected a solid sales performance from the commercial efforts across several countries and the higher outcome of other revenues (83.8% in 4Q16) driven mainly by the contribution of Complementary Business.
- **Recurring Operating Income** reached COP\$797,296 million with a margin of 5.3%.
- **Recurring EBITDA** grew -3.1% to COP\$1,035,185 million in the fourth quarter 2016 for a 6.9% EBITDA margin as a percentage of Net Revenues.
- **The consolidated Net Income** in 4Q16 was COP\$191,499 million, and excludes the results of the discontinued Via Varejo operation.

### 2016 Highlights

#### Latam

- The Company significantly advanced with the process of **integration and synergies**. In only 15 months of operations, 19 initiatives undertaken were able to generate tangible recurrent gains at the operational level of USD\$5 million by 2015 and USD\$25 million by 2016, in the upper limit of the guidance provided to the market.
- Grupo Éxito continued **expanding key formats** and markets across the region. In Colombia, the Company launched the first cash and carry store "Surtimayorista" and reached agreements with 1.307 "Aliados Surtimax". Moreover, in Brazil the Company strengthened Assaí expansion with 13 openings and launched "Allies" model format to the Brazilian market with 102 "Aliados CompreBem". In Proximity, Grupo Éxito opened 14 express stores in Colombia, 14 Minuto Pao de Acucar stores in Brazil, 14 Devoto Express stores in Uruguay and 1 Petit Libertad store in Argentina.
- Key **commercial activities** clearly benefited hypermarkets and led to a more dynamic performance overall. In Colombia, for example, the stores led in terms of growth, in Brazil they gained market share and in Uruguay, they performed above the overall market, despite the aggressive retail environment and macro effects in the region.

- **Financial performance**, Grupo Éxito posted Ebitda growth in both Colombia and Uruguay despite the challenging macro environment. The **on-line business** in Colombia through exito.com and carulla.com saw an increase in sales of 23% in 2016 versus the same period last year and posted profitable growth with a mid-single digit Ebitda margin. Additionally, the lower leverage ratio for Grupo Exito at the holding level, went from 3.8x in 2015 to 3.1x adjusted Net Financial Debt/Ebitda in 2016 that compares favorably with the 3.2x ratio that was initially expected.
- **Corporate Governance** in line with the Adoption of OECD **Corporate Governance Standards** in Colombia, Grupo Exito included new rules regarding the approval of related party transactions, handling of privileged information and disclosure. The Company amended existing corporate governance documents and policies that included rules for shareholder meetings, conflicts of interest and control systems, among others. It also created a new Risk and Auditing Committee, which will be key in approvals for related party transactions and for the review of potential conflicts of interest. It is composed entirely by Independent Board Members. Also, only Independent Board Members were appointed to serve as chairpersons for the various committees.
- **Sustainability**, Grupo Éxito was included in the Dow Jones Emerging Markets Sustainability Index after obtaining 52 points, which compares to the retail industry average of only 44 points. The Company also continued to focus on child nutrition initiatives by supporting more than 38.000 children between the ages of 0 and 5 years and promoted its national objective of reaching a Zero Malnutrition generation by 2030. Finally, Grupo Éxito participated in sustainable trade initiatives with almost 1.300 small independent supermarkets through its “Aliados” program and directly purchased over 86% of its fresh products from local producers.

## 4Q16 Highlights

- **Corporate simplification.** First, the consolidation of the Brazilian business unit with the integration of Cnova Brazil into Via Varejo in order to strengthen its non-food leadership position. Second, the company began the divestment process for Via Varejo, whereby Grupo Éxito intends to focus on the food business in Brazil in order to become the leader in South American food.
- Last December Grupo Éxito announced the execution of the agreement with Fondo Inmobiliario Colombia (FIC). FIC purchased a 49% participation in our real estate vehicle **Viva Malls**, via a cash contribution of COP \$773,131 million. COP\$388,595 million is placed upon signing the agreement and remaining COP\$384,536 million are scheduled for the next 18 months. The Viva Malls portfolio comprised of 12 assets in operation with over 308,000 sqm of GLA as well as 2 under development, for a total of 434,000 sqm of GLA in 2018. At that point, we expect a valuation for this project over nearly COP\$1.6 billion and an implicit Cap Rate in the range of 8.7% to 8.8%.

### Retail Expansion

- **Food Retail expansion** in 4Q16 in Latam was centered on opening 33 food stores. In Colombia we opened 10 stores (9 Éxito: 7 Éxito Express, 2 Éxito Super and 1 Surtimax); in Brazil, we opened 18 stores (9 Minuto Pao de Acucar, 8 Assaí (2 were converted from Extra hyper) and 1 Pao de Acucar); in Uruguay we opened 4 Devoto express stores; and finally, we had 1 store opening in Argentina under the Petit Libertad brand.
- In 2016, Grupo Éxito reached a total of 1.576 food retail stores (68 openings in 2016) with a combined selling area of over 2.79 million square meters. Geographically, we have 566 stores in Colombia (23 openings in 2016), 904 in Brazil (30 openings in 2016), 79 in Uruguay (14 openings in 2016) and 27 in Argentina (one opening in 2016). Please note that stores in Brazil do not include pharmacies, gas stations and stores from the discontinued business unit of Via Varejo.

## Real Estate

- In Colombia, the real estate business added 75,000 sqm of GLA with the opening of 2 shopping centers, Viva Barranquilla with 65,000 sqm of GLA and Viva La Ceja, with 10,000 sqm of GLA. The real estate expansions by Grupo Éxito in Colombia reflected the highest commercial area increase by any player in the country for the 2016 period. As such, the Company has GLA of 584,000 sqm of which 308,000 sqm were included in the Viva Malls portfolio. In addition, Grupo Éxito executed the FIC agreement in order to formalize the creation of its real estate vehicle under the “Viva Malls” brand.
- In Argentina, the real estate business grew by almost 15,000 sqm in GLA with the developments in Salta and in Chaco shopping malls, reaching a total GLA of nearly 160,000 sqm. Libertad is the first real estate developer of shopping centers located outside of Buenos Aires.

## Consolidated Capital Expenditures

- **The level of Consolidated Group Capital Expenditure** for 4Q16 was COP\$525,000 million and totaled COP\$2.05 billion in 2016. Of this amount, 70% was allocated to retail and real estate expansion as well as conversions; the remaining 30% were used in maintaining and supporting operational structures, updating IT systems and for logistics. In Colombia, Capital Expenditures reached COP\$564,000 million in 2016 of which nearly 38% corresponded to real estate requirements.

# Consolidated Income Statement

## Disclaimer

Consolidated unaudited proforma financial information has been prepared to illustrate the effect that would have occurred if the operation with Companhia Brasileira de Distribuição – CBD and Libertad S.A. recorded on August 31st of 2015 and consolidated since September 1st of 2015, would have been recorded and consolidated since January 1st of 2015. This information is provided for illustration purposes only seeking to provide a comparable basis with the financial statements as of December 31st of 2016. In addition, figures include the effects of the restatement of discontinued operation of Via Varejo S.A., for comparison purposes to 2016.

Due to these assumptions, proforma financial information does not represent the financial reality of Almacenes Éxito and its subsidiaries for the period from January 1st to December 31st of 2015. Thus, Almacenes Éxito S.A.'s management is responsible of validating the sources of information, the definition of the criteria used in the consolidation process and the eliminations made to prepare this proforma financial information.

Our auditors Ernst & Young Audit Ltda., in a communication sent on November 29th of 2016, have concluded that, the compiling proforma financial information process has been applied by the Administration in accordance with the International Standard of Assurance Engagements 3420 (ISAE 3420) "Guarantee reports of compiling proforma financial information process", published by the Board of International Auditing Standards.

	4Q16	4Q15 <sup>(2)</sup>		4Q15 Proforma <sup>(1)</sup>		FY16	FY15 <sup>(2)</sup>		FY15 Proforma <sup>(1)</sup>	
	Millions of COP	Millions of COP	4Q16/15	Millions of COP	4Q16/15 Proforma	Millions of COP	Millions of COP	FY16/15	Millions of COP	FY16/15 Proforma
Sales	14,642,041	12,351,664	18.5%	12,379,467	18.3%	50,867,511	23,598,803	115.6%	44,546,300	14.2%
Other Revenue	305,446	166,188	83.8%	163,541	86.8%	771,922	447,168	72.6%	558,371	38.2%
<b>Net Revenue</b>	<b>14,947,487</b>	<b>12,517,852</b>	<b>19.4%</b>	<b>12,543,008</b>	<b>19.2%</b>	<b>51,639,433</b>	<b>24,045,971</b>	<b>114.8%</b>	<b>45,104,671</b>	<b>14.5%</b>
Cost of Sales	-11,296,021	-9,232,452	22.4%	-9,244,671	22.2%	-39,099,555	-17,787,553	119.8%	-33,677,723	16.1%
% of Net Revenues	-75.6%	-73.8%		-73.7%		-75.7%	-74.0%		-74.7%	
<b>Gross Profit</b>	<b>3,651,466</b>	<b>3,285,400</b>	<b>11.1%</b>	<b>3,298,337</b>	<b>10.7%</b>	<b>12,539,878</b>	<b>6,258,418</b>	<b>100.4%</b>	<b>11,426,948</b>	<b>9.7%</b>
% of Net Revenues	24.4%	26.2%		26.3%		24.3%	26.0%		25.3%	
SG&A	-2,616,281	-2,213,281	18.2%	-2,214,426	18.1%	-9,631,547	-4,403,590	118.7%	-8,384,057	14.9%
% of Net Revenues	-17.5%	-17.7%		-17.7%		-18.7%	-18.3%		-18.6%	
Depreciation and Amortization	-237,889	-210,638	12.9%	-209,464	13.6%	-886,192	-436,935	102.8%	-809,356	9.5%
% of Net Revenues	-1.6%	-1.7%		-1.7%		-1.7%	-1.8%		-1.8%	
<b>Total SG&amp;A</b>	<b>-2,854,170</b>	<b>-2,423,919</b>	<b>17.8%</b>	<b>-2,423,890</b>	<b>17.8%</b>	<b>-10,517,739</b>	<b>-4,840,525</b>	<b>117.3%</b>	<b>-9,193,413</b>	<b>14.4%</b>
% of Net Revenues	-19.1%	-19.4%		-19.3%		-20.4%	-20.1%		-20.4%	
<b>Recurring Operating Income (ROI)</b>	<b>797,296</b>	<b>861,481</b>	<b>-7.5%</b>	<b>874,447</b>	<b>-8.8%</b>	<b>2,022,139</b>	<b>1,417,893</b>	<b>42.6%</b>	<b>2,233,535</b>	<b>-9.5%</b>
% of Net Revenues	5.3%	6.9%		7.0%		3.9%	5.9%		5.0%	
Non - Recurring income and expenses	-192,766	-46,911	310.9%	-48,193	300.0%	-443,870	-67,531	557.3%	-170,032	161.1%
% of Net Revenues	-1.3%	-0.4%		-0.4%		-0.9%	-0.3%		-0.4%	
<b>Operating Income (EBIT)</b>	<b>604,530</b>	<b>814,570</b>	<b>-25.8%</b>	<b>826,254</b>	<b>-26.8%</b>	<b>1,578,271</b>	<b>1,350,362</b>	<b>16.9%</b>	<b>2,063,503</b>	<b>-23.5%</b>
% of Net Revenues	4.0%	6.5%		6.6%		3.1%	5.6%		4.6%	
Net Financial Income	-351,826	-226,532	55.3%	-299,852	17.3%	-1,261,753	-92,026	1271.1%	-803,753	57.0%
% of Net Revenues	-2.4%	-1.8%		-2.4%		-2.4%	-0.4%		-1.8%	
Income from associates & joint ventures	13,576	15,755	-13.8%	15,743	-13.8%	63,752	9,746	554.1%	66,942	-4.8%
% of Net Revenues	0.1%	0.1%		0.1%		0.1%	0.0%		0.1%	
EBT	266,280	603,793	-55.9%	542,145	-50.9%	380,270	1,268,082	-70.0%	1,326,692	-71.3%
% of Net Revenues	1.8%	4.8%		4.3%		0.7%	5.3%		2.9%	
Income Tax	-24,895	-176,728	-85.9%	-178,376	-86.0%	-167,814	-387,683	-56.7%	-485,389	-65.4%
% of Net Revenues	-0.2%	-1.4%		-1.4%		-0.3%	-1.6%		-1.1%	
Net Income	241,385	427,065	-43.5%	363,769	-33.6%	212,456	880,399	-75.9%	841,303	-74.7%
% of Net Revenues	1.6%	3.4%		2.9%		0.4%	3.7%		1.9%	
Net Income of discontinued operations	-30,014	-306,833	-90.2%	-323,194	-90.7%	-834,851	-275,059	203.5%	-501,005	66.6%
% of Net Revenues	-0.2%	-2.5%		-2.6%		-1.6%	-1.1%		-1.1%	
Non-controlling interests	19,872	-77,447	-125.7%	-83,817	-123.7%	-665,923	31,845	-2191.1%	44,846	-1584.9%
% of Net Revenues	0.1%	-0.6%		-0.7%		-1.3%	0.1%		0.1%	
<b>Net income attributable to Grupo Éxito</b>	<b>191,499</b>	<b>197,679</b>	<b>-3.1%</b>	<b>124,392</b>	<b>53.9%</b>	<b>43,528</b>	<b>573,495</b>	<b>-92.4%</b>	<b>295,452</b>	<b>-85.3%</b>
% of Net Revenues	1.3%	1.6%		1.0%		0.1%	2.4%		0.7%	
<b>Recurring EBITDA</b>	<b>1,035,185</b>	<b>1,072,119</b>	<b>-3.4%</b>	<b>1,083,911</b>	<b>-4.5%</b>	<b>2,908,331</b>	<b>1,854,828</b>	<b>56.8%</b>	<b>3,042,891</b>	<b>-4.4%</b>
% of Net Revenues	6.9%	8.6%		8.6%		5.6%	7.7%		6.7%	
<b>EBITDA</b>	<b>842,419</b>	<b>1,025,208</b>	<b>-17.8%</b>	<b>1,035,718</b>	<b>-18.7%</b>	<b>2,464,463</b>	<b>1,787,297</b>	<b>37.9%</b>	<b>2,872,859</b>	<b>-14.2%</b>
% of Net Revenues	5.6%	8.2%		8.3%		4.8%	7.4%		6.4%	

(1) Amounts include the effects of the restatement of Companhia Brasileira de Distribuição – CBD results arising from the adjustment booked by such subsidiary regarding the investigation on Cnova N.V.

(2) Amounts restated to reflect the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. Amounts include the effects of the restatement of discontinued operation of Via Varejo S.A., for comparison purposes to 2016.

## Consolidated Financial Performance

- **Consolidated Net Revenues** grew by 19.4% in 4Q16 and proforma by 14.5% in 2016. Net Revenues reflected a solid sales performance from the commercial efforts across several countries and the higher outcome of other revenues (83.8% in 4Q16, 38.2% in 2016 proforma) driven mainly by the contribution of Complementary Business.
- **Consolidated sales** totaled COP \$14.6 billion during the fourth quarter of 2016 and grew by 18.5%. Consolidated sales totaled COP \$50.9 billion in 2016 and grew proforma by 14.2%. The food category increased in low double single-digits in terms of sales. Non-food was the main driver in Colombia benefited by the strong performance of the textile line that grew by 18%. Textiles also raised sales growth in Brazil demonstrating the effectiveness of the Company's textile model.
- **Gross margin** levels in 4Q16 of 24.4% and in 2016 of 24.3% reflected the continued challenging consumer environment in Brazil, the inflationary trend in the region and the Company's overall price-driven strategy used in order to maintain competitiveness.
- **SG&A** in 4Q16 decreased 30 bps and remained flat in 2016 versus the same period last year, reflecting productivity efforts and other cost-cutting initiatives that offset the inflationary trend in the region that caused higher salary levels, occupancy and utility costs.
- **Recurring Operating Income Margin** was 5.3% in 4Q16 and 3.9% in 2016 and reflected the Company's productivity efforts offset by higher inflation levels and the complex economic environment in the region.
- **Recurring EBITDA** margin was 6.9% in 4Q16 and 5.6% in 2016.

## Consolidated Group Share Net Income

- **The Net Income Result** in 2016 of COP \$43,528 million derived mainly from:
  - The 9M16 consolidated loss result of COP\$147,971 million.
  - The quarterly consolidated Ebit of COP\$604,530 million.
  - The consolidated net financial expense of COP\$351,826 million.
  - The consolidated tax provisions of COP\$24,895 million.
  - The IFRS 5 adjustment of the discontinued operation of Via Varejo of COP\$30,014 million.

## Debt position at the holding level

- In 2016, the NFD at the holding level closed at approximately COP\$2.99 billion, including USD\$450 million, representing an improvement of COP\$623,000 million versus the 2015 result. This included an amortization payment of COP\$97,500 million made in August 2016. The Company confirmed a lower adjusted NFD/Ebitda ratio by the end of 2016 of 3.1x from the 3.8x ratio posted at the end of 2015.

The Company's clear plan surpassed the initial target and ultimately deleveraged Grupo Éxito by USD\$200 million, mainly from increasing productivity with efficiencies in net logistic costs, store and DC optimization that led to a decrease in inventories of 5 days versus December 2015.

## 4Q16 Sales performance

**Consolidated sales** totaled COP \$14.6 billion during the fourth quarter of 2016 and grew by 18.5%.

Consolidated sales performance, benefitted from the diverse commercial drivers implemented across operations in LatAm such as:

- The commercial model from Argentina that was implemented in Colombia, Brazil and Uruguay, included a portfolio of over 1.000 SKU's and favored growth in terms of tickets, volumes and market share.
- The textile model from Colombia that was implemented in Brazil and Argentina increased the amount of textiles included in the sales mix for the hypermarkets.
- The portfolio of unbeatable products, which is part of our strategy to compete against discounters, posted unit growth increases of 80% in Colombia and 30% in Brazil.
- The fresh product strategy contributed to growth in volumes and margins as well as increased productivity by decreasing shrinkage levels in both Colombia and Uruguay.

## Sales in Colombia

	Adjusted by the Calendar Effect					2016		
	4Q16					Total Sales (In COP M)	%Var. Total sales <sup>(1)</sup>	% Same store Sales
	Total Sales (In COP M)	%Var. Total sales	% Same store Sales	% Var. total sales	% Same store Sales			
<b>Total Colombia</b>	<b>3,096,871</b>	<b>4.6%</b>	<b>3.1%</b>	<b>4.9%</b>	<b>3.4%</b>	<b>10,995,818</b>	<b>6.9%</b>	<b>4.4%</b>
Éxito	2,172,504	6.2%	3.9%	6.7%	4.4%	7,491,803	7.4%	5.3%
Carulla (2)	429,224	3.4%	1.2%	3.1%	0.9%	1,570,180	5.2%	3.8%
Discount	422,670	-0.5%	0.4%	0.1%	1.0%	1,647,400	4.9%	3.5%
B2B (3)	72,473	26.7%	N/A	26.7%	N/A	286,435	35.4%	N/A

(1) %Var Total sales adjusted by calendar effect of +1 day in 2016 is 6.7%.

(2) Excluding the pharmacies sales from the base. SSS Carulla including pharmacies were 1.2% in 4Q16 and 2.1% in 2016.

(3) B2B: Sales from Allies, Institutional, 3rd party sellers and Surtimayorista.

- In the midst of weaker retail consumption, **total sales in Colombia** reached COP \$3.1 billion and grew adjusted by the calendar effect by 4.9% in 4Q16 and reached almost COP \$11 billion, or 6.9% in 2016. This was particularly outstanding in light of the weak national retail sales trend that experienced a 2.4% growth in 4Q16, excluding gas and vehicles.
- Sales in the country surpassed the annual inflation rate of 5.75% and benefitted by the organic expansion of 23 new stores that opened during the last 12 months. The positive customer response towards the Company's commercial activities clearly contributed to sales and mainly drove the Éxito brand. Sales in the country also benefitted by the cash and carry format launched in 2016.
- The mix share in the food category was 69% in 4Q16 and grew in value by 3.2% versus the same period last year. The mix share in the food category was 73% in 2016 and grew in value by 6.5% versus the same period last year, mainly driven by the fresh line. The "Fresh Specialist Model" increased sales of fresh products in the low-double digits during 2016 versus the result for the same period last year.
- The non-food category was also an important contributor and grew by 9.4% in 4Q16 and by 7.4% in 2016 versus the same period of last year, driven mainly by the textile category, which grew in the high double-digits for both periods. The "Every Day Low Price Textile Strategy" clearly led to the stronger sales growth of textiles in 2016 and by 43% in terms of units versus the same period last year. This activity contributed towards the growth of our private label sales which increased by 62% in terms of sales and by 117% in terms of units.
- **Same-store sales in Colombia** grew by 3.4% in 4Q16 when adjusted by the calendar effect and by 4.4% in 2016. LFL levels in Colombia reflected the solid performance of the Éxito segment and the resilience of the Carulla stores.
- The **Éxito** segment represented approximately 68% of sales in Colombia and strongly contributed to sales growth throughout the country, with an increase adjusted by the calendar effect of 6.7% in 4Q16 and 7.4% in 2016. Sales of the Éxito segment posted like-for-like levels of 4.4% in 4Q16 when adjusted by the calendar effect and 5.3% in 2016.



- Performance of the **Éxito** brand significantly improved from the positive effect of key commercial activities at hypermarkets mainly in the fresh and the textile categories. Also, brand sales benefited from the Special Price Days event that took place from September 28th to October 17th.
- In the **Carulla** segment, sales increased, adjusted by the calendar effect by 3.1% in 4Q16 and by 5.2% in 2016 and posted a 0.9% and 3.8% like-for-like growth, respectively, adjusted by the calendar effect and excluding pharmacies from the base. The fresh and home categories continued to be important growth contributors at the Carulla stores during 2016 with double digit growth across both categories.
- The **Discount** segment posted full year 2016 sales levels growth of 4.9%, adjusted by the calendar effect with positive 3.5% same-store sales growth. Sales experienced growth across all regions in Colombia during 2016. Particularly with low double-digit growth in the Atlantic Coast and the Coffee region and the mid-single digit growth in Medellin.
- Sales in the **B2B** segment grew by 26.7% in 4Q16 and reached 35.4% growth in 2016, clearly benefited from the opening of “Surtimayorista” our first cash and carry store in Bogotá and the 1.307 “aliados” reached in 2016. This represented an increase of 542 versus the alliances recorded for the same period last year.

## Operating Performance in Colombia

	4Q16	4Q15		FY16	FY15	
	Millions of COP	Millions of COP	4Q16/15	Millions of COP	Millions of COP	FY16/15
Sales	3,096,871	2,960,418	4.6%	10,995,818	10,285,199	6.9%
Other Revenues	115,422	91,387	26.3%	422,068	333,446	26.6%
Net Revenues	3,212,293	3,051,805	5.3%	11,417,886	10,618,645	7.5%
Gross Profit	817,495	776,359	5.3%	2,835,933	2,607,959	8.7%
Gross Margin	25.4%	25.4%		24.8%	24.6%	
SG&A Expenses	-568,888	-520,071	9.4%	-2,240,838	-2,012,300	11.4%
SG&A /Net Revenues	-17.7%	-17.0%		-19.6%	-19.0%	
Recurring Operating Income	248,607	256,288	-3.0%	595,095	595,659	-0.1%
Recurring Operating margin	7.7%	8.4%		5.2%	5.6%	
Recurring EBITDA	306,611	312,847	-2.0%	832,750	806,903	3.2%
Recurring EBITDA margin	9.5%	10.3%		7.3%	7.6%	

Note: Colombia results includes results of Almacenes Éxito S.A. and its subsidiaries in Colombia.

- Quarterly **Net Revenues** rose by 5.3% in 4Q16 and by 7.5% in 2016 benefited from organic expansion and higher revenues of the Company's Complementary Business.
- Other revenues represented 3.6% and 3.7% as percentage of Net Sales in 4Q16 and 2016, respectively, and mainly benefited from the performance of the real estate business, which represented nearly 1/3 of the mix and included the recently opened Viva La Ceja and Viva Barranquilla Shopping Malls.
- **Gross Margin** in 4Q16 remained flat versus the same period last year at 25.4%, and gained 20 bps in 2016 to 24.8% as percentage of Net Revenues. Gross margin levels reflected efforts to improve productivity levels and focus on decreasing inventories. The higher contribution of complementary businesses mainly related to the real estate unit also contributed to the gross margin increase.
- **SG&A** in Colombia grew by 70 bps in 4Q16 and by 60 bps in 2016. This increase was due to the higher inflationary trend experienced during most of the year that affected wages and general expenses mainly utilities, and maintenance including the cost of technology. Occupancy costs also rose related to the increase in leases.
- **Recurring Operating Margin** was 7.7% in 4Q16 and 5.2% in 2016. Recurring EBITDA margin in Colombia was 9.5% in 4Q16 and 7.3% in 2016. Margins remained competitive with productivity efforts partially affected by higher expenses from the inflationary trend.

## Sales in Brazil

	4Q16			FY16		
	Total Sales (In COP M)	% Var. Total sales <sup>(1)</sup>	% Var. SSS <sup>(1)</sup>	Total Sales (In COP M)	% Var. Total sales <sup>(1)</sup>	% Var. SSS
Total Brazil	10,530,146	12.1%	7.7%	36,182,414	11.4%	6.7%

(1) Variations in sales and SSS in local currency. Includes the calendar effect adjustment of approximately +80 to +90 bps in 4Q16.  
Note: Brazil's food figures include: Multivarejo + Assaí. Via Varejo registered as a discontinued operation.

- Sales at GPA** related to the food business grew by 26% proforma and reached COP\$10.5 billion during the fourth quarter 2016 (12.1% growth in terms of local currency) and grew 18.1% proforma to COP\$36.2 billion (11.4% growth in local in terms of local currency) in 2016 versus the same period last year. The results reflected the accelerating growth of the food segment derived from the gradual recovery of Extra hypermarkets and the strong sales performance of Assaí. In Brazil, 18 stores opened during 4Q16 --- with 30 opened in total for the full year (13 Assaí, 14 Minuto Pao de Acucar, 2 Pao de Acucar and 1 Minimercado Extra). To highlight the acceleration of the store portfolio optimization strategy 53 stores closed in 2016 and there was a solid 2.5x sales performance of the 2 Extra Hyper stores converted to Assaí in 4Q16 that exceeded expectations in terms of sales and traffic and confirmed the accuracy of the strategy.
- Same-store-sales** growth in the food segment in Brazil was 7.7% in 4Q16 and 6.7% in 2016 in terms of local currency and was mainly the result of the strong performance of Assaí as well as from the sequential recovery of Extra hypermarkets.
- Assaí** sales grew by 35.8% in 4Q16 in terms of local currency and the banner increased its sales contribution to the food segment to 34.9%. In 2016, Assaí reached 38.6% in terms of local currency benefited by its organic expansion with the opening of 13 Assaí stores. Assaí's accelerated expansion plan in recent years narrowed the gap towards being market leader and explained the Company's focus in terms of positioning the format within the current economic scenario. The banner continued to experience consistent and solid SSS growth and significantly outpaced inflation posting 17.3% and 18.8% in terms of local currency in 4Q16 and 2016, respectively, and after adjusting the calendar effect.
- Multivarejo** - The Extra and Pao de Acucar banners - posted a 3.7% SSS growth in 4Q16 in local currency and adjusted by the calendar effect, the strongest quarterly SSS growth of the year. LFL growth was 1.9% in 2016.
- The success of the commercial activities implemented by Grupo Éxito through its synergy plan, confirms the sequential sales growth and the rebound of the **Extra** hypermarkets. In 4Q16, Extra hypermarket stores posted a significant recovery in total sales versus the trend seen in 2016 and their non-food category reverted the negative trend experienced in previous quarters, mainly supported by the strong performance of electronics. Additionally, the format posted market share gains in terms of volumes for the April to December period of this year.
- Pao de Açucar** remained resilient versus competition with stable SSS and market share levels during 2016. The banner increased the share of sales of the Mais Program by nearly 70 bps, the loyalty program that now covers 75% of customers). The proximity format grew sales above inflation driven by the performance of Minuto Pao de Acucar, which was the banner in which the Company focused its expansion during 4Q16 with the opening 9 stores (one converted from Minimercado Extra).
- The Aliados Compre Bem model also gained traction and reached 102 stores in 2016, in line with the Company's expectations.



## Operating Performance in Brazil

Food Segment	4Q16	4Q15		4Q15 Proforma <sup>(1)</sup>		FY16	FY15		FY15 Proforma <sup>(1)</sup>	
	Millions of COP	Millions of COP	4Q16/15	Millions of COP	4Q16/15 Proforma	Millions of COP	Millions of COP	FY16/15	Millions of COP	FY16/15 Proforma
Sales	10,530,146	8,323,055	26.5%	8,356,583	26.0%	36,182,414	10,595,904	241.5%	30,634,814	18.1%
Other Revenues	155,588	25,452	511.3%	25,659	506.4%	226,527	32,023	607.4%	89,170	154.0%
Net Revenues	10,685,734	8,348,507	28.0%	8,382,242	27.5%	36,408,941	10,627,927	242.6%	30,723,984	18.5%
Gross Profit	2,457,937	2,108,848	16.6%	2,122,715	15.8%	8,358,848	2,667,436	213.4%	7,495,525	11.5%
Gross Margin	23.0%	25.3%		25.3%		23.0%	25.1%		24.4%	
SG&A Expenses	-1,986,005	-1,579,739	25.7%	-1,579,132	25.8%	-7,167,186	-2,019,714	254.9%	-6,056,825	18.3%
SG&A /Net Revenues	-18.6%	-18.9%		-18.8%		-19.7%	-19.0%		-19.7%	
Recurring Operating Income	471,932	529,109	-10.8%	543,583	-13.2%	1,191,662	647,722	84.0%	1,438,700	-17.2%
Recurring Operating margin	4.4%	6.3%		6.5%		3.3%	6.1%		4.7%	
Recurring EBITDA	642,526	664,846	-3.4%	678,505	-5.3%	1,818,334	827,644	119.7%	1,980,715	-8.2%
Recurring EBITDA margin	6.0%	8.0%		8.1%		5.0%	7.8%		6.4%	

(1) Please note that data:

Includes the effects of the restatement of Companhia Brasileira de Distribuição – CBD results arising from the adjustment booked by such subsidiary regarding the investigation on Chova N.V. Includes, the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control of Companhia Brasileira de Distribuição - CBD, pursuant to IFRS 3 - Business combinations.

Includes the effects of the restatement of Via Varejo S.A as discontinued operation for comparison purposes with 2016.

- **Net Revenues** grew by 27.5% in 4Q16 and by 18.5% in 2016 versus the same period last year.
- **Gross margin** was 23% in 4Q16 and in 2016 versus the same period last year. Brazil posted a gross margin contraction due to the higher share of Assaí in the sales mix (+680 bps in 2016) and the commercial activities implemented mainly at Extra that favored sales volumes and consistent market share gains.
- **Recurring Operating Income** posted a margin of 4.4% in 4Q16 and 3.3% in 2016 versus the same period last year, derived from a gross margin contraction that offset the Company's efficiencies at the SG&A level. GPA posted lower expenses by -30bps in 4Q16 and a slight increase of +10 bps in 2016 related to cost-cutting initiatives, mainly from projects aimed at optimizing electricity costs and to obtain efficiencies in logistics, despite the inflationary trend and organic expansion, mainly at Assaí.
- **Recurring EBITDA** margin was 6.0% in 4Q16 and 5.0% in 2016. This included the investments made in Multivarejo to drive margins and from Assaí's strong expansion. To highlight the margin contribution brought on by the Extra Hyper stores converted to Assaí as well as the strong expansion of this banner in the consolidated result.

## Sales and Operating Performance in Uruguay

	4Q16	4Q15		FY16	FY15	
	Millions of COP	Millions of COP	4Q16/15	Millions of COP	Millions of COP	FY16/15
Sales	653,421	599,505	9.0%	2,376,064	2,122,911	11.9%
Other Revenues	8,954	17,351	-48.4%	26,363	40,099	-34.3%
Net Revenues	662,375	616,856	7.4%	2,402,427	2,163,010	11.1%
Gross Profit	230,642	216,629	6.5%	832,558	747,304	11.4%
Gross Margin	34.8%	35.1%		34.7%	34.5%	
SG&A Expenses	-184,348	-177,501	3.9%	-651,931	-616,796	5.7%
SG&A /Net Revenues	-27.8%	-28.8%		-27.1%	-28.5%	
Recurring Operating Income	46,294	39,128	18.3%	180,627	130,508	38.4%
Recurring Operating margin	7.0%	6.3%		7.5%	6.0%	
Recurring EBITDA	52,000	52,274	-0.5%	188,409	169,301	11.3%
Recurring EBITDA margin	7.9%	8.5%		7.8%	7.8%	

- **Sales** in Uruguay grew above inflation by 9.0% to COP \$653,000 million in 4Q16 and by 12% to COP \$2.38 billion in 2016 versus the same period last year. Sales benefited mainly from the Company's expansion into convenience stores with the opening of 14 Devoto Express in 2016, which contributed to 1.6% total market share in Uruguay. The food sales mix in Uruguay was 85% in 4Q16 and 86% in 2016.
- In Uruguay, same-store-sales levels were 4.9% in 4Q16 in local currency. In 2016, LFL levels outpaced inflation and reached 8.3% in local currency, driven by the performance of both the food and the non-food categories, especially the textile and home lines that grew in the low double-digits for SSS during the year.
- Quarterly **Net Revenues** rose by 7.4% and 11.1% in 2016 and included sales increases and decreases in other operational revenues related to a higher base in 2015. This was offset by an insurance reimbursement for damages at the Pichincha distribution center.
- **Gross Margin** in 4Q16 was 34.8%. In 2016, gross margin improved 20 bps to 34.7% as a percentage of Net Revenues, derived from efficiencies in commercial activities with the allocation of price investments in specific key categories along with improved negotiation terms with suppliers.
- **SG&A** decreased by 100 bps in 4Q16 and 140 bps in 2016 due to lower D&A levels derived from the adjustment to reduce the asset life base in 2015 with a retroactive effect accrued for 2016. Expenses also included higher occupancy costs, the effect of wage increases derived from union negotiations, higher debit card commissions due to almost triple the use in 2016 and increases in marketing expenses.
- **Recurring Operating Income** grew 18.3% to a 7.0% margin in 4Q16 and benefited from a lower expense level that largely offset a lower gross profit level. In 2016, Recurring Operating Income grew strongly by 38.4% in 2016 and the margin went from 6% to 7.5%, benefited from a 20bps increase in gross profit and operational efficiencies that led an expense decrease of 140 bps.
- **Recurring EBITDA** reached a 7.9% margin in 4Q16 and a resilient 7.8% margin in 2016, demonstrating consistent growth and healthy profitability levels.

## Sales and Operating Performance in Argentina

	4Q16	4Q15		4Q15 Proforma <sup>(1)</sup>		FY16	FY15		FY15 Proforma <sup>(1)</sup>	
	Millions of COP	Millions of COP	4Q16/15	Millions of COP	4Q16/15 Proforma	Millions of COP	Millions of COP	FY16/15	Millions of COP	FY16/15 Proforma
Sales	363,878	468,264	-22.3%	463,746	-21.5%	1,324,595	595,882	122.3%	1,511,664	-12.4%
Other Revenues	28,835	32,152	-10.3%	29,147	-1.1%	100,772	41,817	141.0%	95,656	5.3%
Net Revenues	392,713	500,416	-21.5%	492,893	-20.3%	1,425,367	637,699	123.5%	1,607,320	-11.3%
Gross Profit	148,089	184,275	-19.6%	179,813	-17.6%	515,636	236,458	118.1%	578,852	-10.9%
Gross Margin	37.7%	36.8%		36.5%		36.2%	37.1%		36.0%	
SG&A Expenses	-117,626	-147,320	-20.2%	-143,483	-18.0%	-460,880	-192,454	139.5%	-500,833	-8.0%
SG&A /Net Revenues	-30.0%	-29.4%		-29.1%		-32.3%	-30.2%		-31.2%	
Recurring Operating Income	30,463	36,955	-17.6%	36,330	-16.1%	54,756	44,004	24.4%	78,019	-29.8%
Recurring Operating margin	7.8%	7.4%		7.4%		3.8%	6.9%		4.9%	
Recurring EBITDA	34,048	42,151	-19.2%	41,167	-17.3%	68,839	50,980	35.0%	95,323	-27.8%
Recurring EBITDA margin	8.7%	8.4%		8.4%		4.8%	8.0%		5.9%	

(1) Results include, the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control of Libertad S.A., pursuant to IFRS 3 - Business combinations.

- Despite the challenging macroeconomic environment, Libertad **Sales** totaled COP\$364,000 million in 4Q16 and posted both sales and SSS growth of 20.3% in local currency. In 2016, sales totaled COP\$1.3 billion and posted both sales and SSS growth of 25.4% in local currency.
- The sales performance of Libertad reflected the negative consumer confidence trend in Argentina (-19.2% Oct, -27.7% Nov, -19.0% Dec) and affected quarterly retail sales (-8.2% Oct, -8.5% Nov, -5.4% Dec CAME). 4Q16 sales and FY 2016 benefited from the proximity format that grew sales above inflation as well as from food sales. Sales growth variations in Colombian Pesos were affected by the exchange rate.
- The food mix grew by 530 bps in 4Q16 versus the same period last year to 72% and grew by 300 bps in 2016 versus the same period last year to 72%. Non-food sales grew in the mid-teens supported by the positive performance of the textile category that rose above inflation driven by the implementation of the textile model, already present at 4 stores.
- Libertad strengthened its market share position in the country with above market sales growth in the mid-single digits, according to Nielsen. This reflected the positive effect of commercial strategies that especially contributed to the hypermarkets performance which had a much higher gap versus competitors.
- To highlight the opening of the first premium proximity store under the Petit Libertad banner, which captured the format expertise gained by Minuto Pao de Acucar in Brazil and Carulla Express in Colombia.
- **Quarterly Net Revenues** totaled COP\$393,000 million in 4Q16 and COP\$1.43 billion in 2016. Other revenues, mainly the real estate business, drove this revenue increase by 5.3% in 2016.
- **Gross margin** in 4Q16 was 37.7% and 36.2% in 2016 as a percentage of Net Revenues. Higher costs were related to increased provisions due to lower sales levels, volumes, the effect of a higher amount of fresh products in the mix, as well as the increased stake of Mini Libertad in the sales mix.
- **SG&A** grew below inflation and was -60 bps in 4Q16 and +90 bps proforma. These were the result of higher wages general expense increases mainly from utilities, which in some cases rose by 90% and other related to IT services and contracts affected by the devaluation trend. Marketing expenses grew by 33% due to efforts to boost sales at the hypermarkets, the launch of the textile model and other expenses related to the promotion of real estate.
- **Recurring Operating margin** grew by 40 bps in 4Q16 to 7.8% and the margin was 3.8% in 2016 versus the same period last year. Recurring EBITDA grew 30 bps to 8.7% in 4Q16 and was 4.8% in 2016 as a percentage of Net Revenues. Margins reflected gross margin deterioration, thus cost and expenses grew below inflation as a result of the Company's operational efforts and consistent internal controls.

# Consolidated Balance Sheet

In millions of COP

	December 2016	December 2015 <sup>(1)(2)</sup>	% Var
<b>ASSETS</b>	<b>62,497,566</b>	<b>57,806,104</b>	<b>8.1</b>
<b>Current Assets</b>	<b>32,644,699</b>	<b>23,977,512</b>	<b>36.1</b>
Cash & Cash Equivalents	6,117,844	10,068,717	-39.2
Inventories	5,778,173	8,685,221	-33.5
Accounts receivable	1,168,174	3,251,007	-64.1
Assets for taxes	896,967	1,081,383	-17.1
Non-current assets held for sale	18,429,787	22,078	N/A
Others	253,754	869,106	-70.8
<b>Non-current Assets</b>	<b>29,852,867</b>	<b>33,828,592</b>	<b>-11.8</b>
Goodwill	5,616,136	5,775,593	-2.8
Other intangible assets	5,663,422	9,657,536	-41.4
Property, plant and equipment	12,465,698	12,469,894	0.0
Investment Properties	1,634,551	1,126,410	45.1
Investments in associates and JVs	1,068,087	304,102	251.2
Deferred tax assets	1,456,866	399,048	265.1
Assets for taxes	581,947	1,963,916	-70.4
Others	1,366,160	2,132,093	-35.9
<b>LIABILITIES</b>	<b>43,386,357</b>	<b>39,630,080</b>	<b>9.5</b>
<b>Current Liabilities</b>	<b>30,856,886</b>	<b>25,071,499</b>	<b>23.1</b>
Trade Payables	11,536,968	18,599,948	-38.0
Borrowing-Short Term	2,963,111	3,922,558	-24.5
Other financial liabilities	805,555	396,052	103.4
Non-current liabilities held for sale	14,592,207	-	N/A
Liabilities for taxes	320,404	805,992	-60.2
Others	638,641	1,346,949	-52.6
<b>Non-current Liabilities</b>	<b>12,529,471</b>	<b>14,558,581</b>	<b>-13.9</b>
Trade Payables	42,357	30,229	40.1
Borrowing-Long Term	4,354,879	6,707,561	-35.1
Other provisions	2,706,629	2,638,274	2.6
Deferred tax liabilities	2,965,586	2,903,260	2.1
Liabilities for taxes	502,452	455,355	10.3
Others	1,957,568	1,823,902	7.3
<b>Shareholder's Equity Group Share</b>	<b>19,111,209</b>	<b>18,176,024</b>	<b>5.1</b>
Non-controlling interests	11,389,522	10,658,057	6.9
<b>Shareholder's Equity</b>	<b>7,721,687</b>	<b>7,517,967</b>	<b>2.7</b>

(1) For comparison to 2016, these financial statements include certain minor reclassifications to accounts payable; other provisions; other financial liabilities; other non-financial liabilities; inventories; property, plant and equipment; investment properties, and tax liabilities.

(2) Amounts restated to reflect the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control of Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations

## Summary Consolidated

### Cash Flow Statement

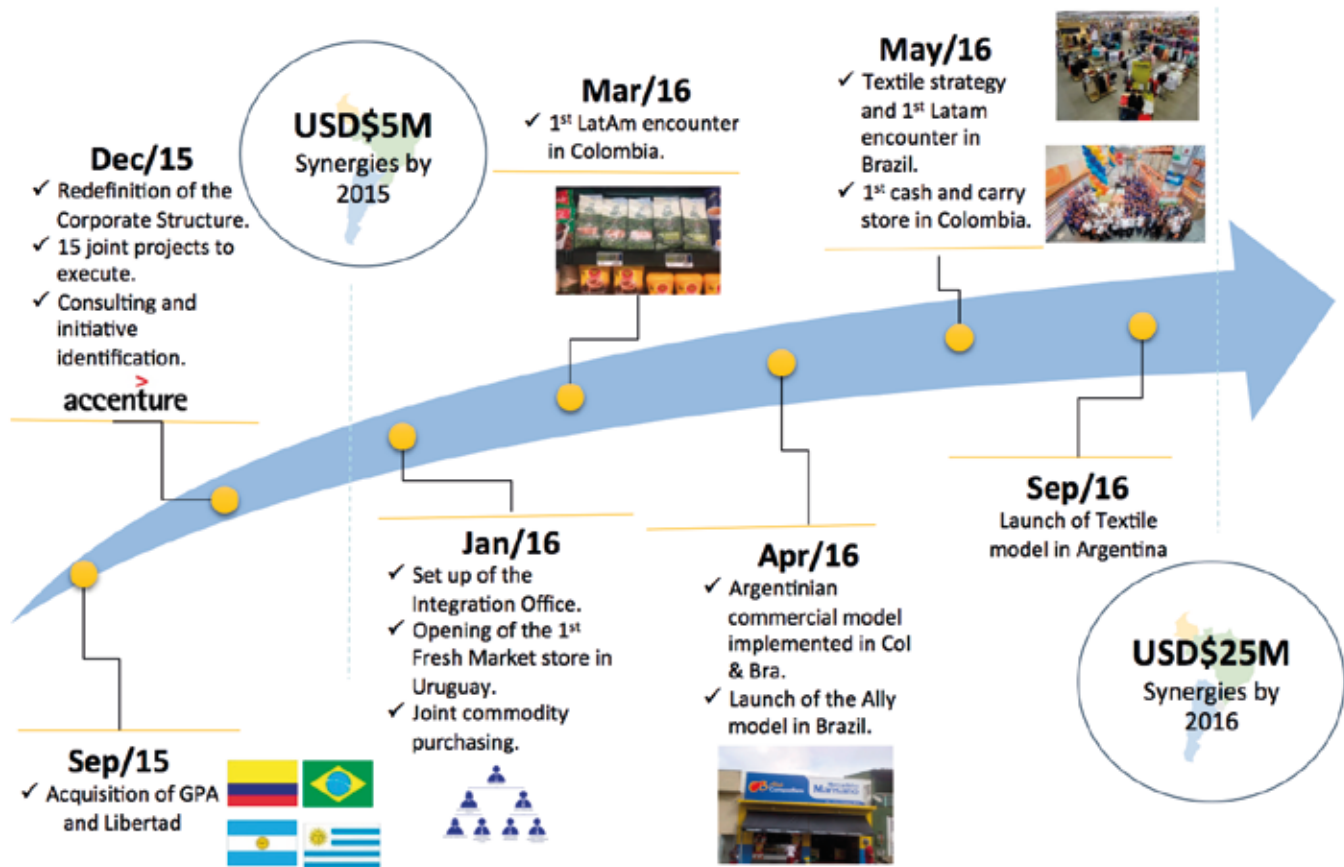
(In millions of COP)

	FY16	FY15	%Var 16/15
<b>Profit (loss)</b>	<b>-622,395</b>	<b>605,340</b>	<b>-202.82</b>
Adjustment to reconcile Net Income	1,126,453	9,673,836	-88.4
Cash Net provided (used) in Operating Activities	504,058	10,279,176	-95.1
Cash Net provided (used) in Investment Activities	-2,444,466	-5,220,260	-53.2
Cash net provided (used) in Financing Activities	809,216	2,493,205	-67.5
<b>Increase (decrease) Net of cash and cash equivalents before the FX rate changes</b>	<b>-1,522,105</b>	<b>7,125,600</b>	<b>-121.36</b>
Effects on FX changes on cash and Cash equivalents	1,282,065	-10,821	N/A
<b>Increase (decrease) Net of cash and cash equivalents</b>	<b>-240,040</b>	<b>7,114,779</b>	<b>-103.37</b>
<b>Opening Balance of Cash and cash equivalents</b>	<b>10,068,717</b>	<b>2,953,938</b>	<b>N/A</b>
Ending Balance of Cash of Non-Current Assets held for sale	3,710,833	-	N/A
<b>Ending Balance of Cash and cash equivalents</b>	<b>6,117,844</b>	<b>10,068,717</b>	<b>-39.24</b>

# Company's International Strategy and the Synergy Processes

## Synergies Snapshot 2015-16

*Dynamism in execution: Run rate of USD\$25 M in regional benefits in 2016*



Grupo Éxito has demonstrated strong execution and performance from its synergy process with an outcome that is in line with guidance and expectations.

### Synergies follow up

#### Joint Activities

The Company benefited from the LatAm business encounters developed in the 4 countries with vendors exporting various products where the group has a retail platform. Joint commodity purchasing represented savings at the cost level and the Company also improved its negotiations terms with top multinational food and non-food vendors.

#### Textile Model

Grupo Éxito rolled out its textile model from Colombia into Brazil and Argentina increasing the stake of this category as percentage of sales by 60 bps and 100 bps, respectively.

#### Formats & Brands

The Company displayed a unified capacity of execution by the transference of formats between Colombia and Brazil. In Colombia, Grupo Éxito opened its first cash and carry store and in Brazil, 102 “allies CompreBem” deployed the “aliados” strategy from Colombia.

#### Real Estate in Argentina

The real estate business unit in Argentina reached GLA of 160,000 sqm with the development in Salta and Chaco as shopping malls. This business unit is of great importance for the sustainability of margins of the operation due to the challenging macro environment.

Grupo Éxito is pleased to announce that the efforts from the synergy plan delivered USD\$25 million in recurring gains during 2016.



## Appendices

### 1. Debt

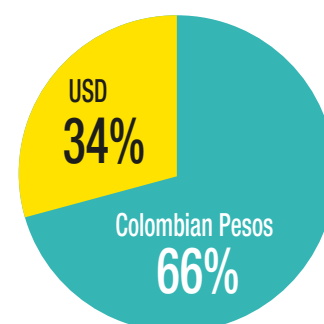
#### Net debt breakdown by country

December 31, 2016 (Figures in M COP)	Colombia	Uruguay	Brazil	Argentina	Consolidated
Short-term debt	567,831	376,734	2,824,100	-	3,768,666
Long-term debt	3,499,454	-	2,690,584	-	6,190,038
Total gross debt <sup>(1)</sup>	4,067,285	376,734	5,514,684	-	9,958,704
Cash and cash equivalents	1,175,860	131,145	4,724,329	86,510	6,117,844
<b>Net debt</b>	<b>2,891,426</b>	<b>245,589</b>	<b>790,355</b>	<b>-86,510</b>	<b>3,840,860</b>

(1) Debt without contingent warranties and letters of credit

#### Holding Gross debt<sup>(2)</sup> breakdown by currency

(2) Debt composed of the mains loans, without accounting adjustments.



#### Holding Gross debt breakdown by maturity

December 31, 2016 (millions of COP)	Nominal amount	Nature of interest rate	Issuance date	Maturity date	31 - Dec-16
Long term	1.850.000	Variable	21/08/15	21/08/25	1.752.505
Mid tem COP	838.000	Variable	21/12/15	21/12/20	838.000
Mid tem USD <sup>(3)</sup>	1.350.320	Variable	21/12/15	17/12/18	1.350.320
<b>Total gross debt</b>	<b>4.038.320</b>				<b>3.940.825</b>

(3) The loan in USD was converted to COP using the Central Bank's closing exchange rate as of december 31st, 2016 (3,000.71).

## 2. EBIT –EBITDA – Capex by country

In millions of COP

	Colombia	Brazil	Uruguay	Argentina	Consolidated
	FY 2016	FY 2016	FY 2016	FY 2016	FY 2016
Net Revenues	11,417,886	36,408,941	2,402,427	1,425,367	51,639,433
Gross Profit	2,835,933	8,358,848	832,558	515,636	12,539,878
% Net Revenues	24.8%	23.0%	34.7%	36.2%	24.3%
SG&A Expenses	-2,003,183	-6,540,514	-644,149	-446,797	-9,631,547
% Net Revenues	-17.5%	-18.0%	-26.8%	-31.3%	-18.7%
Depreciation and amortization	-237,655	-626,672	-7,782	-14,083	-886,192
Total SG&A	-2,240,838	-7,167,186	-651,931	-460,880	-10,517,739
% Net Revenues	-19.6%	-19.7%	-27.1%	-32.3%	-20.4%
Recurring Operating Income	595,095	1,191,662	180,627	54,756	2,022,139
% Net Revenues	5.2%	3.3%	7.5%	3.8%	3.9%
Non Recurring Income and Expenses	-50,520	-365,130	-23,198	-5,021	-443,868
Operating Income (EBIT)	544,575	826,532	157,429	49,735	1,578,271
% Net Revenues	4.8%	2.3%	6.6%	3.5%	3.1%
Recurring EBITDA	832,750	1,818,334	188,409	68,839	2,908,331
% Net Revenues	7.3%	5.0%	7.8%	4.8%	5.6%
Non - Recurring EBITDA	782,230	1,453,204	165,211	63,818	2,464,463
% Net Revenues	6.9%	4.0%	6.9%	4.5%	4.8%
Net financial income	-458,064	-792,549	7,899	-19,039	-1,261,753
<b>CAPEX</b>					
In millions of COP	563,523	1,355,443	88,128	40,895	2,047,989
In Local Currency ('000 million)	563,523	1,544	869	197	

Note: Consolidated figures include eliminations and adjustments

### 3. Operational Proforma Performance FY2015

In millions of COP

	Colombia	Brazil Proforma	Uruguay	Argentina Proforma	Consolidated Proforma
Sales	10,285,199	30,634,814	2,122,911	1,511,664	44,546,300
Other Revenue	333,446	89,170	40,099	95,656	558,371
<b>Net Revenue</b>	<b>10,618,645</b>	<b>30,723,984</b>	<b>2,163,010</b>	<b>1,607,320</b>	<b>45,104,671</b>
Cost of Sales	-8,010,686	-23,228,459	-1,415,706	-1,028,468	-33,677,723
<b>Gross Profit</b>	<b>2,607,959</b>	<b>7,495,525</b>	<b>747,304</b>	<b>578,852</b>	<b>11,426,948</b>
SG&A	-1,801,056	-5,514,810	-578,004	-483,529	-8,384,057
Depreciation and Amortization	-211,244	-542,015	-38,793	-17,304	-809,356
<b>Total SG&amp;A</b>	<b>-2,012,300</b>	<b>-6,056,825</b>	<b>-616,797</b>	<b>-500,833</b>	<b>-9,193,413</b>
<b>Recurring Operating Income (ROI)</b>	<b>595,659</b>	<b>1,438,700</b>	<b>130,507</b>	<b>78,019</b>	<b>2,233,535</b>
Non - Recurring income and expenses	-22,730	-116,300	-13,450	-17,552	-170,032
Operating Income (EBIT)	572,929	1,322,400	117,057	60,467	2,063,503
<b>Recurring EBITDA</b>	<b>806,903</b>	<b>1,980,715</b>	<b>169,300</b>	<b>95,323</b>	<b>3,042,891</b>
<b>EBITDA</b>	<b>784,173</b>	<b>1,864,415</b>	<b>155,850</b>	<b>77,771</b>	<b>2,872,859</b>

Note: Colombia's result includes the financial outcome of Almacenes Exito S.A. and its subsidiaries in Colombia.

For proforma information please refer to disclaimer on page #4.

### 4. Sum of the Parts Analysis

(Millions of COP)	LTM net revenues <sup>(1)</sup>	LTM recurring EBITDA	LTM ROI	Net debt (Last quarter) <sup>(2)</sup>	Éxito stake	Market Value of the Stake <sup>(4)</sup>
Colombia	11,417,886	832,750	595,095	2,891,426	100%	
Brazil	36,408,941	1,818,334	1,191,662	790,355	18.72%	2,658,328
Uruguay	2,402,427	188,409	180,627	245,589	62.5%-100% <sup>(3)</sup>	
Argentina	1,425,367	68,839	54,756	-86,510	100%	
<b>Total</b>	<b>51,654,621</b>	<b>2,908,332</b>	<b>2,022,140</b>	<b>3,840,860</b>		

(1) Do not include Intercompany eliminations

(2) Net Debt= Gross Debt (Without contingent warranties and letters of credit) - Cash

(3) Éxito Owns 100% of Devoto and 62.5% of Disco

(4) Market Capitalization of GPA as at 24/02/2017

## 5. Almacenes Éxito Balance Sheet

In millions of COP

	December 2016	December 2015	% Var
<b>ASSETS</b>	<b>15,450,108</b>	<b>15,185,418</b>	<b>1.7</b>
<b>Current Assets</b>	<b>2,695,276</b>	<b>2,462,801</b>	<b>9.4</b>
Cash & Cash Equivalents	1,098,825	810,647	35.5
Inventories	1,077,659	1,144,117	-5.8
Accounts receivable and other accounts receivable	223,766	217,742	2.8
Assets for taxes	191,457	133,373	43.6
Others	103,569	156,922	-34.0
<b>Non-current Assets</b>	<b>12,754,832</b>	<b>12,722,617</b>	<b>0.3</b>
Goodwill	1,453,077	1,453,077	0.0
Other intangible assets	174,413	140,115	24.5
Property, plant and equipment	2,706,058	2,961,052	-8.6
Investment Properties	103,005	96,442	6.8
Investments in associates and joint ventures	8,207,810	7,900,651	3.9
Others	110,469	171,280	-35.5
<b>LIABILITIES</b>	<b>7,728,421</b>	<b>7,656,936</b>	<b>0.9</b>
<b>Current Liabilities</b>	<b>3,930,675</b>	<b>3,464,148</b>	<b>13.5</b>
Trade Payables	2,968,222	2,504,879	18.5
Borrowing-Short Term	469,362	529,710	-11.4
Other financial liabilities	87,457	48,091	81.9
Liabilities for taxes	44,302	48,988	-9.6
Others	361,332	332,480	8.7
<b>Non-current Liabilities</b>	<b>3,797,746</b>	<b>4,192,788</b>	<b>-9.4</b>
Borrowing-Long Term	3,499,454	3,911,747	-10.5
Other provisions	23,093	8,520	171.0
Deferred tax liabilities	201,049	190,776	5.4
Others	74,150	81,745	-9.3
<b>Shareholder's Equity, Group Share</b>	<b>7,721,687</b>	<b>7,528,482</b>	<b>2.6</b>

## Number of stores and selling area by Country

### Colombia

Brand	Stores	Selling Area (sq m)
Éxito	261	624,941
Carulla	100	84,975
Surtimax	138	79,393
Super Inter	67	61,425
<b>Total Colombia</b>	<b>566</b>	<b>850,734</b>

### Brazil

Brand	Stores	Selling Area (sq m)
Pao de Acucar	185	237,312
Extra hiper	134	788,893
Extra super	194	222,148
Minimercado Extra	207	53,043
Minuto Pao de Acucar	77	18,345
Assaí	107	420,826
<b>Total Brazil</b>	<b>904</b>	<b>1,740,567</b>

### Uruguay

Brand	Stores	Selling Area (sq m)
Devoto	48	36,996
Disco	29	31,446
Geant	2	16,439
<b>Total Uruguay</b>	<b>79</b>	<b>84,881</b>

### Argentina

Brand	Stores	Selling Area (sq m)
Libertad	15	110,594
Mini Libertad	12	1,875
<b>Total Argentina</b>	<b>27</b>	<b>112,469</b>

<b>TOTAL</b>	<b>1,576</b>	<b>2,788,651</b>
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# Almacenes Éxito S.A.

(BVC: EXITO)



Cordially invites you to participate in its  
**Fourth Quarter and FY2016 Results Conference Call**



**Date:** Wednesday, March 1, 2017  
**Time:** 9:00 a.m. Eastern Time  
9:00 a.m. Colombia Time

## Presenting for Grupo Éxito:

Carlos Mario Giraldo Moreno, Chief Executive Officer  
Manfred Gartz, Chief Financial Officer  
José Loaiza, VP of International Business  
María Fernanda Moreno, Investor Relations Manager

## To participate, please dial:

**U.S.** Toll Free: 1 888 771 4371

**Colombia** Toll Free: 01 800 9 156 924

**International** (outside U.S. dial): +1 847.585.4405

## Conference ID Number: 44223440

Almacenes Éxito S.A. will report its Fourth Quarter and FY2016 Earnings  
on Monday, February 27, 2017 after the market closes

4Q and FY2016 results will be accompanied by a webcast presentation and audio webcast that  
will be available on the company's website at [www.grupoexito.com.co](http://www.grupoexito.com.co) under "Investors" or  
<http://event.onlineseminarsolutions.com/wcc/r/1355437-1/1D8628A9D34A55D59BF3DABF847B96D3>

For more information please contact: Almacenes Éxito S.A. Investor Relations,  
Phone: (574) 339 6560 - [exitoinvestor.relations@grupo-exito.com](mailto:exitoinvestor.relations@grupo-exito.com)





#### Note on Forward Looking Statements

This press release may contain forward-looking statements regarding expected developments and expectations about future events. These statements are subject to economic, political, governmental and market conditions, risks and uncertainties, both domestically and globally, which may affect the performance of the economy, the retail industry and the Company overall. Factors such as variations in interest rates, inflation rates, exchange rate volatility and tax rates, among others, may cause actual results, performance and achievements of the Company to differ from the estimates provided at any time. For that reason, the Company does not accept responsibility for any variations or for the information provided by official sources.

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