Envigado, February 28, 2017

Grupo Éxito reported COP 51.6 billion in consolidated net revenues for 2016, with 14.5% comparable growth

Recurrent EBITDA in Colombia was COP 832.750 million, with a 7.3% margin, showing 3.2% growth.

- ***Grupo Éxito posted COP 51.6 billion in consolidated revenue in the first full year of reported activities after having acquired Grupo Pão de Açúcar and Libertad operations in September 2015.***
- ***The Company's consolidated recurrent EBITDA was COP 2.9 trillion, with 5.6% margin and a 4.4% growth.***
- ***Net revenue growth in Colombia was 7.5%.***
- ***The Brazil operation showed a gradual recovery in sales, driven by the Food business, which grew 11.4% in local currency, gaining market share.***
- ***One bright spot in Brazil was the Assaí brand's performance in wholesale or cash and carry format, with over 38% growth in local currency sales for the year, and 107 stores. It has become the driving engine for growth in the Food segment in Brazil.***
- ***The Company made the decision to focus on the Food segment in Brazil, and it is advancing in the divestment process of the Non-food business.***
- ***Sales in Argentina increased by 25% in local currency, with a successful implementation of the Colombian textile model, which gave the category 67% growth in sales in the stores where the entire model was executed.***
- ***In Uruguay, sales grew 12% and operating profit advanced 38%. Of special note is the proximity format, with 14 openings this year for a total of 24 points of sale.***
- ***Thanks to the synergies managed between the four countries, run rate recurrent operating benefits were USD 25 million.***
- ***In the Colombian real estate segment, VIVA Malls was established as the largest real estate vehicle specializing in commercial spaces in Colombia, with participation by Fondo Inmobiliario Colombia – FIC and a total value of nearly COP 1.6 billion and 434,000 m2of leased space in shopping centers.***
- ***In 2016, Fundación Éxito reached eight new territories and served over 38 thousand children and 5,000 expecting families, as part of its strategy to achieve the first generation with zero chronic malnutrition by 2030.***

Envigado, February 28, 2017

Grupo Éxito's consolidated results (Colombia, Brazil, Uruguay, Argentina)

After completing its first full year of operations in Brazil and Argentina, and following acquisitions made in those countries in September 2015, Grupo Éxito reported consolidated net revenues of COP 51.6 billion in 2016, which represents comparable growth of 14.5% compared to 2015.

Recurrent EBITDA was 2.9 billion, with a 5.6% margin and 4.4% growth, reflecting the sales and operational strategies implemented to deal with each country's challenges, including Brazil's political and economic situation, the government transition in Argentina and inflationary pressures around the region.

The consolidated net income of Grupo Éxito was COP 43,528 million impacted by a net financial expense of COP 458.064 million in Colombia, which reflected the 175 bps increase in the Central Bank of Colombia's intervention rate, increased tax provisions, and net loss in Brazil. The fourth quarter's good operational performance helped reverse the net loss accumulated through September, with a quarterly net profit of COP 191,499 million, and of COP 43,528 million in 2016.

In 2016, the Company had 68 openings in the four countries, totaling 1,576 stores, distributed as follows: 566 in Colombia, 904 (*) in Brazil, 79 in Uruguay and 27 in Argentina. (*) Includes only food stores.

With regard to synergies, 2016 generated run rate recurrent benefits of USD 25 million in the operating profit in the perimeter of the four operations. Currently there are 19 initiatives being developed and implemented in the different countries where Grupo Éxito has a presence in the region.

"2016 results reflect the first step in integrating Grupo Éxito's sales and real estate businesses in Colombia, GPA (Grupo Pão de Açúcar) in Brazil, Libertad in Argentina, and Grupo Disco in Uruguay. Also the major focus on Food, ratifying our leadership in South America with sales innovation and operational productivity efforts to protect profitability. Solid operations in Colombia and Uruguay and the gradual recovery in Brazil and Argentina mean a promising future for the three largest economies in South America, and in Uruguay, one of the most prosperous and stable countries in the region. Our multi-channel strategy, growth in e-commerce and the creation of the VIVA Malls real estate vehicle are pushing forward to leverage Grupo Éxito's expectations of value generation." Stated Carlos Mario Giraldo Moreno, Grupo Éxito CEO.

Envigado, February 28, 2017

Grupo Éxito's Proforma Consolidated Financial Results
Amounts expressed in millions of Colombian pesos

	Cuarto Trimestre					Año				
	2016	2015	% Var	2015 Proforma	% Var Proforma	2016	2015	% Var	2015 Proforma	% Var Proforma
Ventas	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%
Otros Ingresos Operacionales	305,446	166,188	83.8%	163,541	86.8%	771,922	447,168	72.6%	558,371	38.2%
Ingresos Operacionales	14,947,487	12,517,852	19.4%	12,543,008	19.2%	51,639,433	24,045,971	114.8%	45,104,671	14.5%
Utilidad Bruta	3,651,466	3,285,400	11.1%	3,298,337	10.7%	12,539,878	6,258,418	100.4%	11,426,948	9.7%
	24.4%	26.2%		26.3%		24.3%	26.0%		25.3%	
Utilidad Operacional Recurrente	797,296	861,481	-7.5%	874,447	-8.8%	2,022,139	1,417,893	42.6%	2,233,535	-9.5%
	5.3%	6.9%		7.0%		3.9%	5.9%		5.0%	
Utilidad Neta Grupo Éxito	191,499	197,679	-3.1%	124,392	53.9%	43,528	573,495	-92.4%	295,452	-85.3%
	1.3%	1.6%		1.0%		0.1%	2.4%		0.7%	
EBITDA Recurrente	1,035,185	1,072,119	-3.4%	1,083,911	-4.5%	2,908,331	1,854,828	56.8%	3,042,891	-4.4%
	6.9%	8.6%		8.6%		5.6%	7.7%		6.7%	

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 Exito and its subsidiaries for the period from January 1st to December 31st of 2015. Thus, Almacenes Exito 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.

Sales in Colombia grew above inflation

Grupo Éxito's net revenues in Colombia amounted to COP 11.4 billion, with 7.5% growth, surpassing the country's reported inflation of 5.75%, despite a downturn in consumption, reflected by a 2% growth in retail in 2016, according to the DANE.

Recurrent EBITDA in Colombia totaled COP 833.000 million, with a 7.3% margin and 3.2% growth over the previous year.

The Grupo Éxito's operation in the country was resilient vis-à-vis adverse external factors, including high inflation putting pressure on expenses, the Colombian peso's devaluation, the El Niño phenomenon, and the transportation strike.

In 2016, the Éxito brand reported sales of COP 7.5 billion, with 7.4% growth, driven by innovative commercial strategies such as “Precios Insuperables”, “Quincenazo” and “Moda increíble, ahorro todos los días”, which drove sales of nearly 51 million textile garments for the year; this is more than one piece per Colombian. Éxito opened 18 points of sale around the country for 261, and for the first time, it reached municipalities such as Soacha in Cundinamarca, La Ceja in Antioquia, and Lorica in Córdoba.

Meanwhile, Carulla, the group's premium brand, grew its sales by 5.2%, with significant results in the fresh line and home categories. It closed the year with 100 stores, including two openings.

In turn, discount brands Surtimax and Super Inter reported 4.9% growth, while the innovative "Surtimayorista" our cash and carry format met its sales budgets beyond expectations.

Digital channels favored the results of our omnichannel strategy, which had almost 25% growth in sales and nearly 45 million visits per year, reasons why the firm Euromonitor, declared Grupo Éxito as the leader in digital retail sales in 2016.

In the Shopping Center Real Estate Business, 75,000 m2 of leased space opened in the country. To highlight, the VIVA Barranquilla Shopping Center, the sixth largest mall in the country and the largest in the entire Caribbean Coast.

Complementary businesses also showed outstanding results:

- With over 2.4 million cards, Tarjeta Éxito is positioned as the market leader with the number of cards issued. One of the most important developments was the launch of the franchise with MasterCard.
- Móvil Éxito reached 1.2 million users, which represents 90% growth in the number of lines.
- Seguros Éxito increased its sales by 24%, totaling 1 million users.
- Viajes Éxito closed with 13.4% growth in sales and over 210,000 clients, consolidating itself as the second largest company selling tourism packages in Colombia.

In Brazil, the Food sector continues with a positive trend

The Brazil operation showed a gradual recovery in sales, driven by the Food business. In 2016, it reported revenue in the order of COP 36.4 billion, which represents an increase of 11.4% in local currency compared to 2015, with a recurrent EBITDA of COP 1.8 billion and a 5% margin.

As a result of the sales strategies defined to deal with the economic situation in this country, the dynamic performance of the 535 Extra brand hypermarkets and supermarkets stands out with consistent market share gains. Extra´s strength, derived in part from the business synergies coming from Argentina, such as "1, 2, 3

Passos da Economia", "Os mais baratos", and "Hiperferia". At the end of the year, Extra completed 9 consecutive periods gaining market share in the hypermarket segment.

Of special note is the Assaí brand, with growth in sales of 38.6%. The brand has been fundamental in the Food segment's gradual recovery in Brazil. In 2016, Assaí opened 13 stores, totaling 107 in 16 states around Brazil.

In turn, the Pão de Açúcar brand consolidated as the leader of quality formats in Brazil with 262 points of sale, and expanding with 14 new Minuto Pão de Açúcar proximity stores.

In 2016, Grupo Pão de Açúcar opened 30 points of sale in Brazil. It also developed the "Ally" concept under the CompreBem brand based on the Colombian experience of "Aliados" Surtimax and Super Inter. This sustainable business model closed the year with 102 Allies in Sao Paulo.

Seeking to strengthen our focus on food and the capacity to capture opportunities for growth in the wholesale, proximity and premium formats in Brazil, we decided to launch a process to divest from the non-food business (electronic, appliances and furniture) in Via Varejo. These resources will strengthen our position in the food segment, securing the Company's leadership in Brazil.

Uruguay showed solid results, with sales growth above inflation and a major expansion of the convenience format

Amidst inflationary pressures and a downturn in the country's economy, the Company reached sales of COP 2.4 million in Uruguay, with 10.3% growth in local currency compared to 2015, growing above the rate of inflation. This result stems from positive performance in sales of the Devoto, Geant and Disco brands. Recurrent EBITDA was COP 188,409 million, with a 7.8% margin.

The express format consolidated its expansion with the opening of 14 Devoto stores, completing 24 in Uruguay to become the largest proximity chain. Uruguay totaled 79 stores.

Argentina's results demonstrated the business' resilience thanks to innovative sales strategies and advances in the real estate business

Sales in Argentina totaled COP 1.3 billion, with 25.4% growth in local currency, and gaining market share. Recurrent EBITDA was COP 68,839 million, with a 4.8% margin. These results came about in a year of transition, marked by economic opening, major political changes, and high inflation near 40%. However, Argentina is emerging as an economy with potential for growth and renewed investor trust.

In the Real Estate business, Libertad consolidated as the first developer of real estate commercial spaces in the country's interior and the third largest in the market, thanks to an expansion of the Shopping Centers Chaco and Salta, which together contributed almost 15,000 m2, to complete more than 160,000 m2 of gross leasable areas. In addition, the first Petite Libertad store opened as the Company's new premium proximity format in Argentina.

19 synergies under execution materialize the internationalization process

There are now 19 initiatives underway in the different countries where Grupo Éxito has a presence, which bolsters the operation's integration as a multi-Latin company. These synergies demonstrated a run rate of USD 25 million to the Company's consolidated operating profit. Some of the synergies include:

- **The "1, 2, 3 Ahorrá todo el mes" sales strategy,** created in Argentina and implemented in Colombia ("Quincenazo"), Uruguay ("Ahorrá") and Brazil ("1, 2, 3 passos da economía"), with a direct positive effect on tickets and sales volume in each country.
- **Cash & Carry format,** which has Assaí as its best exponent in Brazil. The model was replicated in Colombia with the launch in May of Surtimayorista in Bogotá. In the first 7 months of operation, the store met the anticipated sales budget by more than 100%, which motivated the announcement of at least two more openings in Colombia in 2017.
- **The "Ally" model**, originated in Colombia where it has more than 1.300 small retail storeowners who receive support and advice for their business growth and execution. The model is now in Brazil with 102 allies under the CompreBem brand.
- **The Colombian textile model** is now present in four Libertad stores in Argentina, and four Extra brand stores in Brazil. They feature garments with individual textile brands such as Arkitect and Bronzini, and Argentina is showing growth in sales of 15% in textile units. The textile model will be brought to Uruguay in 2017.
- **Business roundtables with suppliers from Colombia, Brazil and Uruguay generated** orders for products like coffee, meats, juices, wines, flowers and kitchen utensils, to name a few, in an important advance for the business integration process in Food and Non-Food products.

Viva Malls, stablished in Colombia in 2016

After the creation of Viva Malls in July 2016, in December Grupo Éxito announced an investment agreement with Fondo Inmobiliario Colombia (FIC) of Grupo

Bancolombia, which would inject over COP 770.000 million to the investment vehicle, which specializes in the development and operation of commercial spaces.

In turn, Grupo Éxito contributed 14 assets: 12 shopping centers in operation and 2 more in execution, for 434,000 m2 of gross leasable areas. In addition, two major Shopping Centers were inaugurated in 2016: Viva Barranquilla, the largest in the Caribbean region with 65,000 m2 of GLA, and Viva La Ceja in Eastern Antioquia, with 10,000 m2 of GLA. In 2017, progress is ongoing at Viva Envigado, which will be the largest shopping center in the country with nearly 130,000 m2 of GLA, and Viva Tunja in Boyacá, with 33,000 m2 of GLA.   These openings are expected in 2018.

Fundación Éxito reached new territories

Eradicating chronic malnutrition by 2030 continues to be Fundacion Éxito's goal. To that end, it continues to mobilize the public and private sectors, as well as partner institutions, which last year helped to bring care to vulnerable populations in Lloró and Quibdó in Chocó; Ayapel and La Apartada in Córdoba; Pueblo Viejo and La Tasajera in Magdalena; and Ipiales and Tumaco in Nariño. The prevalence of malnutrition in these areas exceeds the national average by 13.2%.

In 2016, resources from Fundación Éxito were used to serve over 38.000 boys and girls under the age of 5, and more than 13.000expecting and lactating families. Over COP 19.000 million were invested in 22 departments.

Free Translation

Consolidated financial statements

at December 31, 2016 and 2015

grupo éxito

FREE TRANSLATION

Almacenes Éxito S.A.

Consolidated financial statements

at December 31, 2016 and 2015

Almacenes Éxito S.A.
Consolidated financial statements
At December 31, 2016 and December 31, 2015

Building a better
working world

Statutory Auditor's Report

To the Shareholders of:
Almacenes Exito S.A. and Subsidiary companies

Report on the Financial Statements

I have audited the accompanying consolidated financial statements of Almacenes Exito S.A. and its subsidiary companies, which comprise the consolidated statement of financial position at December 31, 2016 and the corresponding consolidated statements of Income, comprehensive income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management Responsibilities in Regard to the Financial Statements

The Company's management is responsible for the preparation and fair presentation of the financial statements, in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia; of designing, implementing, and maintaining the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; of selecting and applying appropriate accounting policies; and of establishing accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have performed my audit in accordance with international auditing standards accepted in Colombia. These standards require that an audit comply ethical requirements, planed and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes developing procedures to obtain audit evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment including the assessment of the risk of material misstatements in the financial statements. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not in order to express an opinion on the effectiveness of the company's internal control. An audit also includes an evaluation of the accounting policies adopted and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained provides a reasonable basis to issue my audit opinion.

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Building a better working world

Opinion

In my opinion, the accompanying consolidated financial statements, present fairly, in all material respects, the Company's financial position at December 31, 2016, the results of its operations and the cash flows for the year then ended, in conformity with the Accounting and Financial Information Standards accepted in Colombia.

Other Matters

The consolidated financial statements in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia of Almacenes Exito S.A. and its subsidiary companies for the year ended December 31, 2015, which are a part of the comparative information, were audited by me, in accordance with international auditing standards accepted in Colombia, I issued unqualified opinion on February 29, 2016.

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Designated by Ernst & Young Audit S.A.S. TR-530

Medellín, Colombia
February 27, 2017

Almacenes Éxito S.A.
Certification by the Parent's Legal Representative and Head Accountant

Envigado, February 27, 2017

To the Shareholders of
Almacenes Éxito S.A.

We, the undersigned legal representative and head accountant of Almacenes Éxito S.A., Parent company, each of us duly empowered, do hereby certify that the consolidated financial statements of the Parent and its subsidiaries, at December 31, 2016 and at December 31, 2015, have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the consolidated financial statements do exist, and all transactions included in such consolidated financial statements have been achieved during the years ended in those dates.

2. All economic events achieved by the Parent and its subsidiaries during the years ended December 31, 2016 and December 3, 2015, have been recognized in the financial statements.

3. Assets represent likely future economic benefits (rights) and liabilities represent likely future economic sacrifice (obligations) obtained by or in charge of the Parent and its subsidiaries at December 31, 2016 and December 31, 2015.

4. All items have been recognized at proper values.

5. All economic events having an impact on the Parent and its subsidiaries have been properly classified, described and disclosed in the consolidated financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned legal representative of Almacenes Éxito S.A., Parent company, does hereby certify that the consolidated financial statements and the operations of the Parent and its subsidiaries at December 31, 2016 and December 31, 2015, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

I do certify the above assertion pursuant to section 46 of Law 964 of 2005.

Original signed

Carlos Mario Giraldo Moreno
Legal Representative

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.
Statements of consolidated financial position
At December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted) (1)
Current assets				
Cash and cash equivalents	8	6,117,844	10,068,717	10,068,717
Trade receivables and other accounts receivable	9	1,168,174	3,326,474	3,251,007
Prepaid expenses	10	119,733	166,892	174,091
Accounts receivable from related parties	11	33,142	63,251	248,058
Inventories	12	5,778,173	8,704,328	8,685,221
Tax assets	24	896,967	1,100,323	1,081,383
Other financial assets	13	100,879	445,365	446,957
Non-current assets held for trading	47	18,429,787	21,698	22,078
Total current assets		**32,644,699**	**23,897,048**	**23,977,512**
Non-current assets				
Property, plant and equipment, net	14	12,465,698	12,055,301	12,469,894
Investment property, net	15	1,634,551	979,336	1,126,410
Goodwill, net	16	5,616,136	6,522,208	5,775,593
Intangible assets other than goodwill, net	17	5,663,422	3,706,065	9,657,536
Investments accounted for using the equity method	18	1,068,087	304,102	304,102
Trade receivables and other accounts receivable	9	586,485	823,618	915,166
Prepaid expenses	10	60,488	57,576	50,377
Accounts receivable from related parties	11	15,684	14,329	14,308
Deferred tax assets	24	1,456,866	524,828	399,048
Tax assets	24	581,947	1,941,626	1,963,916
Other financial assets	13	703,105	1,134,331	1,151,844
Other non-financial assets		398	398	398
Total non-current assets		**29,852,867**	**28,063,718**	**33,828,592**
Total assets		**62,497,566**	**51,960,766**	**57,806,104**
Current liabilities				
Financial liabilities	20	2,963,111	3,922,558	3,922,558
Employee benefit provisions	21	3,276	4,141	4,141
Other provisions	22	36,545	65,230	81,796
Trade payables and other accounts payable	23	11,536,968	18,368,694	18,599,948
Accounts payable to related parties	11	229,981	688,637	713,610
Tax liabilities	24	320,404	805,992	805,992
Other financial liabilities	25	805,555	396,052	396,052
Other non-financial liabilities	26	368,839	547,402	547,402
Non-current assets held for trading	47	14,592,207	-	-
Total current liabilities		**30,856,886**	**24,798,706**	**25,071,499**
Non-current liabilities				
Financial liabilities	20	4,354,879	6,707,561	6,707,561
Employee benefit provisions	21	26,872	41,231	41,231
Other provisions	22	2,706,629	1,124,682	2,638,274
Trade payables and other accounts payable	23	42,357	34,189	30,229
Accounts payable to related parties	11	12,733	12,704	12,704
Deferred tax liabilities	24	2,965,586	1,206,422	2,903,260
Tax liabilities	24	502,452	455,355	455,355
Other financial liabilities	25	1,835,159	714,079	733,185
Other non-financial liabilities	26	82,804	1,036,782	1,036,782
Total non-current liabilities		**12,529,471**	**11,333,005**	**14,558,581**
Total liabilities		**43,386,357**	**36,131,711**	**39,630,080**
Shareholders' equity, see attached statement		**19,111,209**	**15,829,055**	**18,176,024**
Total liabilities and shareholders' equity		**62,497,566**	**51,960,766**	**57,806,104**

(1) Figures presented by Management as additional information to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. The standard provides a term of one year to make the retrospective adjustments in the current period, as the Parent did in 2016. See Note 6.2.

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

Original signed
Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See attached certificate)

Original signed
Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed
Sandra Milena Buitrago E.
Parent's Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 27, 2017)

Almacenes Éxito S.A.
Consolidated statements of income
For the years ended December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2016 (1)	December 31, 2015 (1) (2)
Continuing operations			
Revenue from ordinary activities	30	51,639,433	24,045,971
Cost of sales	12	(39,099,555)	(17,787,553)
Gross profit		**12,539,878**	**6,258,418**
Distribution expenses	31	(5,149,537)	(2,403,075)
Administration and sales expenses	31	(615,103)	(309,871)
Employee benefit expenses	32	(4,771,428)	(2,149,298)
Other operating revenue	33	24,957	64,564
Other operating expenses	33	(396,438)	(169,817)
Other (loss) profit, net	33	(54,058)	59,441
Profit from operating activities		**1,578,271**	**1,350,362**
Financial revenue	34	482,357	1,103,481
Financial expenses	34	(1,744,110)	(1,195,507)
Share of profits in associates and joint ventures accounted for using the equity method	35	63,752	9,746
Profit before income tax from continuing operations		**380,270**	**1,268,082**
Tax expense	24	(167,814)	(387,683)
Net period profit from continuing operations		**212,456**	**880,399**
Net period (loss) from discontinued operations	47	(834,851)	(275,059)
Net period (loss) profit		**(622,395)**	**605,340**
Profit attributable to:			
Profit attributable to shareholders of the controlling entity		**43,528**	**573,495**
(Loss) profit attributable to non-controlling interests		(665,923)	31,845
Earnings per share (*)			
Earnings per basic share (*):			
Earnings per basic share attributable to the controlling entity	36	97.25	1,281.26
Earnings per basic share from continuing operations	36	474.65	1,966.71
Loss per basic share from discontinued operations	36	(1,865.15)	(614.51)
Earnings per diluted share (*):			
Earnings per diluted share attributable to the controlling entity	36	97.25	1,281.26
Earnings per diluted share from continuing operations	36	474.65	1,966.71
(Loss) per diluted share from discontinued operations	36	(1,865.15)	(614.51)

(*) Amounts expressed in Colombian pesos.

(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 include the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. See Note 6.2. They also include the effects of the restatement of the discontinued operation relevant to Via Varejo S.A. for purposes of comparison to 2016. See Note 6.5.

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

Original signed
Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See attached certificate)

Original signed
Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed
Sandra Milena Buitrago E.
Parent's Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 27, 2017)

Almacenes Éxito S.A.
Consolidated statements of comprehensive income
For the years ended December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	December 31, 2016 (1)	December 31, 2015 (1) (2)
Net period (loss) profit	**(622,395)**	**605,340**
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results, net of taxes		
Profit (loss) from new measurements of defined benefit plans	(3,111)	1,839
Total other comprehensive income that will not be reclassified to period results, net of taxes	**(3,111)**	**1,839**
Components of other comprehensive income that will be reclassified to period results, net of taxes		
Gain (loss) from translation exchange differences	2,292,159	(1,067,475)
Gain (loss) from investment hedging in foreign businesses	(902)	902
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results.	86,512	(25,810)
Total other comprehensive income that will be reclassified to period results, net of taxes	**2,377,769**	**(1,092,383)**
Total other comprehensive income	**2,374,658**	**(1,090,544)**
Total comprehensive income	**1,752,283**	**(485,204)**
Profit attributable to:		
Profit attributable to shareholders of the controlling entity	567,134	128,085
Profit (loss) attributable to non-controlling interests	1,185,129	(613,289)
Earnings per share (*)		
Earnings per basic share (*):		
Earnings per basic share in total comprehensive income	1,267.04	286.15
Earnings per diluted share (*):		
Earnings per diluted share in total comprehensive income	1,267.04	286.15

(*) Amounts expressed in Colombian pesos.

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

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Almacenes Éxito S.A.
Consolidated statements of cash flows
For the years ended December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted) (1)
Cash flows from operating activities			
Net period (loss) profit	**(622,395)**	**572,501**	**605,340**
Period profit reconciliation adjustments			
Income tax	213,460	398,428	410,922
Financial costs	1,482,056	487,147	419,745
Financial revenue	(15,252)	(46,933)	(46,750)
Decrease (increase) in inventories	129,368	(457,897)	(563,772)
(Increase) decrease in trade receivables	(1,120,166)	1,560,171	1,435,475
(Increase) decrease in other accounts receivable from operating activities	(1,111,646)	(103,083)	317,621
Decrease in prepaid expenses	44,415	103,017	103,017
(Decrease) increase in trade payables	(1,645,360)	5,892,300	5,936,323
Increase in other accounts payable from operating activities	696,259	783,980	1,047,253
Depreciation and amortization of fixed assets and intangible assets	1,244,492	562,215	560,847
Provisions	1,344,160	490,445	261,549
Net unrealized gain from foreign currency	(7,603)	(216,131)	(146,995)
Share-based payments	25,458	6,469	6,469
(Gain) from reappraisal at fair value	(82,089)	(27,988)	(29,681)
Undistributed (gains) from the application of the equity method	(81,309)	(18,360)	(18,360)
Other adjustment from items other than cash	115,325	30,859	30,859
Loss (gain) from the disposal of non-current assets	78,282	(78,181)	(79,038)
Loss from classification to investments measured using the equity method.	5,279	-	-
Variation in deposits receivable through legal proceedings	(191,377)	1,292	1,292
Other profit reconciliation adjustments	2,701	22,292	27,060
Total period profit reconciliation adjustments	**1,126,453**	**9,390,042**	**9,673,836**
Net cash flows (used in) provided by operating activities	**504,058**	**9,962,543**	**10,279,176**
Dividends received	-	99,284	99,284
Income tax paid	(390,913)	(209,565)	(525,805)
Net cash flows provided by operating activities	**113,145**	**9,852,262**	**9,852,655**
Cash flows from investment activities			
Cash flows from the loss of control over subsidiaries or other businesses	120,721	34,952	34,952
Cash flows (used) to gain control over subsidiaries or other businesses	(41,709)	(3,876,606)	(3,876,606)
Proceeds from the sale of property, plant and equipment	134,924	72,320	72,320
Acquisition of property, plant and equipment	(1,754,217)	(1,054,194)	(1,054,194)
Proceeds from the sale of intangible assets	-	89,358	89,358
Acquisition of intangible assets	(293,772)	(559,150)	(559,150)
Proceeds from the sale of other long-term assets	-	9,446	9,446
Acquisition of other long-term assets	(16,003)	-	-
Interest received	28,640	52,998	52,998
Payments from a share-based transaction between Cnova N.V. and Cnova Comércio Eletrônico S.A.	(44,383)	-	-
Cash and cash equivalents in company reorganization	(578,667)	-	-
Other cash inflows	-	10,616	10,616
Net cash flows from (used in) investment activities	**(2,444,466)**	**(5,220,260)**	**(5,220,260)**
Cash flows from financing activities			
Resources from changes in the share of interest in subsidiaries that do not result in loss of control	388,595	-	-
Payments from changes in the share of interest in subsidiaries that do not result in loss of control	(69,471)	-	-
Borrowings	8,692,143	6,313,526	6,313,526
(Repayment) of financial liabilities	(6,876,887)	(3,417,158)	(3,417,158)
(Repayment) of finance lease liabilities	(3,877)	(956)	(956)
Dividends (paid)	(384,965)	(297,505)	(297,505)
Interest (paid)	(935,927)	(105,107)	(105,289)
Transactions with non-controlling entities	(4,165)		
Other cash (outflows)	3,770	793	587
Net cash flows (used in) provided by financing activities	**809,216**	**2,493,593**	**2,493,205**
Net (decrease) increase in cash and cash equivalents, before the effects of changes in exchange rates	**(1,522,105)**	**7,125,595**	**7,125,600**
Effects of the variation in the exchange rates on cash and cash equivalents	1,282,065	(10,816)	(10,821)
Net (decrease) increase in cash and cash equivalents	**(240,040)**	**7,114,779**	**7,114,779**
Cash and cash equivalents at the beginning of period	**10,068,717**	**2,953,938**	**2,953,938**
Less cash at the end of period from non-current assets held for trading	**3,710,833**	**-**	**-**
Cash and cash equivalents at the end of period	**6,117,844**	**10,068,717**	**10,068,717**

(1) Figures presented by Management as additional information to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations. The standard provides a term of one year to make the retrospective adjustments in the current period, as the Parent did in 2016. See Note 6.2.

Original signed	Original signed	Original signed
Carlos Mario Giraldo Moreno Parent's Legal Representative (See attached certificate)	Jorge Nelson Ortiz Chica Parent's Head Accountant Professional Card 67018-T (See attached certificate)	Sandra Milena Buitrago E. Parent's Statutory Auditor Professional Card 67229-T Appointed by Ernst and Young Audit S.A.S. TR-530 (See report attached, dated February 27, 2017)

Almacenes Éxito S.A.
Consolidated statements of changes in shareholders' equity
Year ended December 31, 2015
(Amounts expressed in millions of Colombian pesos)

Does not include the retrospective adjustment of the balance at December 31, 2015 to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
	(Note 27)	(Note 27)	(Note 27)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)					
Balance at December 31, 2014	**4,482**	**4,843,466**	**(2,734)**	7,857	1,189,296	22,000	1,419	**1,220,572**	**63,486**	**1,576,747**	**(1,012)**	**7,705,007**	**274,759**	**7,979,766**
Cash dividend declared	-	-	-	-	-	-	-	-	-	(260,022)	-	(260,022)	(60,430)	(320,452)
Net yearly period profit	-	-	-	-	-	-	-	-	-	573,495	-	573,495	(994)	572,501
Other comprehensive income	-	-	-	-	-	-	-	-	(451,466)		-	(451,466)	(548,580)	(1,000,046)
Appropriation for reserves	-	-	-	-	168,844	-	30,000	198,844	-	(198,844)	-	-	-	-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	19	(40,004)	(39,985)	(36,134)	(76,119)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	28,135	28,135
(Decrease) from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(4,232)	(4,232)
Adjustment from business combinations	-	-	-	-	-	-	-	-	2,677	(2,119)	-	558	8,642,475	8,643,033
Other developments in shareholders' equity	-	-	-	-	-	-	-	-	-	895	-	895	5,574	6,469
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**	**8,300,573**	**15,829,055**

Original signed

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Almacenes Éxito S.A.
Consolidated statements of changes in shareholders' equity
Year ended December 31, 2015
(Amounts expressed in millions of Colombian pesos)

Includes the retrospective adjustment of the balance at December 31, 2015 to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
	(Note 27)	(Note 27)	(Note 27)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)					
Balance at December 31, 2014	**4,482**	**4,843,466**	**(2,734)**	7,857	1,189,296	22,000	1,419	**-**	**1,220,572**	**63,486**	**1,576,747**	**(1,012)**	**7,705,007**	**274,759**	**7,979,766**
Cash dividend declared	-	-	-	-	-	-	-	-	-	-	(260,022)	-	(260,022)	(60,430)	(320,452)
Net yearly period profit	-	-	-	-	-	-	-	-	-	-	573,495	-	573,495	31,845	605,340
Other comprehensive income	-	-	-	-	-	-	-	-	-	(445,410)	-	-	(445,410)	(645,134)	(1,090,544)
Appropriation for reserves	-	-	-	-	168,844		30,000	-	198,844	-	(198,844)	-	-	-	-
Decrease from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	19	(40,004)	(39,985)	(36,124)	(76,110)
Increase from other contributions of non-non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	28,135	28,135
(Decrease) from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,232)	(4,232)
Adjustment from business combinations	-	-	-	-	-	-	-	-	-	2,677	(18,680)	(10)	(16,013)	11,413,828	11,397,816
Measurement of the *Put option* at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	(310,322)	(310,322)
Other developments in shareholders' equity	-	-	-	-	-	-	-	895	895	-	-	-	895	(34,268)	(33,373)
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	895	**1,420,311**	**(379,247)**	**1,672,715**	**(41,026)**	**7,517,967**	**10,658,057**	**18,176,024**

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Almacenes Éxito S.A.
Consolidated statements of changes in shareholders' equity
Year ended December 31, 2016
(Amounts expressed in millions of Colombian pesos)

Does not include the retrospective adjustment of the balance at December 31, 2015 to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Donations reserve	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
	(Note 27)	(Note 27)	(Note 27)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)					
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	-	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**	**8,300,573**	**15,829,055**
Cash dividend declared	-	-	-	-	-	-	(15,709)	-	-	(15,709)	-	(286,748)	-	(302,457)	(83,732)	(386,189)
Net yearly period profit	-	-	-	-	-	-		-	-	-	-	43,528	-	43,528	(665,923)	(622,395)
Other comprehensive income	-	-	-	-	-	-		-	-	-	523,606	-	-	523,606	1,851,052	2,374,658
Appropriation for reserves	-	-	-	-	279,937			6,810	-	286,747	-	(286,747)	-	-	-	-
Decrease from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,844)	(3,844)
Decrease from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,030)	(32,030)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400,360	400,360
Adjustment from reclassification subsidiaries to associates (Cnova N.V.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(727,402)	(727,402)
Measurement of the Put option at fair value (*Put option*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,003)	(31,003)
Adjustments from the restatement of business combinations	-	-	-	-	-	-	-	-	895	895	-	(15,468)	193	(14,380)	2,357,484	2,343,104
Other developments in shareholders' equity	-	-	-	-	-	-	-	-	4,777	4,777	-	-	(61,869)	(57,092)	23,987	(33,105)
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**	**11,389,522**	**19,111,209**

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Almacenes Éxito S.A.
Consolidated statements of changes in shareholders' equity
Year ended December 31, 2016
(Amounts expressed in millions of Colombian pesos)

Includes the retrospective adjustment of the balance at December 31, 2015 to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of the operation of Grupo Disco Uruguay S.A. and the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Donations reserve	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
	(Note 27)	(Note 27)	(Note 27)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)					
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	895	**1,420,311**	**(379,247)**	**1,672,715**	**(41,026)**	**7,517,967**	**10,658,057**	**18,176,024**
Cash dividend declared	-	-	-	-	-	-	(15,709)	-	-	(15,709)	-	(286,748)	-	(302,457)	(83,732)	(386,189)
Net yearly period profit	-	-	-	-	-	-	-	-	-	-	-	43,528	-	43,528	(665,923)	(622,395)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	523,606	-	-	523,606	1,851,052	2,374,658
Appropriation for reserves	-	-	-	-	279,937		-	6,810	-	286,747	-	(286,747)	-	-	-	-
Decrease from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,844)	(3,844)
Decrease from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,030)	(32,030)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400,360	400,360
Adjustment from reclassification subsidiaries to associates (Cnova N.V.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(727,402)	(727,402)
Adjustments from the restatement of business combinations	-	-	-	-	-	-	-	-	-	-	(6,056)	1,820	203	(4,033)	-	(4,033)
Measurement of the Put option at fair value (*Put option*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,003)	(31,003)
Other developments in shareholders' equity	-	-	-	-	-	-	-	-	4,777	4,777		168	(61,869)	(56,924)	23,987	(32,937)
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**	**11,389,522**	**19,111,209**

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Note 1. General information

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

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

The Parent's Board of Directors authorized the issuance of the financial statements for the periods ended December 31, 2016 and 2015, as reflected in the Minutes of such corporate body dated February 27, 2016.

The Parent's main corporate purpose is:

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

The Parent's ultimate controlling entity is Casino Guichard Perrachon S.A. (France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At December 31, 2016, the controlling entity had a 55.30% interest (2015 - 54.77%) in the share capital of the Parent.

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

Note 1.1. Stock ownership in subsidiaries included in the consolidated financial statements

Below is a detail of stock ownership in subsidiaries included in the consolidated financial statements:

			Functional currency	Stock ownership 2016			Stock ownership 2015		
Name	**Segment**	**Country**		**Direct**	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
Distribuidora de Textiles y Confecciones S.A.	Colombia	Colombia	Colombian peso	94.00%	3.75%	97.75%	94.00%	3.75%	97.75%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gemex O & W S.A.S.	Colombia	Colombia	Colombian peso	85.00%	0.00%	85.00%	85.00%	0.00%	85.00%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	US Dollar	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Malls (a)	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	0.00%	0.00%	0.00%
Patrimonio Autónomo Viva Laureles (a)	Colombia	Colombia	Colombian peso	0.00%	40.80%	40.80%	80.00%	0.00%	80.00%
Patrimonio Autónomo Viva Palmas (a)	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	51.00%	0.00%	51.00%
Patrimonio Autónomo Centro Comercial Viva Barranquilla (a)	Colombia	Colombia	Colombian peso	5.18%	43.26%	48.44%	92.52%	0.00%	92.52%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Centro Comercial	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Iwana	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Fideicomiso Girardot plot of land	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Centro Comercial Viva Riohacha	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Local 108 (Vizcaya) (b)	Colombia	Colombia	Colombian peso	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Spice Investment Mercosur S.A.	Uruguay	Uruguay	Uruguayan peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Larenco S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Inversiones S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lanin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lublo S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Raxwy Company S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Grupo Disco del Uruguay S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Supermercados Disco del Uruguay S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Maostar S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%
Ameluz S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Fandale S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Odaler S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
La Cabaña S.R.L. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ludi S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Semin S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%

Name	Segment	Country	Functional currency	Stock ownership 2016			Stock ownership 2015		
				Direct	Indirect	Total	Direct	Indirect	Total
Randicor S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ducellmar S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Actimar S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Hiper Ahorro S.R.L. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ciudad del Ferrol S.C. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	61.24%	61.24%	0.00%	61.24%	61.24%
Maraluz S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Setara S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Mablicor S.A. (c)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Sumelar S.A. (d)	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Vía Artika S. A.	Argentina	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Spice España de Valores Americanos S.L.	Argentina	Spain	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Argentina S. A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Gelase S. A.	Argentina	Belgium	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Libertad S.A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Ceibotel S.A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Onper Investment 2015 S.L.	Brazil	Spain	Euro	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Ségisor S.A.	Brazil	France	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Oregon LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Pincher LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Bengal LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Wilkes Partipações S.A.	Brazil	Brazil	Brazilian real	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Companhia Brasileira de Distribuição - CBD (e)	Brazil	Brazil	Brazilian real	0.00%	18.72%	18.72%	0.00%	18.76%	18.76%
Novasoc Comercial Ltda. (f)	Brazil	Brazil	Brazilian real	0.00%	1.87%	1.87%	0.00%	1.88%	1.88%
Sendas Distribuidora S.A. (g)	Brazil	Brazil	Brazilian real	0.00%	18.72%	18.72%	0.00%	18.76%	18.76%
Xantocarpa Participações Ltda. (g)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Bellamar Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.72%	18.72%	0.00%	18.76%	18.76%
GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P")	Brazil	Brazil	Brazilian real	0.00%	18.72%	18.72%	0.00%	18.76%	18.76%
CBD Holland B.V.	Brazil	Holland	Euro	0.00%	18.72%	18.72%	0.00%	18.76%	18.76%
CBD Panamá Trading Corp.	Brazil	Panama	US Dollar	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
GPA 2 Empreed. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.72%	18.72%	0.00%	18.76%	18.76%
GPA Logística e Transporte Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.72%	18.72%	0.00%	18.76%	18.76%
Barcelona Comércio Varejista e Atacadista S.A. (h)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Posto Ciara Ltda. (i)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Império Ltda. (i)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Salim Maluf Ltda. (i)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Santo André Ltda. (i)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Auto Posto Duque Lapa Ltda. (i)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	18.76%	18.76%
Luxco– Marneylectro S.A.R.L. (j)	Brazil	Luxembourg	Euro	0.00%	0.00%	0.00%	0.00%	13.55%	13.55%
Dutchco - Marneylectro B.V. (j)	Brazil	Holland	Euro	0.00%	0.00%	0.00%	0.00%	13.55%	13.55%
Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L. (j)	Brazil	Luxembourg	Euro	0.00%	18.72%	18.72%	0.00%	0.00%	0.00%
Via Varejo Luxembourg Holding S.A.R.L. (j)	Brazil	Luxembourg	Euro	0.00%	8.11%	8.11%	0.00%	0.00%	0.00%
Companhia Brasileira de Distribuição Netherlands Holding B.V. (j)	Brazil	Holland	Euro	0.00%	18.72%	18.72%	0.00%	0.00%	0.00%
Via Varejo Netherlands Holding B.V. (j)	Brazil	Holland	Euro	0.00%	8.11%	8.11%	0.00%	0.00%	0.00%
Cnova N.V.	Brazil	Holland	Euro	0.19%	6.37%	6.56%	0.15%	6.77%	6.92%
CNova Comércio Eletrônico S.A.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	6.92%	6.92%
E-Hub Consult. Particip. e Com. S.A.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	6.92%	6.92%
Nova Experiência PontoCom S.A.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	6.92%	6.92%
C-Distribution Asia Pte. Ltd. (k)	Brazil	Singapore	Euro	0.00%	0.00%	0.00%	0.00%	4.14%	4.14%
C Distribution Thailand Ltd. (k)	Brazil	Thailand	Thai bath	0.00%	0.00%	0.00%	0.00%	2.90%	2.90%
E-Cavi Ltd. (k)	Brazil	Hong Kong	US Dollar	0.00%	0.00%	0.00%	0.00%	3.32%	3.32%
Cdiscount Vietnam Co Ltd. (k)	Brazil	Vietnam	Vietnamese dong	0.00%	0.00%	0.00%	0.00%	3.32%	3.32%
Cdiscount Colombia S.A.S. (l)	Brazil	Colombia	Colombian peso	100.00%	0.00%	100.00%	48.97%	3.53%	52.50%
Cdiscount S.A.	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.88%	6.88%
Cdiscount Voyages S.A.S. (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.88%	6.88%
Cnova Finança B.V. (m)	Brazil	Holland	Brazilian real	0.00%	0.00%	0.00%	0.00%	6.92%	6.92%
Financière MSR S.A.S. (m)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	6.91%	6.91%
Cdiscount Afrique S.A.S. (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.91%	6.91%
CD Africa S.A.S. (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	5.87%	5.87%
Cdiscount International B.V. (m)	Brazil	Holland	Euro	0.00%	0.00%	0.00%	0.00%	6.91%	6.91%
CLatam S.A. (m)	Brazil	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	34.84%	34.84%
Cnova France S.A.S. (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.92%	6.92%
Cdiscount Group (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.91%	6.91%
Cdiscount Côte d'Ivoire S.A.S. (m)	Brazil	Ivory Coast	West Africa CFA franc	0.00%	0.00%	0.00%	0.00%	5.87%	5.87%
Cdiscount Sénégal S.A.S. (m)	Brazil	Senegal	West Africa CFA franc	0.00%	0.00%	0.00%	0.00%	5.87%	5.87%
Cdiscount Panamá S.A. (m)	Brazil	Panama	US Dollar	0.00%	0.00%	0.00%	0.00%	34.84%	34.84%
Cdiscount Cameroun S.A.S. (m)	Brazil	Cameroun	West Africa CFA franc	0.00%	0.00%	0.00%	0.00%	5.87%	5.87%
Ecdiscoc Comercializadora S.A. (m)	Brazil	Ecuador	US Dollar	0.00%	0.00%	0.00%	0.00%	34.83%	34.83%
Cdiscount Uruguay S.A. (m)	Brazil	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	34.84%	34.84%
Monconerdeco.com S.A.S. (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	5.22%	5.22%
Moncorner (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.88%	6.88%
3W S.A.S. (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.88%	6.88%
3W Santé S.A.S. (m)	Brazil	France	Euro	0.00%	0.00%	0.00%	0.00%	6.37%	6.37%

Name	Segment	Country	Functional currency	Stock ownership 2016			Stock ownership 2015		
				Direct	Indirect	Total	Direct	Indirect	Total
Via Varejo S.A.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	8.13%	8.13%
Indústria de Móveis Bartira Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	8.13%	8.13%
VVLOG Logística Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	8.13%	8.13%
Globex Administracao e Serviços Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	8.13%	8.13%
Lake Niassa Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	8.13%	8.13%
Globex Administradora de Consórcio Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.11%	8.11%	0.00%	8.13%	8.13%

(a) Patrimonio Autónomo Viva Malls was established on July 15, 2016. On September 23, 2016, a memorandum of understanding was executed with Fondo Inmobiliario Colombia with the purpose of capitalizing the real estate business. On December 23, 2016, Fondo Inmobiliario Colombia capitalized this Patrimonio Autónomo, in exchange for a 49% interest. Additionally, and as part of the process of establishment of Patrimonio Autónomo Viva Malls, the Parent contributed to such stand-alone trust fund the entire interest it had in Patrimonio Autónomo Viva Laureles and in Patrimonio Autónomo Viva Palmas, and contributed a portion of the interest it had in Patrimonio Autónomo Centro Comercial Viva Barranquilla, keeping a direct interest in this stand-alone trust fund of 5.18% and indirect interest of 43.26%.

(b) Patrimonio Autónomo Local 108 (Vizcaya), which owned a plot of land as main underlying asset, was liquidated on March 31, 2016. The Patrimonio was liquidated seeking operating efficiency and given that no project development had been foreseen on the land. Upon liquidation, the land was again booked to the Parent's financial statements as property, plant and equipment.

(c) By means of Shareholders' Agreement executed on April 27, 2015 with non-controlling interests of Grupo Disco del Uruguay, the Parent was granted voting rights of more than 75% of the share capital of such company. Control over such interest was obtained and the global consolidation of financial statements begun as of January 1, 2015.

(d) On September 1, 2016, Uruguayan subsidiary Mercados Devoto S.A. acquired 100% of the shares of Sumelar S.A., a company engaged in the food self-service business.

(e) In compliance with the share purchase-sale agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.72% (2015 - 18.76%) of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição (CBD), a company with domicile in Brazil. The decrease basically results from the increase in preferred shares upon the share-based payment to the employees and management of Companhia Brasileira de Distribuição – CBD.

(f) The interest of Companhia Brasileira de Distribuição -CBD in NovasocComercial Ltda. represents 10% of its shares; however, it has control with 99.98% of the voting rights, pursuant to the shareholders agreement. Novasoc Comercial Ltda. bylaws state that its net income not necessarily is to be allocated in proportion to the percentage interest in this company, thus 99.98% goes to Companhia Brasileira de Distribuição - CBD.

(g) Companhia Brasileira de Distribuição - CBD directly owns 100% of Sendas Distribuidora S.A. The business of Sé Supermercados was merged into this company on December 22, 2015. Xantocarpa Participações Ltda. was merged into Sendas Distribuidora S.A, on August 27, 2016.

(h) All of the net assets of subsidiary Barcelona Comércio Varejista e Atacadista S.A. were merged into subsidiary Sendas Distribuidora S.A. as result of a company reorganization during the first half of 2016. Following the merger, subsidiary Sendas Distribuidora S.A. was partially spun-off and merged into Companhia Brasileira de Distribuição - CBD.

(i) On January 31, 2016, subsidiary Companhia Brasileira de Distribuição - CBD completed the sale of the operations in Posto Ciara Ltda., Auto Posto Império Ltda., Auto Posto Duque Salim Maluf Ltda., Auto Posto Duque Santo André Ltda. and Auto Posto Duque Lapa Ltda., pursuant to an agreement previously executed on December 1, 2015. No gain or loss was obtained from the transaction. The balances of such transactions are not consolidated in the financial statements for the periods ended December 31, 2016.

(j) As part of the e-commerce operation reorganization process, on July 24, 2016, subsidiaries Luxco Marneylectro S.A.R.L. Dutchco Marneylectro B.V. were spun-off among Compañía Brasileña de Distribuição Luxemburgo Holding S.A.R.L., Via Varejo Luxembourg Holding S.A.R.L., Compañía Brasileña de Distribuição Netherlands Holding B.V. and Via Varejo Netherlands Holding B.V., seeking to maintain the same participation as held by Companhia Brasileira de Distribuição - CBD and Vía Varejo S.A. Such transaction did not result in changes in capital ownership and had no effects on the consolidated financial statements.

(k) Subsidiaries Cdiscount Vietnam Co Ltd., C Distribution Thailand Ltd., C-Distribution Asia Pte. were sold during the first quarter of 2016. No significant results arise from such transaction.

(l) On December 1, 2016, this subsidiary reimbursed the capital contribution to shareholder Cnova N.V., and the Parent gained 100% interest.

(m) On October 31, 2016, Cnova Comércio Eletrônico S.A. incorporated VVPart Participações S.A., a subsidiary of Via Varejo S.A., as result of the disposition of Cnova N.V. by Via Varejo S.A. In order to eliminate the mutual interest between Cnova Comércio Eletrônico S.A. and Cnova N.V., Cnova Comércio Eletrônico S.A. received, via a capital reimbursement transaction, part of its shares that were owned by Cnova N.V. The remaining shares were reacquired by itself, and consequently its share capital became owned by Via Varejo S.A. As a result of the loss of control over Cnova N.V., all these subsidiaries (which were owned by Cnova N.V.) left the consolidation scope.

Note 1.2. Colombian and foreign operating subsidiaries

Below is a detail of Colombian operating subsidiaries, and the most important operating subsidiaries abroad.

Distribuidora de Textiles y Confecciones S.A.

It was incorporated by means of public deed 1138 granted on July 13, 1976 before the Notary 7th of Medellín. Its corporate purpose is mainly to acquire, store, transform, manufacture and sell, and in general distribute in whatever form all kinds of locally-produced or imported textiles, and acquire, give or take under lease agreements property intended for establishing stores, shopping malls or other places suitable for the distribution of merchandise and the sale of goods or services. The life span of the company goes to July 13, 2026.

Almacenes Éxito Inversiones S.A.S.

It was incorporated by private document on September 27, 2010, and its life span is indefinite.
Its main corporate purpose is:

- Incorporate, fund, promote, invest on its own or with other individuals or legal entities in the incorporation of companies, enterprises or businesses which core activity is the manufacture or trading of goods, things, merchandise, articles or elements, or the provision of services related to the exploitation of commercial establishments, and participate in such companies as associate, through contributions in cash, in kind or in services.
- Promote, invest on its own or with other individuals or legal entities in the provision of telecommunication networks, services and value chain, particularly in all activities legally permitted in Colombia or abroad, related with telecommunications, mobile telephone and added-value services.

At December 31, 2016, the subsidiary accrued losses amounting to $9,050 ($16,888 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016. The plan has proven positive, reason why there is a decrease in accumulated losses.

Éxito Viajes y Turismo S.A.S.

It was incorporated on May 30, 2013, under Colombian laws. Its main corporate purpose is the exploitation of tourism-related activities, as well as the representation of the tourism industry and the opening of travel agencies whatever its nature and the promotion of domestic and international tourism. The life span of the company is indefinite.

Gemex O & W S.A.S.

It was incorporated on March 12, 2008. Its corporate purpose is the trading of all kinds of goods and services through alternative sales channels, such as, without limitation, direct sales or mail sales, web sites or e-commerce, through vending machines, and in general using all technology-based channels or special methods to trade goods and services.

At September 30, 2016, the subsidiary accrued losses amounting to $11,254 ($3,737 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016.

Logística, Transporte y Servicios Asociados S.A.S.

It was incorporated on May 23, 2014, under Colombian laws. Its main corporate purpose is the provision of air, land, maritime, fluvial, railway and multimodal domestic and international freight services for all kinds of goods in general. The life span of the company is indefinite.

At September 30, 2016, the subsidiary accrued losses amounting to $3,926 ($2,269 at December 31, 2015) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management is committed to undertake all measures as required to overcome this situation. As part of the commitment, during the ordinary meeting held on March 10, 2016, the ordinary General Meeting of Shareholders approved a capitalization in amount of $3,922 million, to increase subscribed and paid-in capital from $616 million to $4,538 million, thus overcoming the grounds for dissolution. However, as result of the accumulated losses generated during the year ended December 31, 2016, equity again decreased below 50% of the capital, and the company again is under the special grounds for dissolution. Subsidiary management is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the extraordinary General Meeting of Shareholders on December 22, 2016.

Cdiscount Colombia S.A.S.

It was incorporated by private document on June 26, 2014.

Its main corporate purpose is:

- Launch and operate e-commerce activities in Colombia;
- Enter into all types of contracts, including, without limitation, lease, distribution, operation, association, sale-purchase, technical assistance, supply, inspection, control and service agreements, aiming at the proper development of the corporate purpose;
- Provide all types of services, including, without limitation, management, advisory, consultancy, technical and representation agreements, aiming at the proper development of the corporate purpose; and
- Carry out any and all lawful activities.

At December 31, 2016, the subsidiary accrues losses in amount of $61,590. At December 31, 2015, the subsidiary accrued losses amounting to $42,229 that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment, during the ordinary meeting held on March 16, 2016, the General Meeting of Shareholders approved a capitalization in amount of $51,000, to increase subscribed and paid-in capital (including a premium on the placement of shares) from $32,150 to $83,150, increasing shareholders' equity to $33,852, thus overcoming the grounds for dissolution. Under this circumstance, at December 31, 2016, equity is not negative.

As part of the strategic redirection of subsidiary operations, on June 29, 2016 the extraordinary General Meeting of Shareholders approved the cessation of e-commerce activities. The market was informed on the cessation of its e-commerce operations on July 15, 2016 and the following activities were undertaken: (i)termination of labor agreements; (ii) suspension of the web page; (iii) sale of improvements, machinery and office equipment; (iv) derecognition of intangible assets; (v) collection of receivables and receivables write-off analysis; (vi) sale of inventories; (vii) donation to Fundación Éxito of the remainders not sold of inventories; (viii) final settlement of office space lease agreements and reimbursement of capital contribution to shareholders Cdiscount Francia S.A. y Cnova N.V. so the Parent remains the sole shareholder.

At the date of presentation of these financial statements the subsidiary is in process of transition regarding its trade operation and continues handling settlements with suppliers, customer claims and/or warranties.

Having completed these activities, and following the redirection defined, subsidiary management started the transition of its trade activity exploring new businesses such as the real estate business and the potential integration of other trade activities already successfully developed by some other subsidiaries of the Parent, seeking to generate profits that may offset its current taxable losses, and based on this strategy and tax plan maximize profitability and achieve the soundness required to develop these new businesses.

Patrimonio Autónomo Viva Laureles

It was established on May 31, 2012 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Laureles shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Medellín, Colombia, at carrera 81 No. 37 - 100.

Patrimonio Autónomo Viva Sincelejo

It was established on March 8, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Sincelejo shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Sincelejo, Colombia, at carrera 25 No. 23 - 49.

Patrimonio Autónomo Viva Villavicencio

It was established on April 1, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Villavicencio shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Villavicencio, Colombia, at calle 7A No. 45 - 185.

Patrimonio Autónomo San Pedro Etapa I

It was established on June 30, 2005 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Plaza shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Neiva, Colombia, at carrera 8 between calles 38 and 48.

Patrimonio Autónomo Centro Comercial

It was established on December 1, 2010 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Etapa II shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Neiva, Colombia, at carrera 8 between calles 38 and 48.

Patrimonio Autónomo Iwana

It was established on December 22, 2011 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Iwana shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Barrancabermeja, Colombia, at carrera 11 No. 50 - 19.

Patrimonio Autónomo Centro Comercial Viva Barranquilla

It was established on December 23, 2014 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Barranquilla, Colombia, at carrera 51 B No. 87 - 50.

Patrimonio Autónomo Viva Palmas

It was established on April 17, 2015 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises. Its main place of business is located in rural area of the municipality of Envigado, Colombia, with an extension of approximately 35,335.80 square meters.

Patrimonio Autónomo Viva Malls

It was established on July 15, 2016 by means of public deed 679 granted before the Notary 31st of Medellín as a stand-alone trust fund through Helm Fiduciaria S.A. Its main corporate purpose is to acquire, directly or indirectly, property rights, mainly related to shopping malls, development thereof and development of other real estate assets as well as the exploitation and operation thereof. The corporate purpose includes to lease the trade premises to third parties or to related parties, grant concessions on spaces that are part of the property, exploit, market and maintain the premises, raise funds and dispose of the assets, as well as perform all related activities as required to meet business goals. Its main place of business is in Bogotá, at carrera 7 No. 27-18 14th floor.

Patrimonio Autónomo Centro Comercial Viva Riohacha

It was established on November 4, 2015 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose during the development stage is to receive and maintain legal title to the building and to other buildings as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the trustor (Parent) in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Riohacha, Colombia, at calle 15 No. 18 - 274.

Companhia Brasileira de Distribuição - CBD

A company with domicile in Brazil. Its main corporate purpose is the sale of finished and semi-finished products or Brazilian and foreign raw materials of any kind, nature or quality, provided the sale thereof is not forbidden by law. The life span of the company is indefinite.

Directly or through its subsidiaries (GPA Group), it is engaged in the retailing of food, clothes, domestic appliances, technology and other products at its chain of hypermarkets, supermarkets, specialty shops and department stores, mainly under the banners "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Super", "Minimercado Extra", "Assai ", "Ponto Frio" and "Casas Bahia", as well as the e-commerce sites "CasasBahia.com" , "Extra.com", "Pontofrio.com", "Barateiro.com", "Partiuviagens.com" and "Cdiscount.com" and the neighborhood mall banner "Conviva".

The parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.72% of the share capital and 49.97% of the voting rights of Companhia Brasileira de Distribuição - CBD.

On October 1, 2015, at a meeting of the board of C-Latam S.A., a subsidiary of Companhia Brasileira de Distribuição – CBD, decision was made to cease activities, wind up and liquidate the company, sell the shares or undertake all related activities, given its development and profitability. Such company's results were not classified as a discontinued operation, given that it is not deemed significant to the Parent

Libertad S.A.

A company with domicile in Argentina. It was incorporated on July 8, 1994, under registration number 618 with the Direction for Inspection of Legal Entities (DIPJ) in the Argentine Republic. Its main corporate purpose is the exploitation of supermarkets and wholesale stores, carrying out all kinds of ancillary transactions related with its core business. The life span of the company goes to July 8, 2084. The Parent acquired 100% of such company through its subsidiary Onper Investments 2015 S.L.

Supermercados Disco del Uruguay S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Devoto Hermanos S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

Mercados Devoto S.A.

A company with domicile in Uruguay. Its core business is the local market retailing of mass consumption products through a chain of supermarkets located in the departments of Montevideo and Maldonado.

Note 1.3. Listing in public registries

Almacenes Éxito S.A., the Parent company, is listed on the Colombian Stock Exchange (BVC) since 1994.

The stock of subsidiary Companhia Brasileira de Distribuição – CBD are listed on the São Paulo Stock Exchange ("BM&FBovespa") at "Corporate Governance Level 1" under the symbol "PCAR4" and on the New York Stock Exchange (ADR Level III), under the symbol "CBD".

Subsidiary Via Varejo S.A. is a joint stock corporation subsidiary of Companhia Brasileira de Distribuição - CBD, admitted to the so-called "Corporate Governance Level 2" of the special offer segment of the Sao Paulo Stock Exchange - "BM&FBovespa", subject to the Regulations for Issuers Quote and Admission to the Trading of Securities.

Associate Cnova N.V. (a subsidiary until October 2016) is a public limited liability company of the Netherlands incorporated on May 30, 2014, under the laws of the Netherlands. Its common shares were listed on the NASDAQ - Global Select Market in November 2014, and on January 23, 2015, its common shares were listed on Euronext Paris.

Note 2. Basis for preparation

The financial statements for the years ended December 31, 2016 and December 314, 2015 have been prepared in accordance with accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 as a translation of the International Financial Reporting Standards (IFRS) authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 2496. Parent and subsidiaries did not apply any of the exceptions to the IFRS contained in such decrees.

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

Financial statements herein presented

These consolidated financial statements include the financial statements of the Parent and its subsidiaries and are comprised of the statements of financial position and statements of changes in shareholders' equity at December 31, 2016 and December 31, 2015, as well as the statements of income, the statements of comprehensive income and the statements of cash flows for the years ended on December 31, 2016 and December 31, 2015.

Certain minor reclassifications have been included in the statement of cash flows for the year ended December 31, 2015 and in the statement of financial position at December 31, 2015 relevant to accounts payable, other provisions, other financial liabilities, other non-financial liabilities, inventories, property, plant and equipment, investment property and tax liabilities, for the purpose of comparison to 2016.

These financial statements are prepared and include all reporting disclosures required for annual financial statements under IAS 1.

Statement of accountability

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

Estimates and accounting judgment

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

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

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

Distinction between current and non-current items

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

Functional currency

The Parent and each subsidiary define their functional currency and their transactions are measured in such currency. The Parent's functional currency is the Colombian peso, and the functional currencies of subsidiaries are disclosed in Note 1 - General Information, under the subsidiary information subsection.

Functional currencies used by the Parent and by each of its subsidiaries are not part of highly inflationary economies, and consequently the financial statements are not adjusted for inflation. In the case of subsidiary Libertad S.A., based in Argentina, the Professional Council for Economic Sciences of the Province of Santafé issued a president's resolution setting out, among other, that the accounting statements for annual and interim periods closed prior to March 31, 2017, will not be restated in uniform currency. Consequently, pursuant to such resolution, the financial statements of this subsidiary have not been restated for inflation.

Foreign currency transactions

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

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

Non-monetary items are not translated at the closing exchange rate but are measured at historical cost (at the exchange rates in force on the date of each transaction), except for non-monetary items measured at fair value such as forwards and swaps, which are translated using the exchange rates in force on the date of measurement of their fair value.
(*) Market Representative Exchange Rate means the average of all market rates negotiated during the closing day (closing exchange rate), equivalent to the international "spot rate", as also defined by IAS 21 - Effects of changes in foreign exchange rates, as the spot exchange rate in force at the closing of the reporting period.

Translation to the reporting currency

These consolidated financial statements are expressed in Colombian pesos, functional currency of the Parent, which is the currency used in the prime economic environment where it rules. The amounts shown have been adjusted to millions of Colombian pesos.

Subsidiaries' financial statements carried in a functional currency other than the Colombian peso have been translated to Colombian pesos. Transactions and balances are translated as follows:
- Assets and liabilities are translated to Colombian pesos at period closing exchange rate;
- Income-related items are translated to Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated to Colombian pesos at the exchange rate in force on the date of each transaction.

Exchange differences arising from the translation are directly recognized in a separate component of equity and are reclassified to the statement of income upon sale of the investment in a subsidiary.

Accounting accrual basis

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

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

Measurement of the fair value

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

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

Note 3. Basis for consolidation

Consolidated financial statements include the financial statements of the Parent and all of its subsidiaries. Subsidiaries (including special-purpose vehicles) are entities over which the Parent has direct or indirect control. Special-purpose vehicles (SPV) are stand-alone trust funds (Patrimonios Autónomos) established with a defined purpose or limited term. A listing of subsidiaries is included in Note 1.

"Control" is the power to govern relevant activities, such as the financial and operating policies of a controlled company (subsidiary). Control is reached when the Parent has power over a controlled company, is exposed to variable benefits from its involvement and has the capability of influencing the amount of benefits. Power arises from rights, generally along with the holding of 50% or more of voting rights, even though it sometimes is more complex and results from contracts, reason why there may be entities not having such interest percentage but which activities are understood to be carried out to the benefit of the parent and the parent is exposed to all risks and benefits attached to the controlled company.

Wherever there is control, the consolidation method applied is that of global integration method. Under this method all of subsidiaries' assets, liabilities, shareholders' equity and income are incorporated into the Parent's financial statements, after elimination of equity investments in such subsidiaries and balances of intercompany accounts.

All significant transactions and material balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented by third parties' ownership interests in subsidiaries have been recognized and separately included in the consolidated shareholders' equity.

At the time of assessing whether the Parent has control over a subsidiary, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as of the date on which control is transferred to the Parent and excluded from consolidation upon termination of control.

All controlled companies are consolidated into the Parent's financial statements, regardless the ownership interest percentage.

Transactions involving a change in the Parent's ownership interest percentage without loss of control are recognized in shareholders' equity, given that there is no change of control over the economic entity. Cash flows from ownership interest changes not resulting in a loss of control are classified as financing activities in the statement of cash flows.

In transactions involving a loss of control, the entire ownership interest in the subsidiary is written-off, any retained interest is recognized at fair value and the gain or loss arising from the transaction is recognized in period income, including the relevant items of other comprehensive income. Cash flows from the acquisition or loss of control over a subsidiary are classified in the statement of cash flows as investment activities.

Period income and each component in other comprehensive income are attributed to the owners of the controlling entity and to non-controlling ownership interests.

For the purpose of consolidating the financial statements of Spice Investments Mercosur S.A., a company with domicile in Uruguay, which in turn has control over all other subsidiaries domiciled in Uruguay except Vía Artika S.A., the accounting policies and principles adopted by the Parent were standardized in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2450 of 2015, "Sole Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496 and on December 22, 2016, without applying any of the exceptions to the IFRS therein contained; further, they were translated into Colombian pesos.

Companhia Brasileira de Distribuição - CBD, which in turn has control over all subsidiaries domiciled in Brazil, and Libertad S.A., an Argentine company, were part of and consolidated their financial statements with Grupo Casino prior to acquisition by the Parent. These subsidiaries have implemented accounting policies that are uniform and standardized with those of the Parent. The Parent values its inventories by applying the first-in-first-out method, while subsidiary Companhia Brasileira de Distribuição – CBD and its subsidiaries value their inventories at the weighted average cost, basically given the different taxes recognized upon the acquisition of inventories (in the Brazil segment) that would have an impact on the final valuation of the inventories under the FIFO method.

Subsidiaries' assets and liabilities, revenue and expenses, as well as the Parent's revenue and expenses in foreign currency, have been translated into Colombian pesos at the exchange rates in force on each closing date and at period average, as follows:

	Closing rates		**Average rates**	
	December 31, 2016	**December 31, 2015**	**December 31, 2016**	**December 31, 2015**
US Dollar	3,000.71	3,149.47	3,050.98	3,060.80
Uruguayan peso	102.26	105.16	101.37	100.20
Brazilian real	920.80	796.07	877.88	793.51
Argentine peso	189.62	243.30	207.11	309.99
Euro	3,164.99	3,421.27	3,375.00	3,372.03

Note 4. Significant accounting policies

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

The most significant accounting policies applied in the preparation of the attached financial statements are the following:

Investments in associates and joint arrangements

An associate is an entity over which the Parent is in a position of exercising significant influence, but not control or joint control, through the power of participating in the decisions on the operating and financial policies thereof.

In general, significant influence is alleged in those cases where the Parent has an ownership interest higher than 20%, even though such influence, as well as the control, must be assessed.

A joint arrangement is an agreement by means of which two or more parties maintain a joint control. Joint arrangements can be joint business or joint ventures. There is joint control only when decisions on significant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint agreement by which the parties having joint control over the arrangement are entitled to the net assets of the arrangement.

A joint operation is a joint arrangement by means of which the parties having joint control over the arrangement are entitled to the assets and liability-related obligations associated with the arrangement.

Investments in associates and joint agreements are recognized in the consolidated financial statements using the equity method.

Under the equity method, upon initial recognition the investment in associates and joint ventures is recorded at cost and subsequently the book value is increased or decreased to recognize the Parent's participation in the invested company's comprehensive results, which will be recognized in period income or in other comprehensive income, as the case may be. Profit distributions or dividends received from the invested company are deducted from the book value of the investment.

Wherever the Parent's share of the losses of an associate or joint venture equals to or exceeds its interest therein, the Parent ceases to recognize its share of further losses. Once the Parent's interest comes to zero, a provision is recognized, only in as much as the Parent has incurred legal or constructive liabilities.

Unrealized gains or losses from transactions between the Parent and associates or joint ventures are eliminated in the proportion of the Parent's interest in such entities upon application of the equity method.

Once the equity method has been applied, the Parent decides whether there is need to recognize impairment losses related with its interest in the invested company.

Transactions involving a significant loss of influence over the associate or joint venture are booked recognizing any ownership interest retained at its fair value, and the gain or loss arising from the transaction is recognized in period income including the relevant items of other comprehensive income.

Regarding transactions not involving a significant loss of influence over the associate or joint venture, the equity method continues being applied and the portion of the gain or loss recognized in other comprehensive income relevant to the decrease in the ownership interest is reclassified to income.

Related parties

All transfers of resources, services and obligations between the Parent and its related parties are deemed to be related party transaction.

The following are deemed related parties by the Parent: its parent; its associates and joint ventures; those entities exercising joint control or significant influence over the Parent and its subsidiaries; key management, including the Board of Directors, Managers and Officers with the ability of directing, planning and controlling the activities of the Parent and its subsidiaries; the companies over which key management may exercise control or joint control, and the close relatives of the key management that might have an influence on the Parent and its subsidiaries.

No transaction contains special terms and conditions; transactions carried out are similar to those carried out with third parties, and do not involve market price differences for similar transactions; sales and purchases are conducted under conditions that are equivalent to those existing for transactions with independent parties.

Business combinations and goodwill

Business combinations are booked using the acquisition method; this involves the identification of the acquirer, the definition of the acquisition date, the recognition and measurement of identifiable assets acquired, liabilities taken on and the recognition and measurement of capital gains.

If at the closing of the accounting period during which a business combination takes place the initial booking is incomplete, the Parent will inform in its consolidated financial statements the provisional amounts of assets and liabilities whose booking is incomplete, and within 12 months of the measurement period, the Parent will retroactively adjust such provisional amounts recognized to reflect the new information obtained from the *Purchase Price Allocation (PPA)* survey.

The measurement period will end as soon as the Parent has received information on the purchase price allocation survey or concludes that no further information can be obtained, but in any event one year after the acquisition date at the latest.

The consideration transferred in a business combination is measured at its fair value, which is the aggregate of the fair values of the assets transferred by the acquirer, the liabilities taken on by the acquirer facing the former owners of the acquiree and the ownership interests in the equity issued by the acquirer.

Any contingent consideration is included in the consideration transferred at its fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration, arising from events and circumstances existing on the date of acquisition, are booked by adjusting the goodwill if occurring during the measurement period, or directly to period results if arising after the measurement period, unless the liability is settled using variable-income instruments, in which event the contingent consideration is not remeasured.

The Parent recognizes acquired identifiable assets and liabilities taken from a business combination, regardless of whether they have been recognized in the financial statements of the business acquired prior to the acquisition. Identifiable assets acquired and liabilities taken on are booked on the date of acquisition at fair values. The excess of the consideration transferred and the fair value of identifiable assets acquired (including intangible assets not previously recognized) and liabilities taken on (including contingent liabilities) are recognized as capital gains.

For each business combination, the Parent measures non-controlling interests at its fair value and also as a proportion of the acquiree's identifiable net assets.

In the event of a business combination achieved in stages, the previous ownership interest in the acquiree is remeasured at its fair value on the date control is gained. The difference between the fair value and the book value of such ownership interest is directly taken to period results.

Disbursements related to a business combination, other than those related to the issue of debt, are booked as expenses in the periods they are incurred.

On the date of acquisition, goodwill is measured at fair value and subsequently monitored at the level of the cash-generating unit or groups of cash-generating units benefited from the business combination. Goodwill is not amortized, and is subject to impairment testing within one year or earlier, should there be indications of impairment. Impairment losses applied to goodwill are booked to period results and the effect thereof is not reverted.

The method applied by the Parent to test for impairment is described in the asset impairment policy. Negative goodwill arising from a business combination is directly recognized in period results, upon recognition and measurement of identifiable assets, liabilities taken on and potential contingencies.

Put options *granted to the holders of non-controlling ownership interests*

The Parent and its subsidiaries recognize *put option* agreements entered into with the holders of non-controlling ownership interests in subsidiaries pursuant to IAS 32 "Financial Instruments: Presentation". Liabilities arising from these agreements, related to subsidiaries consolidated under the global integration method, are recognized as financial liabilities at its fair value.

Intangible assets

They refer to non-monetary assets, without physical substance, controlled by the Parent as a result of past events and from which future economic benefit may be expected. An intangible asset is recognized as such wherever the item is identifiable, severable and will bring future economic benefit. It is identifiable wherever the asset is severable or arises from rights.

Intangible assets acquired under a business combination are recognized as capital gains wherever they do not meet these criteria.

Intangible assets acquired separately are initially recognized at cost, and intangible assets acquired under a business combination are recognized at fair value.

Internally-generated brands are not recognized in the statement of financial position.

The cost of intangible assets includes acquisition cost, import duties, indirect not-recoverable taxes and costs directly incurred to bring the asset to the place and use conditions foreseen by Management, after trade discounts and rebates, if any.

Intangible assets having indefinite useful lives are not amortized, but are subject to impairment testing, on an annual basis or wherever there is indication that value thereof has been impaired.

Intangible assets having a defined useful life are amortized using the straight-line method over their estimated useful lives. The most significant useful lives are:

Acquired software	Between 3 and 5 years
ERP-like acquired software	Between 5 and 8 years

Intangible assets are subsequently measured using the cost model and amortization as a function of the estimated useful lives and impairment losses are deducted from the amount initially recognized. The effects of amortization and potential impairment are taken to income for the period, unless amortization has been booked as a higher value in the construction or production of a new asset.

An intangible asset is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is recognized in period results.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

Research and development costs

Research costs are recognized as expenses as they are incurred. Disbursements for development of individual projects are recognized as intangible assets wherever the Parent is in the capacity of demonstrating:

- The technical feasibility of completing the intangible asset to have it available for use or sale;
- Its intention of completing the asset and its ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;
- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

Development costs not complying with these criteria for capitalization are taken to period results. Development costs recognized as intangible assets are subsequently measured using the cost model.

Property, plant and equipment

The name property, plant and equipment is given to all of Parent's and its subsidiaries' tangible assets held for use in production or in the production or provision of goods and services, or for administration purposes, and which are further expected to be used over one period, that is to say, more than one year, and that meet the following conditions:

- It is probable that future economic benefit will be obtained from the asset;
- The cost may be accurately measured;
- All risks and benefits arising from the use or possession of the asset have been taken, and
- They are assets which individual acquisition cost exceeds 50 UVT (Tax-Value Units), except for those assets defined by the Parent that are related to the core business purpose, and there is an interest in controlling them given that they are procured frequently and in significant amounts.

Property, plant and equipment are initially measured at cost; subsequently they are measured at cost less accumulated depreciation and accumulated impairment loss.

The cost of property, plant and equipment elements includes acquisition cost, import duties, non-recoverable indirect taxes, future dismantling costs, if any, costs from loans directly attributable to the acquisition of a qualifying asset and the costs individually attributable to place the asset in the site and usage conditions foreseen by management, net of trade discounts and rebates.

Costs incurred for expansion, modernization, improvements that increase productivity, capacity or efficiency, or an increase in the useful lives thereof, are carried as a higher value of the asset. Maintenance and repair costs from which no future benefit is foreseen are taken to period results.

Land and buildings are deemed to be individual assets, wherever they are significant and physical separation is feasible, even if they have been jointly acquired.

Constructions in progress are transferred to operating assets upon completion of the construction or commencement of operation, and depreciated as of that moment.

The useful life of land is unlimited and consequently it is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, considering nil residual value. The groups of property, plant and equipment and relevant useful lives are as follows:

Low-value assets	3 years
Computers	5 years
Vehicles	5 years
Machinery and equipment	From 10 to 20 years
Furniture and fixtures	From 10 to 12 years
Other transportation equipment	From 5 to 20 years
Surveillance team armament	10 years
Buildings	From 40 to 50 years
Improvements to third party properties	40 years or the term of the lease agreement or the remaining of the lease term (*), whichever is less.

(*) Urban improvements related to the construction or delivery of environmental resources and/or related to the visual or architectural improvement of the zone affected by the construction or work under the responsibility of the Parent, are recognized in period results.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

An item of property, plant and equipment is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is recognized in period results.

Investment property

Is property held to obtain revenue or capital gains and not for use in the production or supply of goods or services, or for administrative use or sale in the normal course of business. This category includes the shopping malls and other property owned by the Parent and its subsidiaries.

Investment properties are initially measured at cost, including transaction costs. Following initial recognition, they are valued at historic cost less accumulated depreciation and accumulated impairment loss.

Investment properties are depreciated using the straight-line method over their estimated useful lives, regardless their residual value. The useful life estimated to depreciate buildings classified as investment property is from 40 to 50 years.

Transfers are made from investment properties to other assets and from other assets to investment properties only wherever there is a change in the use of the asset. For transfers from investment property to property, plant and equipment, the cost taken into consideration for subsequent accounting is the book value on the date the use is changed. If a property, plant and equipment item would become investment property, it will be recorded at book value on the date it changes.

Situations that can lead to transfer are:

- The Parent and its subsidiaries will occupy the asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The Parent and its subsidiaries start a development on the investment property or property, plant and equipment towards its sale, provided there is a significant advance in the development of tangible assets or in the project to be sold as a whole. In these events, the asset is reclassified to inventories,
- The Company and its subsidiaries enter into an operating lease agreement with a third party on a property, plant and equipment item. In this event, the asset is reclassified to investment property.

An investment property is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof.

The gain or loss from derecognition of investment properties is estimated as the difference between the net proceeds of sale and the book value of the asset. The effect is taken to income during the period where the asset was derecognized.

The fair values of investment property are updated on an annual basis for the purposes of disclosure in the financial statements.

Non-current assets held for trading and discontinued operations

Non-current assets and the groups of assets for disposal are classified as held for trading if their book value will be recovered via a sale instead of continued use thereof and do not meet the conditions to be classified as real estate inventory. Such condition is met wherever an asset or group of assets are available for immediate sale, under current condition, and the sale is highly probable to occur. In order for the sale be highly probable, management must be committed to a plan to sell the asset (or group for disposition) and the sale is expected within the year following the classification date.

Non-current assets and groups of assets for disposition are valued at the lower of book value or fair value, less costs of sale, and are not depreciated or amortized as from the date they are classified as held for trading. Such assets or groups of assets are shown under current assets and current liabilities.

The revenue, costs and expenses from a discontinued operation are presented separately from those from continued activities, in one single line item after income tax, in the statement of income for the current period and the comparative period for the preceding year, even if a non-controlling interest in the discontinued operation after the sale is kept. An operation is deemed to be discontinued wherever it meets the definition of non-current assets held for trading and represents a business line or geographical area of operations that are significant to the Parent and its subsidiaries, or a subsidiary acquired with trading purposes. It is part of a single coordinated plan to dispose of a business line or a geographical area of the operation that is significant and that may be deemed separate.

Leases

Lease agreements are classified as finance lease and operating lease. Lease agreements that transfer substantially all risks and benefits arising from the title to the assets are classified as finance lease, otherwise they are classified as operating lease. Some of the criteria to be taken into consideration to reach conclusion of whether substantial risks and benefits have been transferred include (i) where the term of the lease is equal to or higher than 75% of the economic life of the asset and/or (ii) where the present value of minimum payments under the lease agreement is equal to or higher than 90% of the fair value of the asset.

Contingent instalments of the lease are estimated based on the cause that results in the instalment variance for reasons other than the passage of time.

Finance leases

a. The Parent and its subsidiaries as lessees

   Wherever the Parent and its subsidiaries act as the lessee of an asset under finance lease, the leased asset is shown in the statement of financial position as an asset, according to the nature of the asset pursuant to the lease agreement, and at the same time, a liability in the same value is recorded in the statement of financial position, estimated as the lower of the fair value of the leased asset or the present value of minimum instalments payable to the lessor, plus, as applicable, the price of the purchase option.

   Such assets are depreciated or amortized with the same criteria applied to the property, plant and equipment elements, or intangible assets for own use, regarding useful life, provided the property of the asset is transferred to the Parent and its subsidiaries at the end of the contract, via purchase option or else; otherwise, the useful life is set as the term of the agreement or the useful life of the property, plant and equipment element, whichever is less. Lease instalments are split between interest and the decrease of the principal. Financial expenses are recognized in the statement of income for the period.

b. The Parent and its subsidiaries as lessors

   Wherever the Company acts as the lessor of an asset under finance lease, the leased asset is not shown as property, plant and equipment, given that the risks associated to the property have been transferred to the lessee; instead, a financial asset is recognized for the present value of the minimum lease instalments receivable plus the unsecured residual value.

   Lease instalments received are split between interest and the decrease of the principal. Interest-related financial revenue is recognized in the statement of income for the period.

Operating leases

Are lease agreements under which title to the leased asset and all substantial risks and benefits attached thereto remain with the lessor. The Parent and its subsidiaries have assets received and delivered under operating lease agreements.

Payments or collections on account of operating lease are recognized as expenses or revenue in the statement of income on a linear basis over the term of the lease agreement. Contingent payments are recognized during the period they are incurred.

Wherever the Parent and its subsidiaries make or receive advance payments on account of lease agreements, related to the usage of assets, such payments are booked as expenses paid in advance and collections are booked as revenue received in advance, and both are amortized over the term of the lease agreement.

Loan costs

Loan costs directly attributable to the acquisition, construction or manufacturing of a qualifying asset, in other words an asset which necessarily takes a substantial period of time (generally more than six months) to become ready for its intended use or sale, are capitalized as part of the cost of the respective assets. All other loan costs are accounted for as expenses during the period they are incurred. Loan costs are made of interest and other costs incurred for securing the loan.

Impairment of non-financial assets

At the closing of each annual period, the Parent and its subsidiaries assess whether there is indication that the value of an asset may be impaired. Assets with a defined useful life are subject to impairment testing, provided there is objective evidence that, as result of one or more events subsequent to initial recognition, the book value thereof cannot be recovered, in full or in part.

Intangible assets with an indefinite useful life not subject to amortization are tested for impairment at the closing of each year, except for those intangible assets attached to a business combination still undergoing a measuring period where the purchase price allocation (PPA) survey has not been completed.

Impairment indicators as defined by the Parent and its subsidiaries, in addition to external data sources (economic environment and the market value of the assets, among other), are based on the nature of assets:

- Movable assets attached to a cash-generating unit: ratio between the net book value of the assets related to each store and sales value (VAT included). Should this proportion be higher than the percentage defined for each format, then there is indication of impairment;
- Real estate: comparison of the net book value of assets to the market value thereof.

In order to assess value impairment losses, assets are grouped at the level of cash-generating unit or groups of cash-generating units as applicable, and estimation is made of the recoverable value thereof. The Parent and its subsidiaries have defined each store or each shop as an individual cash-generating unit; regarding goodwill, the generating units are grouped based on the brand, which represents the lowest value at which goodwill is monitored.

The recoverable value is the higher of the fair value less costs of sale of the cash-generating unit or groups of cash-generating units and the value in use. This recoverable value is estimated for an individual asset unless such asset does not generate any cash flows independent of the cash inflows obtained by other assets or groups of assets.

Impairment losses are recognized with charge to period results in amount of the excess of book value of the asset over recoverable value thereof, first reducing the book value of the capital gains allocated to the cash-generating unit or group of cash-generating units; should there be a remaining balance, to all other assets of the cash-generating unit or group of units as a function of the book value of each asset until such book value reaches zero.

To determine the fair value less the costs of sale, a pricing model is used in accordance with the cash-generating unit or groups of cash-generating units, if it can be established.

To assess the value in use:

-Estimation is made of future cash flows of the cash-generating unit or groups of cash-generating units over a period not to exceed five years. Cash flows beyond the forecasted period are estimated by applying a steady or declining growth rate.

- The terminal value is estimated by applying a perpetual growth rate, according to the forecasted cash flow at the end of the explicit period.
- The cash flows and terminal value are discounted at present value, using a discount rate before taxes that corresponds to outstanding market rates reflecting the value of money over time and the particular risks attached to the cash-generating unit or groups of cash-generating units.

The Parent and its subsidiaries assess whether the impairment losses previously recognized no longer exist or have decreased; in such events, the book value of the cash-generating unit or groups of cash-generating units is increased to the revised estimation of the recoverable value, without exceeding the book value that would have been determined if no previous impairment had been recognized. Such reversal is recognized as a revenue in period results, except for goodwill whose impairment is not reverted.

Inventories

Inventories include goods acquired with the purpose of being sold in the ordinary course of business, goods in process of manufacturing or construction with a view to such sale, and goods to be consumed in the process of production or provision of services.

Inventories in transit are recognized upon the Group's receiving all substantial risks and benefits attached to the asset, according to procurement conditions.

Inventories include real estate where the Company has started an urban development or project on the property with a view of selling it.

Inventories are valued by applying the first-in-first-out method (FIFO), while subsidiary Companhia Brasileira de Distribuição – CBD and its subsidiaries value their inventories at the weighted average cost, basically given the different taxes recognized upon the acquisition of inventories (in the Brazil segment) that would have an impact on the final valuation of the inventories under the FIFO method. The cost of initial recognition includes the costs of purchase, costs of processing and other costs incurred in bringing the inventories to their present location and condition, that is to say, upon completion of the production process or receipt at the store. Logistics costs and supplier discounts are capitalized as part of the inventories and recognized in the cost of goods sold upon sale thereof.

Inventories are valued at period closing at the lower of cost and net realization value.

The Parent and its subsidiaries assess whether the impairment losses previously recognized in the inventory no longer exist or have decreased; in these events, the book value of inventories is the lower of cost and net realizable value. This reversal is recognized as a decrease in the cost arising from impairment.

The Parent and its subsidiaries make an estimation of obsolescence and physical inventory losses, based on the age of inventories, changes in manufacturing and sale conditions, trade regulations, probability of loss and other variables affecting the recoverable value.

Financial assets

Financial assets are recognized in the statement of financial position when the Parent and its subsidiaries become a party pursuant to the contract terms and conditions. Financial assets are classified in the following categories:

- Financial assets at fair value with changes in income;
- Financial assets measured at amortized cost, and
- Financial assets at fair value with changes in other comprehensive income.

The classification depends on the business model used to manage financial assets and on the characteristics of the financial asset's contract cash flows; such classification is defined upon initial recognition. Financial assets are classified as current assets, if they mature in less than one year; otherwise they are classified as non-current assets.

a. Financial assets measured at fair value through income

   Includes financial assets incurred mainly seeking to manage liquidity through frequent sales of the instrument. These instruments are measured at fair value and the variations in value are taken to income upon their occurrence.

b. Financial assets measured at amortized cost

   These are non-derivative financial assets with known payments and fixed maturity dates, for which there is an intention and capability of collecting the instrument's cash inflows under the contract.

   These instruments are valued at their amortized cost using the effective interest method. The amortized cost is estimated by adding or deducting any premium or discount, revenue or incremental cost, during the remaining life of the instrument. Gains and losses are recognized in the statement of income by the amortization or if there were objective evidence of impairment.

   These financial assets are included as non-current assets, exception made of those which mature in less than 12 months following the date of the statement of financial position.

c. Financial assets at fair value through other comprehensive income

They represent variable-income investments not held for trading nor are they an acquirer's contingent consideration in a business combination. Regarding these investments, upon initial recognition irrevocable decision was made of presenting the gains or losses based on a subsequent measurement at fair value in other comprehensive income.

The gains and losses arising from the new measurement at fair value are recognized in other comprehensive income until they are written off in asset accounts. In this event, the gains and losses previously recognized in equity are reclassified to retained earnings.

These financial assets are included as non-current assets, unless the Company intends to dispose of the investment within 12 months following the date of the statement of financial position.

d. Derecognition

A financial asset, or a portion thereof, is written off in the accounts upon its sale, transfer, expiry or loss of control over contract rights or over the instrument's cash flows. When substantially all risks and benefits of ownership are retained by the Parent and its subsidiaries, the financial asset continues being recognized in the statement of financial position at its full value.

e. Effective interest method

Is the method to estimate the amortized cost of a financial asset and of the allocation of interest revenue during the entire relevant period. The effective interest rate is the rate that exactly discounts the estimated net future cash flows receivable (including all charges and revenue received that are an integral part of the effective interest rate, the transaction costs and other rewards or discounts), during the expected life of the financial asset.

f. Impairment of financial assets

Given that trade accounts receivable and other accounts receivable are deemed to be short-term receivables of less than 12 months from the date of issue and not containing a significant financial component, the impairment thereof is estimated from initial recognition and on each presentation date as the expected loss for the following 12 months.

For financial assets other than those measured at fair value, the expected losses are measured over the life of the relevant asset. For this purpose, determination is made of whether the credit risk arising from the asset assessed on an individual basis has significantly increased, by comparing the risk of default on the date of presentation against that on the date of initial recognition; if so, an impairment loss is recognized in period results in the amount of the credit losses expected over the following 12 months.

g. Loans and accounts receivable

Loans and accounts receivable are financial assets issued or acquired in exchange for cash, goods or services delivered to a debtor.

Accounts receivable from sales transactions are measured at invoice values less accrued impairment losses. These accounts receivable are recognized when all risks and benefits have been transferred to a third party.

Long-term loans (more than one year of issuance date) are valued at its amortized cost using the effective interest method wherever the amounts involved are material. Impairment losses are recognized in the statement of income.

These instruments are included as current assets, except for those maturing after 12 months following the date of the statement of financial position, which are classified as non-current assets. Classification of accounts receivable which collection is expected over a period of more than 12 months and include payments during the first 12 months, is allotted to current portion and non-current portion.

h. Cash and cash equivalents

Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, an investment should meet the following criteria:

- Short-term investments, in other words, less than three months following date of acquisition;
- High-liquidity investments;
- Readily converted into cash, and
- Subject to a low risk of change in value.

In the statement of financial position, the accounting accounts showing actual overdrafts with financial institutions are classified as financial liabilities. In the statement of cash flows such overdrafts are shown as a component of cash and cash equivalents, provided they are an integral part of the Company's cash management system.

Financial liabilities

Financial assets are recognized in the statement of financial position when the Parent and its subsidiaries become a party pursuant to the contract terms and conditions. Financial liabilities are classified as financial liabilities at fair value through income and financial liabilities measured at amortized cost.

a. Financial liabilities at fair value through income

Are classified under this category when held for trading or designated at fair value through income from initial recognition.

b. Financial liabilities measured at amortized cost

Include loans received and bonds issued, which are initially recognized by the cash received, net of transaction costs. They are subsequently measured at the amortized cost using the effective interest method and recognizing interest expenses on the basis of effective return.

c. Derecognition

A financial liability or a part thereof is derecognized upon settlement or expiry of the contract obligation.

d. Effective interest method

The effective interest method is the method to calculate the amortized cost of a financial liability and the allocation of interest expenses over the relevant period. The effective interest rate is the rate that accurately discounts estimated future cash flows payable during the expected life of a financial liability, or, as appropriate, a shorter period wherever a prepayment option is associated to the liability and it is likely to be exercised.

Embedded derivatives

The Parent and its subsidiaries have implemented a procedure that enables assessing the existence of embedded derivatives in financial and non-financial contracts. Should an embedded derivative exist, and if the main agreement is not accounted for at fair value, the procedure defines whether or not the characteristics and risks thereof are not closely related with the core agreement, in which event separate booking is required.

Derivative financial instruments

Derivative financial instruments are recognized, both initially and subsequently, at fair values. Derivative instruments are recognized as financial assets when its fair value involves a right, and as financial liabilities when its fair value involves an obligation.

The fair value of these instruments is estimated on the closing date of presentation of the financial statements.

The gains or losses arising from changes in the fair value of derivative instruments are directly recognized in the statement of income, except those maintained under hedge accounting and deemed to be cash flow hedges or net investment hedges abroad.

Derivative transactions involve *"forwards" and "swaps"*, aimed at reducing the market risk of assets and liabilities by using the best hedging structures available in the market, being able to stabilize debt service cash flows.

By using such hedging structures, regarding *"forwards"* the intention is to manage the foreign exchange risk, and regarding *"swaps"* additionally to manage the interest rate risk in foreign currency. The effects of both, derivative financial instruments and elements under the line item of net financial results, are recognized in the statement of income.

Even if it is true that the Parent and its subsidiaries do not use derivative financial instruments for speculative purposes, in these financial statements such derivatives have not been deemed hedge instruments given that they do not meet the requirements set by the International Financial Reporting Standards adopted in Colombia.

"Forwards" and "swaps" that meet hedge accounting requirements are recognized pursuant to the hedge accounting policy.

Financial derivatives are measured at fair value using financial valuation techniques based on discounted cash flows. The variables used for valuation are exchange rates in force on the valuation date applicable to the currencies agreed upon in the instrument and the interest rates associated thereto.

Hedge accounting

Parent and its subsidiaries carry out hedge transactions under future-performance (*"forward" and "swap"* contracts, to cover the risks associated with changes in the exchange rates applicable to its investments and in the exchange rates and interests rates applicable to its liabilities.

Hedge instruments are measured at its fair value and hedge accounting shall only be used if:

- The hedge relationship has been clearly defined and documented initially, and
- The efficacy of the hedge may be evidenced initially and throughout its life.

Documents include the identification of the hedge instrument, the item or transaction hedged, the nature of the risk being hedged and the manner in which the efficacy of the hedge instrument will be measured when offsetting the exposure to changes in the fair value of the item hedged or to changes in the cash flows attributable to the hedged risk.

Hedges are deemed to be efficient when there is an economic relationship between the item hedged and the hedge instrument, the effects of the credit risk do not prevail over the value changes arising from such economic relationship, and the hedge ratio is the same as that arising from the item hedged and the amount of the hedge instrument used.

Hedge instruments are recognized initially at fair value, on the date of execution of the derivative contract, and subsequently measured at fair value. They are shown as non-current assets or non-current liabilities wherever the remaining maturity of the item hedged goes beyond 12 months, and, failing that, as current assets and current liabilities if the maturity of the item hedged does not exceed 12 months.

Hedges are classified and booked as follows, upon compliance with strict hedge accounting criteria:

- Cash flow hedges: this category includes hedges covering the exposure to the variation in cash flows arising from a particular risk associated to a recognized asset or liability or to a foreseen transaction which occurrence is highly probable and may have an impact on period results.

  The effective portion of the changes in the fair value of derivative instruments defined as cash flow hedge instruments is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of income.

Values recognized in other comprehensive income are reclassified to the statement of income wherever the hedged transaction has an impact on the results, on the same line item of the statement of income where the hedged item was recognized. However, when the foreseen transaction that is hedged results in recognition of a non-financial asset or a non-financial liability, the gains or losses previously recognized in other comprehensive income are reclassified at the initial value of such asset or liability.
Hedge accounting is discontinued upon voiding of the hedge relation, when the hedge instrument matures or is sold, expires, or is exercised, or no longer qualifies for hedge accounting. In those events, any gain or loss recognized in other comprehensive income is maintained in shareholders' equity and is recognized when the foreseen transaction actually has an impact on period results. When it is no longer expected that a foreseen transaction would occur, then the accrued gain or loss recognized in other comprehensive income is immediately recognized in the statement of income.

- Fair-value hedges: this category includes hedges covering the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

  A change in the fair value of a derivative that is a fair-value hedging instrument is recognized in the statement of income as financial expense or revenue. A change in the fair value of a hedged item attributable to the hedged risk is booked as part of the book value of the hedged item, and is also recognized in the statement of income as financial expense or revenue.

  Wherever an unrecognized firm commitment is identified as a hedged item, the subsequent accrued change in the fair value of the firm commitment attributable to the hedged risk will be recognized as an asset or liability and the relevant gain or loss will be recognized in period results.

- Net investment hedges abroad: this category includes hedges covering exposure to the variation in exchange rates arising from the translation of foreign businesses to the Company's presentation currency.

  The effective portion of the changes in the fair value of derivative instruments defined as instruments to hedge a net investment abroad is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of income.

  If the Company would dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of income.

Share-based payments

Employees (including senior management) of subsidiary Grupo Companhia Brasileira de Distribuição - CBD, receive compensation in the form of share-based payments, by means of which employees render services in exchange for equity instruments ("Transactions settled with shares").

The cost of transactions settled with shares is recognized as a period expense with an increase in net shareholders' equity as balancing entry, over the period during which the performance and service conditions are met. Service conditions require that an employee complete a certain service period and performance conditions require than an employee complete a certain service period and certain performance goals.

Accrued expenses recognized from equity instruments at the closing of each period until the vesting date (irrevocability) of the benefit, reflect the degree in which the vesting period has expired and the best estimation of the number of equity instruments that will eventually vest. It is understood that the vesting date is that on which subsidiary Companhia Brasileira de Distribuição – CBD and employees reach agreement on share-based payments, that is to say, when the parties reach understanding on the terms and conditions of the agreement. On such date, subsidiary Companhia Brasileira de Distribuição – CBD confer upon its counterparty the right to receive equity instruments, subject to compliance, where appropriate, of certain vesting conditions (irrevocability).

When an equity instrument is amended, the minimum expense recognized is the expense that would have been incurred if the conditions had not changed; an additional expense is recognized for any change that may increase the fair value of the share-based payment, or is of benefit to the employee, measured on the date of the amendment.

Upon cancellation of an equity instrument, treatment is given as if fully vested on the date of cancellation, and any unrecognized expense related to the premium is immediately recognized in period results. This includes any premium whose non-consolidation conditions, under subsidiary Companhia Brasileira de Distribuição - CBD or under employee's control, are not met. However, if the plan that has been cancelled is replaced by another plan and is named as replacement on the date it is carried out, the granting plan cancelled and the new plan are treated as if they were and amendment of the original plan, as described in the preceding paragraph. All cancellations of settled equity instrument transactions are treated equally (Note 29 Share-based payments).

Employee benefits

a. Defined contribution plans

   Post-employment benefit plans under which there is an obligation to make certain predetermined contributions into a separate entity (a retirement fund or insurance company) and there is no further legal or constructive obligation to pay additional contributions. Such contributions are recognized as expenses in the statement of income, to the extent that the relevant contributions are enforceable.

b. Defined post-employment benefit plans

   Post-employment benefit plans are those under which there is an obligation to directly provide retirement pension payments and retroactive severance pay, pursuant to Colombian legal requirements. The Parent and its subsidiaries have no specific assets intended for guaranteeing the defined benefit plans.

   Defined post-employment benefit plan liabilities are estimated severally for each plan, with the support of independent third parties, applying the projected credit unit's actuarial valuation method, using actuarial assumptions on the date of the period reported, such as: salary increase expectations, average time of employment, life expectancy and personnel turnover. For 2016, and for the Parent and its Colombian subsidiaries, information on actuarial assumptions is taken as a reference to Regulatory Decree 2131 of December 22, 2016 (for 2015, to Regulatory Decree 2496 of December 23, 2015). Actuarial gains or losses are recognized in other comprehensive income. Interest expense on defined post-employment benefits, as well as settlements and plan reductions, are recognized in period results as financial costs

c. Long-term employee benefits

These are benefits not expected to be fully settled within twelve months following the closing date of the statement of financial position regarding which employees render their services. These benefits relate to time-of-service bonuses and similar benefits. The Parent and its subsidiaries have no specific assets intended for guaranteeing the defined benefit plans.

The liability for long-term benefits is determined separately for each plan with the support of independent third parties, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. The cost of current service, cost of past service, cost for interest, actuarial gains and losses, as well as settlements or reductions in the plan are immediately recognized in the statement of income.

d. Short-term employee benefits

These are benefits expected to be fully settled within twelve months and after the closing date of the statement of financial position regarding which the employees render their services. Such benefits include a share of profits payable to employees based on performance. Short-term benefit liabilities are measured based on the best estimation of disbursements required to settle the obligations on the closing date of the reporting period.

e. Employee termination benefits

The Company pays to employees certain benefits upon termination, wherever decision is made to terminate a labor contract earlier than on the ordinary retirement date, or wherever an employee accepts a benefits offer in exchange for termination of his labor contract.

Termination benefits are classified as short-term employee benefits and are recognized in period results when they are expected to be fully settled within 12 months of the closing of the reporting period; and are classified as long-term employee benefits when they are expected to be settled after 12 months of the closing of the reporting period.

Provisions, contingent assets and liabilities

The Parent and its subsidiaries recognize as provisions all liabilities outstanding on the date of the statement of financial position, resulting from past events, which may be accurately measured and settlement thereof may require an outflow of resources embodying economic benefits and which timing and/or amount are uncertain.

Provisions are recognized at the present value of the best estimation of cash outflows required to settle the liability. In those cases where there is expectation that the provision will be reimbursed, in full or in part, the reimbursement is recognized as an independent asset with a revenue to income as balancing entry, only when such reimbursement is virtually certain.

The provisions are revised periodically, and quantified based on the best information available on the date of the statement of financial position.

Current obligations under contracts for consideration are recognized as provisions wherever unavoidable costs to be incurred in performing under the contract exceed the economic benefits expected to be received thereunder.

A business reorganization provision is recognized wherever there is a constructive obligation to conduct a reorganization, that is to say, when a formal and detailed plan of reorganization has been prepared and has raised a valid expectation in those affected because its overall conditions were announced prior to the closing of the reporting period.

Contingent liabilities are obligations arising from past events, which existence is subject to the occurrence or non-occurrence of future events not entirely under the control of the Parent and its subsidiaries; or current obligations arising from past events, from which the amount of the obligation cannot be accurately estimated or it is not probable that an outflow of resources will be required to settle the obligation. Contingent liabilities are not included in the financial statements; instead they are disclosed in notes to the financial statements, except for those individually included in the purchase pricing report under a business combination, which fair value may be accurately established.

A contingent asset is a possible asset that arises from past events, which existence will be confirmed only by the occurrence or non-occurrence of future events not entirely under the control of the Parent and its subsidiaries. Contingent assets are not recognized in the statement of financial position until revenue realization is virtually true; instead, they are disclosed in the notes to the financial statements.

Taxes

Taxes include liabilities payable to Government by the Parent and its subsidiaries, determined based on private assessments generated during the relevant taxable period; they include, among other:

Colombia:

- Income tax,
- Income tax for equality - CREE,
- Tax on wealth and tax standardization,
- Property tax, and
- Industry and trade tax.

Brazil:

- Financial Contribution to Social Security (COFINS),
- Social Security Tax (PIS),
- Corporate Income Tax (IRPJ),
- Tax on Services (ISS),
- Tax on Property (IPTU),

- Social Contribution on Net Income (CSLL), and
- Imposto de Renda de Pessoa Jurídica (IRRF).

Argentina:

- Income tax,
- Province taxes,
- Tax on personal property - substitute responsible party, and
- Municipal trade and industry tax.

Uruguay:

- Income tax (IRIC),
- Tax on equity,
- Real property tax,
- Industry and trade tax, and
- ICOSA tax.

Current income tax

The income tax for the Parent and its subsidiaries in Colombia is assessed on the higher of the presumptive income and the taxable net income at the official rate applicable annually on each closing of presentation of financial statements. In addition to the income tax, there is the tax for equality CREE, and for the years 2015 to 2018 a CREE surtax, assessed on the same base as the income tax with certain additional clearance items.

In the case of Brazilian subsidiaries, the income tax includes the "Imposto de Renda da Pessoa Jurídica ("IRPJ")" and the "Contribuição Social sobre o Lucro Líquido ("CSLL")", assessed on the income adjusted pursuant to legal regulations: 15% on the adjusted income, and additional 10% on the adjusted income exceeding R$240,000 for the IRPJ and 9% for the CSLL.

Regarding subsidiaries in Uruguay, the income tax is assessed at the official rate of 25%: and for subsidiaries in Argentina, the rate applicable is 35%.

The income tax expense is recognized with charge to income.

Current tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right, they have been incurred with the same tax authority and the intention is to settle them at the net value, or realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income taxes arise from temporary differences and other events that give rise to differences between the accounting base and the taxable base of assets and liabilities. The deferred income tax is recognized at the non-discounted value that the Parent and its subsidiaries expect to recover from or pay to tax authorities, assessed at expected tax rates to be applied during the period when the asset will be realized or the liability will be settled.

Deferred income tax assets are only recognized in as much as it is probable that in future there will have taxable income against which such deductible temporary differences may be offset. Deferred income tax liabilities are always recognized. Deferred tax assets and liabilities arising from a business combinations have an impact on goodwill.

The effects of deferred taxes are recognized in period results or in other comprehensive income depending on where the originating profits or losses were booked and they are shown in the statement of financial position as non-current items.

Deferred tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right and they have been incurred with the same tax authority.

No deferred tax liabilities are carried for the total of the differences that may arise between the accounting balances and the taxable balances of investments in associates and joint ventures, since the exception contained in IAS 12 is applied when recording such deferred tax liabilities.

Shareholders' contributed capital

The Parent's contributed capital is made of common shares.

Incremental costs directly attributable to the issue of new shares or options are shown under shareholders' equity as a deduction from the amount received, net of taxes.

Ordinary revenue

Ordinary revenue includes retail sales at the stores, sales of real estate projects and inventories, sale of extended warranties, lease of property and physical space and supplementary businesses such as insurance, travel, telephone, transportation and financing to customers, among other.

Revenue is measured at the fair value of the consideration received or to be received, net of trade rebates, cash discounts and volume discounts; value added tax is excluded.

Revenue from the sale of goods is recognized when significant risks and benefits attached to the ownership of goods are transferred to purchaser, in most cases upon transfer of legal title, such revenue can be accurately measured and there is a probability that economic benefits from the transaction will be received.

Revenue from services is recognized in the period during which services are rendered. Wherever the provision of a service is subject to compliance with a number of commitments, analysis is made of the proper timing for recognition. Consequently, revenues or sales of goods can either be recognized immediately (when the service is deemed rendered) or be deferred over the period during which the service is provided or the commitment is fulfilled.

When goods are sold along with customer loyalty incentives, the revenue is allotted between the sale of goods and the sale of incentives, at fair values. Deferred revenues from the sale of incentives are recognized in the statement of income upon customer redemption of products, or upon expiry.

Intermediation contracts are analyzed on the grounds of specific criteria to determine when the Parent and its subsidiaries act as principal and when as a commission agent.

Revenues from dividends are recognized when the right to receive payment for investments classified as financial instruments arise; dividends received from associates and joint ventures are recognized as a lower value of the investment.

Revenues from royalties are recognized upon fulfilment of the conditions set forth in the relevant agreements.

Revenues from operating leases on investment properties are recognized on a linear basis over the term of the agreement.

Revenues from interest are recognized using the effective interest method.

Barter revenues are recognized: (i) upon actual bartering, assets are recognized at the fair value of the consideration received on the date of exchange; (ii) or at the fair value of goods delivered.

Loyalty programs

Under its loyalty program, the Parent and certain of its subsidiaries award its customers points on their purchases, which may be exchanged in future for benefits such as: prizes or goods available at the stores, means of payment or discounts, redemption with allies and continuity programs, among other. Points are measured at fair value, which is the value of each point received by the customer, taking the various redemption strategies into consideration. The fair value of each point is estimated at the end of each accounting period.

The obligation of awarding such points is recorded as a deferred revenue that represents the portion of unredeemed benefits at fair value, considering for such effect the portion of points expected not to be redeemed by the customers.

Costs and expenses

Costs and expenses are recognized in period results upon a decrease in economic benefits, associated with a decrease in assets or an increase in liabilities, and the value thereof may be accurately measured.

Costs and expenses include all cash outflows necessary to complete the sales as well as the expenses required to provide the services, such as depreciation of property, plant and equipment, personnel expenses, payments under service agreements, repairs and maintenance, operating costs, insurance, fees and lease expenses, among other.

Earnings per share

Basic earnings per share are calculated dividing the net profit for the period attributable to the Parent, not including the average number of Parent shares held by any subsidiary, if any, by the weighted average of common shares outstanding during the period, excluding, if any, common shares acquired by the Parent and held as Treasury shares.

Diluted earnings per share are calculated dividing the net profit for the period attributable to the Parent, by the weighted average of common shares that would be issued should all potential common shares be converted with dilutive effect. The net profit for the period, if any, is adjusted by the amount of dividends and interest related to convertible bonds and subordinated debt instruments.

The Parent has not carried out any transaction having a potential dilutive effect leading to earnings per share on a diluted basis other than the basic earnings per share.

Operation segments

An operating segment is a component that develops business activities from which it obtains revenue under ordinary activities and incurs costs and expenses, whose operating results are reviewed on an ongoing basis by the highest operating decision-making authority of the Parent, namely the Board of Directors, and regarding which distinct financial information is available. Management assesses the profitability of such segments based on the revenue from ordinary activities.

Information by segment is structured in 4 main segments: Colombia, Brazil, Uruguay and Argentina. In turn, such segments are subdivided as follows:

- Colombia: Éxito, Carulla, Descuento and B2B (includes all Colombian direct subsidiaries of the Parent).
- Brazil: Food, Non Food e E-Commerce (includes all subsidiaries of Companhia Brasileira de Distribuição – CBD and holding companies).
- Uruguay: and holding companies.
- Argentina: and holding companies.

For information presentation purposes non-operating companies - holding companies that hold interests in the operating companies - are allocated by segments to the geographical area to which the operating companies belong. Should a holding company hold interests in various operating companies, it is allocated to the most significant operating company.

Total assets and liabilities by segment are not reported internally for management purposes and consequently they are not made available in the note regarding disclosure of information by segment.

Information by segment is prepared under the same accounting policies as those applied to consolidated financial statements.

Note 5. New and modified standards and interpretations

Note 5.1. Standards not yet in force, issued during the year ended December 31, 2016

No Regulatory Decrees enabling the application of the new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the year ended December 31, 2016.

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following standards and amendments, which are not in force at December 31, 2016:
- IFRS 16 - Leases, in force as of January 2019.
- Amendment to IAS 12, in force as of January 2017.
- Amendment to IAS 7, in force as of January 2017.
- Amendment to IFRS 2, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.
- Amendment to IAS 40, in force as of January 2018.
- IFRIC 22 - Foreign currency transactions and advance consideration, in force as of January 2018.

IFRS 16 - Leases (January 2016)

The standard sets out the principles for recognition, measurement, presentation and disclosure of leases, applicable to lessors and lessees. It deletes the dual accounting model for lessees, which makes a distinction between finance lease agreements that are carried in the balance sheet and operating leases for which recognition of future lease instalments is not required. Instead, a single model is developed, in the balance sheet, similar to the current finance lease.

IFRS 16 supersedes IAS 17 "Leases" and relevant interpretations, and is applicable to periods commencing on or after January 1, 2019; earlier application is permitted, if IFRS 15 "Revenue from contracts with customers" has been applied.

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

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

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

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

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

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

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

Amendment to IFRS 2 "Share-based payments" (June 2016)

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

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

Amendment to IFRS 4 "Insurance contracts" (September 2016).

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

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

Amendment to IAS 40 "Investment property" (December 2016).

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

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

IFRIC 22 - Foreign currency transactions and advance consideration (December 2016).

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

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

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

Note 5.2. Standards not yet in force, issued during the year ended December 31, 2015

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

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

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

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

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

The standard will become effective for periods commencing on or after January 1, 2017. Management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set out by the standard.

The Parent does not consider earlier application since Decree 2496 of December 23, 2015 expressly forbids earlier application during this year.

Note 5.3. Standards adopted earlier during the year ended December 31, 2016

During the three-month period ended March 31, 2016, and based on section 4.1, the Parent has not applied any Standards earlier.

Note 5.4. Standards applied earlier as at December 31, 2015

IFRIC 21 - Levies (May 2013)

The interpretation includes the recognition of outflows of resources mandated by the Government (government agencies and similar bodies), pursuant to the laws and/or regulations, other than the income tax, fines and penalties for breaches of the legislation and amounts gathered by the entities on behalf of governments.

It sets out that the triggering event of the liability is the activity that results in payment of the levy, and mentions that the payment date does not affect the time when the liability is recognized.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. The impact of application thereof during 2015 on the separate statement of income, line item other operating revenue and expenses and other gains, amounted to $57,772 from the recognition of the expense related with the tax on equity enacted by the National Government through Law 1739 of December 23, 2014.

Also, this interpretation was applied to the recognition of the real estate tax in force in Colombia, with an impact on interim periods but not on the period ended December 31, 2015.

Amendment to IAS 27 "Equity Method in Separate Financial Statements" (August 2014)

The amendment gives entities the option of recognizing their investments in subsidiaries, joint ventures and associates at cost, pursuant to IFRS 9 "Financial Instruments" or using the equity method as described in IAS 28 "Investments in Associates and Joint Ventures".

The Parent and its subsidiaries elected the early application of this amendment, incorporating its effects as from the preparation of its opening statement of financial position on January 1, 2014. Revenue under the equity method recognized on investments, associates and joint ventures for the period ended 2016 amounted to $72,489 (2015 - $144,416).

IFRS 9 - "Financial Instruments" (July 2014)

IFRS 9 introduced new requirements for the classification, measurement and derecognition of financial assets and liabilities, as well as new requirements for hedge accounting and impairment of financial assets.

The Parent and its subsidiaries started to apply this standard as from January 1, 2014, without significant effects from implementation thereof.

Amendment to IAS 36 - Information to be disclosed on the recoverable value of non-financial assets (May 2013).

This amendment includes the requirements of information to be disclosed on the recoverable value of non-monetary assets for which an impairment loss had been recorded or reversed. In these events there is a requirement to disclose whether the recoverable value of assets was estimated from its fair value less costs of disposal or its value in use. Should fair values be used, it is required to disclose the value hierarchy used as set out in IFRS 13 - Fair Value Measurement.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 11 Joint Arrangements - Accounting for the acquisition of an interest in a Joint Operation (May 2014)

The amendment sets out that a joint operator should account for the acquisition of an interest in a joint operation, where the activity associated to the joint operation constitutes a business, using the principles related to business combinations contained in IFRS 3 "Business combinations" and other standards.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IAS 16 and IAS 38 Acceptable methods of depreciation and amortization (May 2014)

The amendments clarify that revenue-based amortization methods are unacceptable since they do not reflect the expected consumption pattern of future economic benefits embodied in an asset. Such general rule might be refuted for intangible assets if the intangible asset is expressed as a function of revenue and it can be proved that the revenue and consumption of the economic benefits embodied in intangible assets are closely correlated.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 10 and IAS 28 and IAS 27 Sales or contribution of assets between an investor and its Associate or Joint Venture (September 2014)

The amendments refer to a well-known inconsistency between the requirements under IFRS 10 and IAS 28 (2011), in the treatment of sales or contribution of assets between an investor and its associate or joint venture.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Annual improvement to IFRS Cycle 2012-2014 (September 2014)

Annual improvements to IFRS for the 2012-2014 cycle include:

- IFRS 5 "Non-current assets held for trading and discontinued operations", wherein it is made clear that wherever an asset (or group for disposal) is reclassified from "held for trading" to "held for distribution", or vice versa, this situation does not represent a change to the sales or distribution plan. This means that an asset (or group for disposal) does not need to be reinstated as if it had never been classified as "held for trading" or "held for distribution".
- IFRS 7 - "Financial instruments: Disclosures", includes two amendments for the purpose of analyzing disclosure requirements regarding financial instruments: (a) Provides guidance to help Company management to determine whether the terms of a certain arrangement to provide financial asset management services make a continuing involvement and (b) Makes it clear that additional information to be disclosed on the offsetting of financial assets and financial liabilities is not specific for all interim periods.
- IAS 19 "Employee benefits" clarifies that to determine the discount rate for liabilities arising from post-employment benefits, what matters is the currency of liabilities and not the country where they are triggered. Likewise, where there is no broad market for high-quality corporate bonds in such currency, government bonds are to be used in the relevant currency.
- IAS 34 "Interim financial information" requires cross-reference of interim financial statements to the location of such information.

The Parent and its subsidiaries started to apply this interpretation as of January 1, 2014, without significant effects from implementation thereof.

Amendment to IFRS 10, IFRS 12 and IAS 28 Consolidation exception for investment entities and its subsidiaries (December 2014)

The amendments to IFRS 10 clarify that an investment entity should consolidate a subsidiary that is not an investment entity and that supports the entity's investment activities, in such a way that it acts as an extension of the investment entity.

The Parent and its subsidiaries started to apply this amendment as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Note 6. Business combinations

Note 6.1. Business combination Sumelar S.A.

Seeking to expand operations in Uruguay, on September 1, 2016, subsidiary Mercados Devoto S.A. acquired 100% of the shares of Sumelar S.A., a company engaged in the food self-service business.

The price of acquisition as well as the fair values of identifiable assets and liabilities from the business acquired at acquisition date and at the closing of the measurement period are as follows:

	Provisional fair values at September 1, 2016	Measurement period adjustments	Final fair values at September 1, 2016
Current tax assets	4	-	4
Current inventories	91	-	91
Property, plant and equipment	11	-	11
Total identifiable assets	**106**	**-**	**106**
Total liabilities taken on	**-**	**-**	**-**
Net assets and liabilities measured at fair value	**106**	**-**	**106**

Goodwill arising from the operation amounts to:

	Provisional fair values at September 1, 2016	Measurement period adjustments	Final fair values at September 1, 2016
Consideration transferred	1,322	-	1,322
Less fair value of identifiable net assets	(106)	-	(106)
Goodwill from the acquisition	**1,216**	-	**1,216**

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of the stores acquired in this country.

Expenses associated with the acquisition of this company were not material.

The consolidation of Sumelar S.A. from the date of acquisition resulted in revenue from ordinary activities in amount of $91 and a loss of $2.

The goodwill has shown the following variations from the time of acquisition to December 31, 2016:

Goodwill at December 31, 2015	**-**
Goodwill from the acquisitions at September 1, 2016	1,216
Effect of exchange differences	11
Goodwill at December 31, 2016	**1,227**

Note 6.2. Control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.

With the advisory of an independent third party, on August 31, 2016 the Parent completed the Purchase Price Allocation process started in 2015 and related with the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations. The process resulted in a retrospective adjustment of the statement of financial position and the statement of changes in shareholders' equity at December 31, 2015, and the statement of income, the statement of comprehensive income and statement of cash flows for the year ended December 31, 2015.

The following table summarizes the consideration paid for these interests, the goodwill generated from the acquisition and the fair value of assets acquired and liabilities taken on at the date of gaining control, taken from the books and business combination adjustments identified until August 31, 2016, which are detailed as adjustments to the measurement period.

	Provisional fair values August 31, 2015 (*)			Adjustments during measurement period			Fair values August 31, 2015 (**)		
	Brazil	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**
Assets									
Cash and cash equivalents	1,460,170	76,012	1,536,182	(11,070)	3,044	(8,026)	1,449,100	79,056	1,528,156
Trade accounts receivable	6,121,468	126,934	6,248,402	(129,112)	(5,929)	(135,041)	5,992,356	121,005	6,113,361
Prepaid expenses	-	-	-	276,715	5,930	282,645	276,715	5,930	282,645
Inventories	7,189,300	235,424	7,424,724	(88,058)	-	(88,058)	7,101,242	235,424	7,336,666
Current tax assets	3,230,960	6,141	3,237,101	(5,783)	-	(5,783)	3,225,177	6,141	3,231,318
Assets classified as held for trading	13,208	-	13,208	405	-	405	13,613	-	13,613
Property, plant and equipment	8,623,140	109,858	8,732,998	155,084	333,318	488,402	8,778,224	443,176	9,221,400
Investment property	21,608	63,594	85,202	-	203,231	203,231	21,608	266,825	288,433
Intangible assets other than goodwill	3,718,046	14	3,718,060	6,212,612	67,712	6,280,324	9,930,658	67,726	9,998,384
Investments accounted for using the equity method	400,714	-	400,714	-	-	-	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029	(102,367)	-	(102,367)	456,917	9,745	466,662
Other non-current financial assets	831,297	-	831,297	-	-	-	831,297	-	831,297
Total identifiable assets	**32,169,195**	**627,722**	**32,796,917**	**6,308,426**	**607,306**	**6,915,732**	**38,477,621**	**1,235,028**	**39,712,649**
Liabilities									
Current financial liabilities	3,614,591	-	3,614,591	(1,118,275)	-	(1,118,275)	2,496,316	-	2,496,316
Non-current employee benefit provisions	10,916	-	10,916	-	-	-	10,916	-	10,916
Other current provisions	20,551	1,562	22,113	19,657	-	19,657	40,208	1,562	41,770
Accounts payable	10,276,713	350,148	10,626,861	333,971	49	334,020	10,610,684	350,197	10,960,881
Current tax liabilities	763,424	26,319	789,743	5,718	302	6,020	769,142	26,621	795,763
Other current financial liabilities	-	-	-	1,118,275	-	1,118,275	1,118,275	-	1,118,275
Other current non-financial liabilities	651,097	6,975	658,072	(1,277)	-	(1,277)	649,820	6,975	656,795
Non-current financial liabilities	3,415,787	-	3,415,787	(763,681)	-	(763,681)	2,652,106	-	2,652,106
Other non-current provisions	1,159,034	7,438	1,166,472	1,624,149	-	1,624,149	2,783,183	7,438	2,790,621
Non-current accounts payable	65,171	-	65,171	-	-	-	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624	1,555,582	211,491	1,767,073	2,631,206	211,491	2,842,697
Non-current tax liabilities	524,749	-	524,749	-	-	-	524,749	-	524,749
Other non-current financial liabilities	-	-	-	763,681	-	763,681	763,681	-	763,681
Other non-current non-financial liabilities	569,392	-	569,392	-	-	-	569,392	-	569,392
Total liabilities taken on	**22,147,049**	**392,442**	**22,539,491**	**3,537,800**	**211,842**	**3,749,642**	**25,684,849**	**604,284**	**26,289,133**
100% identifiable net assets and liabilities	**10,022,146**	**235,280**	**10,257,426**	**2,770,626**	**395,464**	**3,166,090**	**12,792,772**	**630,744**	**13,423,516**
Non-controlling interest	3,091,745	-	3,091,745	(20,718)	-	(20,718)	3,071,027	-	3,071,027
Net identifiable assets	**6,930,401**	**235,280**	**7,165,681**	**2,791,344**	**395,464**	**3,186,808**	**9,721,745**	**630,744**	**10,352,489**
Segisor S.A.'s net identifiable assets	21,443	-	21,443	(11,071)	-	(11,071)	10,372	-	10,372
Ownership									
Argentina	-	100.00%	100.00%	0.00%	100%	100.00%	-	100.00%	100.00%
Segisor S.A.	50.00%	-	50.00%	50.00%	0%	50.00%	50.00%	-	50.00%
Companhia Brasileira de Distribuição - CBD	18.76%	-	18.76%	18.76%	0%	18.76%	18.76%	-	18.76%
Net identifiable assets and liabilities after application of the ownership percentage	**1,307,065**	**235,280**	**1,542,345**	**520,287**	**395,464**	**915,751**	**1,827,353**	**630,744**	**2,458,097**
Consideration transferred	**4,650,802**	**885,925**	**5,536,727**	**-**	**-**	**-**	**4,650,802**	**885,925**	**5,536,727**
Fair value of the previous interest in Cnova N.V. less net assets	9,189	-	9,189	1,723	-	1,723	10,912	-	10,912
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)	(520,287)	(395,464)	(915,751)	(1,827,352)	(630,744)	(2,458,096)
Goodwill from the acquisition	**3,352,926**	**650,645**	**4,003,571**	**(518,564)**	**(395,464)**	**(914,028)**	**2,834,362**	**255,181**	**3,089,543**
Decrease from the loss of control over subsidiaries							(19,042)	-	(19,042)
Reclassification to non-current assets held for trading							(112,765)	-	(112,765)
Increase (decrease) from exchange differences, net							238,123	(110,268)	127,855
Reclassification to investments accounted for using the equity method							(390,497)	-	(390,497)
Goodwill at December 31, 2016							**2,550,181**	**144,913**	**2,695,094**

(*) Relates to provisional fair values at August 31, 2015 as informed by management in its quarterly report at September 30, 2015.

(**) Relates to provisional fair values at August 31, 2015, after application of the business combinations adjustments identified during the measurement period ended August 31, 2016.

At December 31, 2015, (adjusted) the provisional goodwill (at the date of the business combination, August 31, 2015) amounted to $2,822,277, of which $2,636,341 represented operations in Brazil and $185,936 represented operations in Argentina. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax. At December 31, 2015, the goodwill amounts to $2,695,094, of which $2,550,181 come from the operations in Brazil and $144,913 from the operations in Argentina.

For presentation purposes, the following is a detail of consolidated assets and liabilities, after the retrospective adjustments resulting from the purchase price allocation, i.e. as if the adjustments had been applied at the time of acquisition of control over the operations:

	December 31, 2015 (1)	Adjustments		December 31, 2015 (2)	Reclassifications (3)	December 31, 2015
Current assets						
Cash and cash equivalents	10,068,717	-		10,068,717	-	10,068,717
Trade receivables and other accounts receivable	3,326,474	8,121	(a)	3,334,595	(83,588)	3,251,007
Prepaid expenses	166,892	7,199		174,091	-	174,091
Accounts receivable from related parties	63,251	184,807	(b)	248,058	-	248,058
Inventories	8,704,328	(19,107)	(c)	8,685,221	-	8,685,221
Tax assets	1,100,323	(18,940)	(d)	1,081,383	-	1,081,383
Other financial assets	445,365	1,592	(e)	446,957	-	446,957
Non-current assets held for trading	21,698	380		22,078	-	22,078
Total current assets	**23,897,048**	**164,052**		**24,061,100**	**(83,588)**	**23,977,512**
Non-current assets						
Property, plant and equipment, net	12,055,301	414,593	(f)	12,469,894	-	12,469,894
Investment property, net	979,336	147,074	(g)	1,126,410	-	1,126,410
Goodwill	6,522,208	(746,615)	(h)	5,775,593	-	5,775,593
Intangible assets other than goodwill, net	3,706,065	5,951,471	(i)	9,657,536	-	9,657,536
Investments accounted for using the equity method, net	304,102	-		304,102	-	304,102
Trade receivables and other accounts receivable	591,960	239,618	(j)	831,578	83,588	915,166
Prepaid expenses	57,576	(7,199)		50,377	-	50,377
Accounts receivable from related parties	245,987	(231,679)	(k)	14,308	-	14,308
Deferred tax assets	524,828	(125,780)	(l)	399,048	-	399,048
Tax assets	1,941,626	22,290	(m)	1,963,916	-	1,963,916
Other financial assets	1,134,331	17,513	(e)	1,151,844	-	1,151,844
Other non-financial assets	398	-		398	-	398
Total non-current assets	**28,063,718**	**5,681,286**		**33,745,004**	**83,588**	**33,828,592**
Total assets	**51,960,766**	**5,845,338**		**57,806,104**	**-**	**57,806,104**
Current liabilities						
Financial liabilities	3,922,558	-		3,922,558	-	3,922,558
Employee benefit provisions	4,141	-		4,141	-	4,141
Other provisions	65,230	16,566	(n)	81,796	-	81,796
Trade payables and other accounts payable	18,368,670	230,338	(ñ)	18,599,008	940	18,599,948
Accounts payable to related parties	688,637	24,973	(o)	713,610	-	713,610
Tax liabilities	805,992	-		805,992	-	805,992
Other financial liabilities	395,971	-		395,971	81	396,052
Other non-financial liabilities	547,507	(24)		547,483	(81)	547,402
Total current liabilities	**24,798,706**	**271,853**		**25,070,559**	**940**	**25,071,499**
Non-current liabilities						
Financial liabilities	6,707,561	-		6,707,561	-	6,707,561
Employee benefit provisions	41,231	-		41,231	-	41,231
Other provisions	1,124,682	1,513,592	(p)	2,638,274	-	2,638,274
Trade payables and other accounts payable	34,189	(3,959)		30,229	-	30,229
Accounts payable to related parties	12,704	-		12,704	-	12,704
Deferred tax liabilities	1,206,422	1,696,838	(l)	2,903,260	-	2,903,260
Tax liabilities	455,355	-		455,355	-	455,355
Other financial liabilities	714,079	19,105	(e)	733,185	-	733,185
Other non-financial liabilities	1,036,782	-		1,036,782	-	1,036,782
Total non-current liabilities	**11,333,005**	**3,225,576**		**14,558,581**	**-**	**14,558,581**
Total liabilities	**36,131,711**	**3,497,429**		**39,629,140**	**940**	**39,630,080**
Shareholders' equity	**15,829,055**	**2,347,909**		**18,176,964**	**(940)**	**18,176,024**
Total liabilities and shareholders' equity	**51,960,766**	**5,845,338**		**57,806,104**	**-**	**57,806,104**

(1) Consolidated assets and liabilities as reported in the financial statements at December 31, 2015. 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, introduced for comparison with 2016 financial statements.

(2) Assets and liabilities adjusted on a retrospective basis to reflect the effect of the adjustments arising from 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

(3) Minor reclassifications for comparison with 2016 financial statements.

Adjustments mainly refer to:

(a) Recognition from the sale of non-current assets in amount of $12,215; impairment of accounts receivable in amount of ($2,467); adjustment relevant to the effects of the investigation on Cnova N.V., in amount of $6,369; reclassification to prepaid expenses in amount of ($7,199), and other adjustments amounting to ($797).

(b) Refers to the recognition of an account receivable from Casino Guichard-Perrachon S.A. relevant to the indemnification in favor of Onper Investment 2015 S.L. arising from the arbitration award related with the request for arbitration filed by Morzan Empreendimientos e Partipaçoes Ltda.

(c) Refers to an adjustment in amount of $(116,028) to the provision for the protection of inventories and to an adjustment in amount of $135,105 in inventories available for sale, related to the effects of the investigation on Cnova N.V.

(d) Refers to an adjustment related with the effects of the investigation on Cnova N.D. in amount of ($17,514) and to other adjustments in amount of ($1,426).

(e) Refers to the reclassification of derivative financial instrument liabilities from other current financial assets in amount of $1,592 and non-current in amount of $17,513 to other non-current financial liabilities for total $19,105.

(f) Relates to:
- Fair value of land and buildings of Companhia Brasileira de Distribuição - CBD in amount of $258,406, of which $209,208 refer to land and $49,198 refer to buildings;
- Fair value of land and buildings owned by Libertad S.A. in amount of $242,019, of which $137,989 refer to land and $104,030 refer to buildings;
- Adjustment relevant to the effects of the investigation on Cnova N.V. in amount of ($16,718);
- Adjustment to the fair value of intangible assets sold during the measurement period in amount of ($68,876).
- Other adjustments amounting to ($238).

(g) Relates to the fair value of land and buildings owned by Ceibotel S.A., classified as investment property on the date of the business combination, amounting to $147,074, of which $20,645 relate to land and $126,429 relate to buildings.

(h) Impact on goodwill from the application of the adjustments at the time of acquisition of Companhia Brasileira de Distribuição - CBD y Libertad S.A. identified during the measurement period ended August 31, 2016.

(i) Refers to the recognition and adjustments to the measurement of intangible assets relevant to trademarks, in amount of $4,642,310; trade rights in amount of $1,301,582; other customer-related intangible assets in amount of $72,682; adjustment to the fair value of intangible assets sold during the reporting period ($12,563) and adjustment arising from the effects of the investigation on Cnova N.V. in amount of ($52,540).

(j) Relates to the reclassification of the account receivable from Casas Bahía Comercial Ltda., from related parties to other accounts receivable in amount of $231,658, and other minor adjustments in amount of $7,960.

(k) Relates to the reclassification of the account receivable from Casas Bahía Comercial Ltda. to trade receivables and other accounts receivable in amount of ($231,658), and other minor adjustments in amount of ($21).

(l) Effect on the deferred tax arising from the reversal of temporary differences from the measurement at fair value of all assets and liabilities.

(m) Refers to an adjustment related with the effects of the investigation on Cnova N.V. in amount of $17,514 and to other adjustments in amount of $4,776.

(n) Recognition of contingent liabilities in amount of $14,789 relevant to the hiring of external counsel to represent Companhia Brasileira de Distribuição - CBD in tax proceedings, whose legal fees are contingent upon a percentage to be applied to final successful outcome. Such amount may vary depending on each claim's quantitative and qualitative factors. Additionally, an adjustment from the recognition of customer-related lawsuit liabilities is included in amount of $1,777.

(ñ) Relates to:
- Adjustment from the recognition of the liability at the date of acquisition in amount of $184,807, payable by subsidiary Wilkes Partipações S.A., arising from the request for arbitration filed by Morzan Empreendimientos e Partipaçoes Ltda. and legal fees payable and interest thereon amounting to $7,841;
- Adjustment relevant to the effects of the investigation on Cnova N.V. in amount of $35,027;
- Adjustments from potential tax proceedings that materialized during the measurement period, in amount of $3,323.
- Other minor adjustments in amount of ($660).

(o) Relates to the recognition of tax proceeding-related liabilities with potential qualification that materialized during the measurement period ended August 31, 2016 in amount of $24,176 and other adjustments in amount of $797.

p Recognition of contingent liabilities amounting to $1,105,575 relevant to ICMS - tax on the movement of goods, social security national tax-related proceedings in amount of $261,732 and other proceedings in amount of $62,482. It also includes the recognition of contingent liabilities in amount of $83,803 arising from the hiring of external counsel to represent Companhia Brasileira de Distribuição - CBD in tax proceedings, whose legal fees are contingent upon a percentage to be applied to final successful outcome. Such amount may vary depending on each claim's quantitative and qualitative factors.

For presentation purposes, the following is shareholders' equity after the retrospective adjustments resulting from the completion of the purchase price allocation, i.e. as if the adjustments had been applied at the time of acquisition of control over the operations:

	December 31, 2015 (1)	December 31, 2015 (2)
Issued share capital	4,482	4,482
Premium on the issue of shares	4,843,466	4,843,466
Treasury shares	(2,734)	(2,734)
Other comprehensive income	(385,303)	(380,143)
Other reserves	1,419,416	1,420,311
Period results	573,495	574,435
Retained earnings	1,116,676	1,100,116
Other equity interests	(41,016)	(41,966)
Equity attributable to shareholders of the controlling entity	**7,528,482**	**7,517,967**
Non-controlling interests	8,300,573	10,658,057
Total shareholders' equity	**15,829,055**	**18,176,024**

(1) Consolidated shareholders' equity as reported in the financial statements at December 31, 2015.

(2) Shareholders' equity adjusted on a retrospective basis 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.

Note 6.3. Acquisition of control over Grupo Disco Uruguay S.A.

The *purchase price allocation* process relevant to the acquisition of the Grupo Disco Uruguay operation, pursuant to IFRS 3 - Business combinations had been completed at December 31, 2015.

The goodwill recognized upon business acquisition differs from the balance carried at December 31, 2016. Development is as follows:

	Spice Investments Mercosur S.A.	Grupo Disco Uruguay S.A.	Sumelar S.A.	Total
Goodwill at January 1, 2014	**534,495**	**-**	**-**	**534,495**
Goodwill from the acquisitions at January 1, 2015	**-**	**876,325**	**-**	**876,325**
Increase from business combinations (Hypersavings)	-	7,932	-	7,932
Effect of exchange differences	17,557	62,913	-	80,470
Balance at December 31, 2015	**552,052**	**947,170**	**-**	**1,499,222**
Increase from business combinations	-	-	1,216	1,216
Effect of exchange differences	(7,307)	(26,194)	11	(33,490)
Balance at December 31, 2016	**544,745**	**920,976**	**1,227**	**1,466,948**

Note 6.4. Business combinations achieved during the year ended December 31, 2015

The provisional values at the time of acquisition were taken as the starting point to consolidate subsidiaries acquired in Brazil and Argentina; such values will be subject to modification and adjustment, as required, in as much as the purchase price allocation process be completed. The allocation of purchase price was in process and IFRS 3 - Business combinations allows adjusting provisional values until up to one year following the acquisition date for each subsidiary.

<u>Acquisition of control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.</u>

In performance of the share purchase and sale agreements entered into with Casino Guichard Perrachon, on August 20, 2015, the Parent, through the Spanish company Onper Investment 2015 S.L., acquired the following operations:

- 100% of Libertad S.A., which operates the Libertad and Mini Libertad chains in Argentina; and
- 18.76% of the share capital and 49.97% of the voting rights in Companhia Brasileira de Distribuição – CBD, which owns the chains operating under the banners Pão de Açúcar, Extra, Assaí, Casas Bahia and Ponto Frio in Brazil, and the e-commerce operation through CNova N.V.

The effective date of the business combinations for accounting purposes was August 31, 2015.

As result of the acquisition, the Parent seeks to consolidate as the leading retailer in South America, and become the largest company in Colombia in terms of annual consolidated sales. The price paid for the operations in Brazil and Argentina was USD $1,536 million and USD $292.6 million, respectively.

Provisional goodwill (as at the date of the business combination, August 31, 2015) amounted to $4,027,480, of which $3,379,484 represent operations in Brazil and $647,996 operations in Argentina. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax. At December 31, 2015, the goodwill amounts to $3,568,892, of which $3,096,735 come from the operations in Brazil and $472,157 from the operations in Argentina.

The method used to measure the fair value of the interest previously held by the Parent in Cnova N.V. was the listed-price-of-the-share approach. Non-controlling interests were measured taking as starting point the provisional values of these companies' assets and liabilities on the date of acquisition.

Revenue and net loss shown in the consolidated statement of income between September 1, 2015 and December 31, 2015 amounted to $19,980,619 and $25,575, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income amounted to $637,482 and $19,002, respectively, both after elimination of intercompany transactions.

Should operations had been included as of January 1, 2015, revenue and net loss would have been $57,165,643 and $3,189, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income would have been $1,606,690 and $30,936, respectively.

Transaction costs related with the acquisition of the invested companies amounted to $50,333 and were recognized as other operating expenses in the consolidated statement of income for the period ended December 31, 2015.

At December 31, 2015, the Parent is conducting the *purchase price allocation* process pursuant to IFRS 3 Business combinations, with an independent advisor. The following table summarizes the consideration paid for these interests, the goodwill generated from the acquisition and the provisional fair value of assets acquired and liabilities taken on as of the date of gaining control, taken from the books and business combination adjustments identified so far, which are detailed as measurement period adjustments:

	Provisional fair values August 31, 2015 (*)			Adjustments during measurement period			Provisional fair values August 31, 2015		
	Brazil	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**	**Brazil**	**Argentina**	**Total**
Assets									
Cash and cash equivalents	1,460,170	76,012	1,536,182	(11,070)	3,044	(8,026)	1,449,100	79,056	1,528,156
Trade accounts receivable	6,121,468	126,934	6,248,402	(261,178)	(5,519)	(266,697)	5,860,290	121,415	5,981,705
Prepaid expenses	-	-	-	229,701	5,930	235,631	229,701	5,930	235,631
Inventories	7,189,300	235,424	7,424,724	(73,269)	-	(73,269)	7,116,031	235,424	7,351,455
Current tax assets	3,230,960	6,141	3,237,101	-	-	-	3,230,960	6,141	3,237,101
Assets classified as held for trading	13,208	-	13,208	-	-	-	13,208	-	13,208
Property, plant and equipment	8,623,140	109,858	8,732,998	(31,187)	-	(31,187)	8,591,953	109,858	8,701,811
Investment property	21,608	63,594	85,202	-	-	-	21,608	63,594	85,202
Intangible assets other than goodwill	3,718,046	14	3,718,060	(17,009)	-	(17,009)	3,701,037	14	3,701,051
Investments accounted for using the equity method	400,714	-	400,714	-	-	-	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029	(23,706)	-	(23,706)	535,578	9,745	545,323
Other non-current financial assets	831,297	-	831,297	-	-	-	831,297	-	831,297
Total identifiable assets	**32,169,195**	**627,722**	**32,796,917**	**(187,718)**	**3,455**	**(184,263)**	**31,981,477**	**631,177**	**32,612,654**
Liabilities									
Current financial liabilities	3,614,591	-	3,614,591	-	-	-	3,614,591	-	3,614,591
Non-current employee benefit provisions	10,916	-	10,916	-	-	-	10,916	-	10,916
Other current provisions	20,551	1,562	22,113	1,938	-	1,938	22,489	1,562	24,051
Accounts payable	10,276,713	350,148	10,626,861	63,126	503	63,629	10,339,839	350,651	10,690,490
Current tax liabilities	763,424	26,319	789,743	(17,300)	303	(16,997)	746,124	26,622	772,746
Other current non-financial liabilities	651,097	6,975	658,072	-	-	-	651,097	6,975	658,072
Non-current financial liabilities	3,415,787	-	3,415,787	-	-	-	3,415,787	-	3,415,787
Other non-current provisions	1,159,034	7,438	1,166,472	47	-	47	1,159,081	7,438	1,166,519
Non-current accounts payable	65,171	-	65,171	-	-	-	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624	19	-	19	1,075,643	-	1,075,643
Non-current tax liabilities	524,749	-	524,749	-	-	-	524,749	-	524,749
Other non-current non-financial liabilities	569,392	-	569,392	-	-	-	569,392	-	569,392
Total liabilities taken on	**22,147,049**	**392,442**	**22,539,491**	**47,830**	**806**	**48,636**	**22,194,879**	**393,248**	**22,588,127**
100% identifiable net assets and liabilities	**10,022,146**	**235,280**	**10,257,426**	**(235,548)**	**2,649**	**(232,899)**	**9,786,598**	**237,929**	**10,024,527**
Non-controlling interest	3,091,745	-	3,091,745	(126,498)	-	(126,498)	2,965,247	-	2,965,247
Net identifiable assets	**6,930,401**	**235,280**	**7,165,681**	**(109,050)**	**2,649**	**(106,401)**	**6,821,351**	**237,929**	**7,059,280**
Segisor S.A.'s net identifiable assets	21,443	-	21,443	(11,070)	-	(11,070)	10,373	-	10,373
Ownership									
Argentina	-	100.00%	100.00%	-	100.00%	100.00%	-	100.00%	100.00%
Segisor S.A.	50.00%	-	50.00%	50.00%	-	50.00%	50.00%	-	50.00%
Companhia Brasileira de Distribuição - CBD	18.76%	-	18.76%	18.76%	-	18.76%	18.76%	-	18.76%
Net identifiable assets and liabilities after application of the ownership percentage	**1,307,065**	**235,280**	**1,542,345**	**(23,920)**	**2,649**	**(21,271)**	**1,283,145**	**237,929**	**1,521,074**
Consideration transferred	**4,650,802**	**885,925**	**5,536,727**	**-**	**-**	**-**	**4,650,802**	**885,925**	**5,536,727**
Fair value of the previous interest in Cnova N.V.	9,189	-	9,189	2,638	-	2,638	11,827	-	11,827
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)	23,920	(2,649)	21,271	(1,283,145)	(237,929)	(1,521,074)
Goodwill from the acquisition	**3,352,926**	**650,645**	**4,003,571**	**26,558**	**(2,649)**	**23,909**	**3,379,484**	**647,996**	**4,027,480**
Decrease from the loss of control over a subsidiary							(63,055)	-	(63,055)
Decrease from exchange difference, net							(219,694)	(175,839)	(395,533)
Goodwill at December 31, 2015							**3,096,735**	**472,157**	**3,568,892**

(*) Relates to provisional fair values at August 31, 2015 as informed by management in its quarterly report at September 30, 2015.

Acquisition of control over Grupo Disco Uruguay S.A.

As at September 2011, the Parent had acquired a share interest of 62.49% in Grupo Disco Uruguay S.A. under a situation of joint control arising from the capital structure and the various kinds of share capital, which was accounted for using the equity method until December 31, 2014.

On April 27, 2015, the Parent entered into a Shareholders Agreement with non-controlling interests of Grupo Disco Uruguay S.A., which granted it the voting rights of more than 75% of the share capital of Grupo Disco Uruguay S.A. during an initial term of two years as of January 1, 2015 (effective date for accounting purposes, for no consideration). Resulting from such agreement, the Parent ensures the exercise of effective control over Grupo Disco Uruguay S.A. and global consolidation thereof into the financial statements.

On the date of execution of the agreement, Grupo Disco Uruguay S.A. had 28 establishments of the Disco and Geant chains, which, added to the Devoto operation acquired in 2011 wherein currently the Parent owns 100% of the share capital, represent the largest retail operation in Uruguay.

The fair value of the Parent's previous interest in Grupo Disco Uruguay S.A. amounted to $1,067,037. The valuation method used to measure such fair value was mainly the discounted cash flow method and the effect thereof was recognized in period income in amount of $29,681 at December 31, 2014 under other revenue.

Non-controlling interest in Grupo Disco Uruguay S.A. was measured at fair value and amounted to $448,347. The valuation method used to measure such fair value was the discounted cash flow method, which considers a discount in value arising from the lack of control and the restriction associated to the sale of securities.

Below is a summary of the fair value of net assets acquired at the date of the business combinations and at the closing of the measurement period, based on the purchase price allocation survey:

	Provisional fair values at January 1, 2015	Measurement period adjustments	Final fair values at January 1, 2015
Assets			
Cash and cash equivalents	132,858	-	132,858
Current trade receivables and other receivables	80,439	-	80,439
Prepaid expenses	3,624	-	3,624
Current accounts receivable from related parties and associates	3,947	-	3,947
Current inventories	106,831	-	106,831
Current tax assets, current portion	44,189	-	44,189
Other current financial assets	7,200	-	7,200
Property, plant and equipment	240,721	188,007	428,728
Investment property	19,466	60,191	79,657
Intangible assets other than goodwill	732	103,968	104,700
Non-current trade receivables and other receivables	4,399	-	4,399
Deferred tax assets	30,130	-	30,130
Other non-current financial assets	4,475	4,825	9,300
Total identifiable assets	**679,011**	**356,991**	**1,036,002**
Liabilities			
Current financial liabilities	4,117	-	4,117
Current trade payables and other accounts payable	250,204	7,315	257,519
Current accounts payable to related parties and associates	3,961	-	3,961
Current tax liabilities, current portion	49,616	-	49,616
Other current non-financial liabilities	10,347	1,292	11,639
Other non-current provisions	843	-	843
Deferred tax liabilities	-	56,463	56,463
Other non-current non-financial liabilities	12,785	-	12,785
Total liabilities taken on	**331,873**	**65,070**	**396,943**
Net assets and liabilities measured at fair value	**347,138**	**291,921**	**639,059**
Fair value of interests previously held in the acquiree	1,067,037	-	1,067,037
Non-controlling interest measured at fair value	448,347	-	448,347
Less fair value of identifiable net assets	(347,138)	(291,921)	(639,059)
Goodwill from the acquisition	**1,168,246**	**(291,921)**	**876,325**
Increase from combinations and from exchange differences, net			88,402
Goodwill at December 31, 2015			**964,727**

Goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of the stores acquired in this country. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax.

The consolidation of Grupo Disco Uruguay S.A. since January 1, 2015 resulted in revenue from ordinary activities in amount of $1,339,700 and generated a gain of $75,372 after elimination of intercompany transactions at Group level.

Transaction costs related with the acquisition of the invested company were not significant and they were recognized as other operating expenses in the consolidated statement of income for the period.

Agreement between the Parent and Caja de Compensación Familiar - CAFAM

During September 2010, the Parent entered into an agreement with Caja de Compensación Familiar - CAFAM, which enabled the Parent to operate the stores owned by Cafam, and enabled Cafam to operate the drugstores owned by the Parent.

On February 23, 2015, the parties executed an agreement which main purpose was:

- The acquisition by the Parent of the stores owned by Cafam, which had been operated by the Parent since September 2010, date on which the inventories and property, plant and equipment associated to such stores had been purchased for $54,706.
- Since it is deemed a business combination completed in various stages, the consideration transferred of $127,267 includes $5,048 on account of the measurement at fair value on the date of the business combination, of property, plant and equipment previously acquired by the Parent. The amount recognized as goodwill amounts to $122,219, based on the purchase price allocation survey, which is expected to be tax-deductible.
- The sale to Cafam of the drugstores owned by the Parent, some of which had been operated by Cafam since September 2010, resulted in a net gain of $74,515, recognized in period results under "Other revenue";
- The termination of the cooperation agreement executed by and between the parties in September 2010.

The conditions precedent under the agreement, including approval by the relevant authorities, were completed on May 27, 2015.

Expenses associated with the acquisition of these stores were not material.

Exercise of the purchase option to acquire Super Inter stores.

On April 15, 2015, the Parent exercised the purchase option with Comercializadora Giraldo y Cía. S.A. granted on the acquisition of 29 trade establishments, which had been operated since October 2014, and on the Super Inter trademark. Previously, the Parent had acquired the inventories associated with such establishments in amount of $29,833 under a separate transaction.

The price of acquisition amounted to $343,920, out of which $284,173 were disbursed at the closing of December 31, 2015.

Below is a summary of the fair values of identifiable assets and liabilities of the business acquired, as of the date of acquisition and at the closing of the measurement period, based on the purchase price allocation survey:

	Provisional fair values at April 1, 2015	**Measurement period adjustments (1)**	**Final fair values at April 1, 2015**
Super Inter Banner	95,121	(31,417)	63,704
Property, plant and equipment	18,169	-	18,169
Total identifiable assets	**113,290**	**(31,417)**	**81,873**
Total liabilities taken on	**-**	**-**	**-**
Net assets and liabilities measured at fair value	**113,290**	**(31,417)**	**81,873**

Goodwill arising from the operation amounts to:

	Provisional fair values at April 1, 2015	**Measurement period adjustments (1)**	**Final fair values at April 1, 2015**
Consideration transferred	343,920	-	343,920
Less fair value of identifiable net assets	(113,290)	31,417	(81,873)
Goodwill from the acquisition	**230,630**	**31,417**	**262,047**

The goodwill in amount of $262,047 is attributable to economies of scale expected from the integration of the operations of the stores acquired and the Parent's stores, which is expected to be tax-deductible.

Expenses associated with the acquisition of these stores were not material.

(1) Relates to the fair value measurement adjustment of the Super Inter trademark, resulting from the review of the variables applied during the initial provisional appraisal.

Note 6.5. Adjusted statement of income at December 31, 2015

A reconciliation is attached of the statement of income initially presented at December 31, 2015 to the statement of income at December 31, 2015 adjusted on a retrospective basis, as if the adjustment of the purchase price of the business combinations with Companhia Brasileira de Distribuição – CBD y Libertad S.A. and the presentation of the results of Via Varejo S.A. and Cnova N.V. discontinued operations had been recorded during such year:

	January 1 to December 31, 2015 (1)	Reclassification to discontinued operations (2)	*"PPA"* adjustments Argentina (3)	Adjustments investigation on Cnova N.V.; PPA adjustments reclassification Brazil (4)	January 1 to December 31, 2015 (adjusted)
Continuing operations					
Revenue from ordinary activities	33,402,211	(9,394,381)		(61,859)	24,045,971
Cost of sales	(25,147,776)	7,428,740		(68,517)	(17,787,553)
Gross profit	**8,254,435**				**6,258,418**
Operating expenses	(6,897,628)	2,037,715	(1,696)	(46,447)	(4,908,056)
Profit from operating activities	**1,356,807**				**1,350,362**
Net financial result	(385,878)	326,740	(131)	(23,011)	(82,280)
Earnings before income tax from continuing operations	**970,929**				**1,268,082**
Tax (expense)	(398,428)	22,938	828	(13,021)	(387,683)
Net period profit from continuing operations	**572,501**				**880,399**

(1) Relates to the statement of income presented on December 31, 2015.

(2) Reclassification of the e-commerce and non-food segments of subsidiaries Via Varejo and Cnova N.V., which will be shown as discontinued operations.

(3) Refers to adjustments related to assets and liabilities identified at the date of acquisition of the operations of Libertad S.A. for the period between December 1 and December 31, 2015.

(4) Refers to adjustments related to the investigation on Cnova N.V. as announced by Companhia Brasileira de Distribuição – CBD, and additionally to the reclassifications of the effects of the purchase price allocation attributable to the e-commerce and non-food segment operations relevant to Cnova N.V. and Via Varejo S.A. and its subsidiaries.

Note 7. Subsidiaries with material non-controlling interests

The following are the subsidiaries included in the consolidated financial statements, with material non-controlling interests, at December 31, 2016 and December 31, 2015:

	Ownership percentage non-controlling interests		
	December 31, 2016 (1)	**December 31, 2015 (2)**	**December 31, 2015 (3)**
Companhia Brasileira de Distribuição - CBD	81.28%	81.28%	81.24%
Patrimonio Autónomo Viva Laureles	59.20%	20.00%	20.00%
Patrimonio Autónomo Viva Sincelejo	49.00%	49.00%	49.00%
Patrimonio Autónomo Viva Villavicencio	49.00%	49.00%	49.00%
Patrimonio Autónomo San Pedro Etapa I	49.00%	49.00%	49.00%
Patrimonio Autónomo Centro Comercial	49.00%	49.00%	49.00%
Patrimonio Autónomo Viva Malls	49.00%	-	-
Patrimonio Autónomo Viva Palmas	73.99%	49.00%	49.00%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	51.56%	10.48%	7.48%

(1) Total non-controlling interest, taking the Parent's direct and indirect participation into account.

(2) Non-controlling interest, taking only direct controlling interest into account.

(3) For 2015, non-controlling interest taking into account the Parent's direct and indirect interest, and taking into account only the direct controlling entity's interest, are equal.

Below is a summary of financial information relevant to assets, liabilities, period results and cash flows of subsidiaries that hold material non-controlling interests, included in the consolidated financial statements. Balances are shown before the required eliminations as part of the consolidation process.

December 31, 2016

Company	Current assets	Non-current assets	Current Liabilities	Non-current liabilities	Shareholders' equity	Controlling interest	Non-controlling interest	Revenue from ordinary activities	Result from continuing operations	Total comprehensive result	Controlling interest	Non-controlling interest
	Statement of financial position							Statement of comprehensive income				
Companhia Brasileira de Distribuição - CBD	29,693,754	17,705,518	25,697,474	7,280,701	14,421,097	2,699,628	11,721,469	36,391,545	76,722	(741,807)	(138,866)	(602,941)
Patrimonio Autónomo Viva Laureles	2,691	114,168	2,237	-	114,622	91,698	22,924	14,720	7,843	7,843	6,275	1,569
Patrimonio Autónomo Viva Sincelejo	1,558	83,493	1,656	-	83,395	42,531	40,864	11,979	6,243	6,243	3,184	3,059
Patrimonio Autónomo Viva Villavicencio	35,989	212,002	27,351	-	220,640	112,526	108,114	32,386	21,654	21,654	11,044	10,610
Patrimonio Autónomo San Pedro Etapa I	617	34,975	376	-	35,216	17,960	17,256	3,851	2,611	2,611	1,332	1,279
Patrimonio Autónomo Centro Comercial	8,083	115,174	8,914	-	114,343	58,315	56,028	17,861	11,654	11,654	5,944	5,710
Patrimonio Autónomo Viva Malls	64,060	714,179	5,235	-	773,004	392,256	380,748	7,444	(3,216)	(3,216)	(3,216)	-
Patrimonio Autónomo Viva Palmas	1,842	30,738	1,604	-	30,976	15,798	15,178	3,442	1,611	1,611	822	789
Patrimonio Autónomo Centro Comercial Viva Barranquilla	9,426	212,449	7,865	-	214,010	192,609	21,401	4,309	(29)	(29)	(26)	(3)

December 31, 2015

Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Controlling interest	Non-controlling interest	Revenue from ordinary activities	Result from continuing operations	Total Comprehensive result	Controlling interest	Non-controlling interest
	Statement of financial position							Statement of comprehensive income				
Companhia Brasileira de Distribuição - CBD	20,279,204	16,233,387	20,463,097	7,035,665	9,013,829	1,212,776	7,801,053	19,980,882	(26,455)	(69,213)	28,737	(97,950)
Patrimonio Autónomo Viva Laureles	2,451	116,664	2,031	-	117,084	93,667	23,417	13,689	6,967	6,967	5,574	1,393
Patrimonio Autónomo Viva Sincelejo	1,991	85,509	1,507	-	85,993	43,856	42,137	11,414	5,729	5,729	2,922	2,807
Patrimonio Autónomo Viva Villavicencio	28,456	215,351	19,307	-	224,500	114,495	110,005	23,380	15,209	15,209	7,757	7,452
Patrimonio Autónomo San Pedro Etapa I	597	35,797	364	-	36,030	18,375	17,655	3,926	2,653	2,653	1,353	1,300
Patrimonio Autónomo Centro Comercial	4,365	116,565	2,452	-	118,478	60,424	58,054	11,826	8,687	8,687	4,430	4,257

Company	Operating activities	Investment activities	Financing activities	Net increase (decrease)	Operating activities	Investment activities	Financing activities	Net increase (decrease)
	Cash flows for the year ended December 31, 2016				Cash flows for the year ended December 31, 2015			
Companhia Brasileira de Distribuição - CBD	(1,144,753)	(1,773,313)	1,294,870	(1,623,196)	8,921,884	975,100	(1,154,665)	8,742,319
Patrimonio Autónomo Viva Laureles	10,303	(27)	(10,280)	(3)	8,946	68	(9,629)	(615)
Patrimonio Autónomo Viva Sincelejo	8,154	0	(8,756)	(601)	3,760	(1)	(10,266)	(6,507)
Patrimonio Autónomo Viva Villavicencio	28,274	(2,041)	(22,632)	3,601	32,683	(13,172)	(2,235)	17,276
Patrimonio Autónomo San Pedro Etapa I	3,404	0	(3,416)	(14)	3,664	63	(6,820)	(3,093)
Patrimonio Autónomo Centro Comercial	17,405	(1,432)	(12,555)	3,419	13,247	(1,027)	(18,720)	(6,500)
Patrimonio Autónomo Viva Malls	2,863	(380,391)	382,164	4,637	-	-	-	-
Patrimonio Autónomo Viva Palmas	2,671	(2)	(1,591)	1,078	-	-	-	-
Patrimonio Autónomo Centro Comercial Viva Barranquilla	3,796	-	-	3,796	-	-	-	-

During 2016, the Parent underwent changes in its interests held in subsidiaries that hold material non-controlling interests, without loss of control, which resulted from:
- Assignment of all of its interest in Patrimonio Autónomo Viva Laureles and in Patrimonio Autónomo Viva Palmas and partial assignment of its interest in Patrimonio Autónomo Centro Comercial Viva Barranquilla to Patrimonio Autónomo Viva Malls, where it has an interest of 51%, and
- Higher contributions made by non-controlling interest and the exercise of share-based payments related with the employees of Companhia Brasileira de Distribuição – CBD.

Subsidiary	Ownership before change	Ownership after change	Dilution
Patrimonio Autónomo Viva Laureles	80.00%	40.80%	39.20%
Patrimonio Autónomo Viva Palmas	51.00%	26.01%	24.99%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	92.52%	48.44%	44.08%
Companhia Brasileira de Distribuição - CBD	18.76%	18.72%	0.04%

During 2015, the Parent underwent changes in its interests held in subsidiaries that hold material non-controlling interests, without loss of control, which resulted from:
- Acquisition of 49% of subsidiary Éxito Viajes y Turismo S.A.S., by Latin Airways Corp., and
- Higher contributions made by non-controlling interest and the exercise of share-based payments related with the employees of Companhia Brasileira de Distribuição – CBD:

Subsidiary	Ownership before change	Ownership after change	Dilution
Éxito Viajes y Turismo S.A.S.	100.00%	51.00%	49.00%
Companhia Brasileira de Distribuição - CBD	18.7632%	18.7629%	0.0003%

There are no restrictions on the capability of the subsidiaries to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments.

Note 8. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	December 31, 2016	December 31, 2015
Local currency		
Cash in hand	431,782	301,339
Banks	633,569	474,331
Fiduciary rights (1)	81,840	76,085
Pooled investment funds	374	-
Total local currency	**1,147,565**	**851,755**
Foreign currency		
Deposits (2)	4,330,168	8,338,881
Banks	310,487	712,190
Cash in hand	326,174	34,699
Pooled investment funds	3,450	86,974
Other deposits	-	36,477
Bonds	-	7,741
Total foreign currency	**4,970,279**	**9,216,962**
Total cash and cash equivalents	**6,117,844**	**10,068,717**

(1) For 2015, the Parent showed a restricted cash equivalent in local currency in amount of $3,907, registered under the fiduciary rights account, related to the profits from the film "Colombia Magia Salvaje", with the specific destination of a donation to Fundación Éxito.
On May 4, 2016, the Parent donated $4,032 to Fundación Éxito as approved by the General Meeting of Shareholders held on March 30, 2016.

(2) Mainly relate to fixed-term deposits of subsidiary Companhia Brasileira de Distribuição - CBD, with yields of 12.66% E.A.R. (2015 - 14.13% E.A.R.) equivalent to 98.26% of the Interbank Deposit Certificate - IDC. They mature in less than 90 days of negotiation date. Decrease is due to the reclassification to assets held for trading; see Note 47.

The Parent and its subsidiaries recorded yields from cash in hand and in banks, and from cash equivalents, in amount of $110,116 (2015 - $118,498). Note 34.

At December 31, 2016, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof. At December 31, 2016, exception made of resources aimed at Fundación Éxito recorded in the fiduciary rights account, there were no restrictions or liens that would limit the availability of cash and cash equivalents.

Certain 2015 amounts, out of foreign currency balances, were reclassified for comparison to 2016.

Note 9. Trade receivables and other accounts receivable

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

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Trade accounts receivable (9.1)	990,030	2,950,107	2,944,501
Other accounts receivable (9.2)	764,629	1,199,985	1,221,672
Total trade receivables and other receivables	**1,754,659**	**4,150,092**	**4,166,173**
Current (9.3)	**1,168,174**	**3,326,474**	**3,251,007**
Non-current (9.3)	**586,485**	**823,618**	**915,166**

Note 9.1. Trade accounts receivable

The balance of trade receivables is as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Foreign customers (1)	548,954	1,043,006	1,148,962
Rentals and dealers	100,553	94,200	94,200
Accounts receivable from suppliers (2)	87,476	147,274	147,274
Domestic customers	84,800	191,541	86,348
Compañía de Financiamiento Tuya S.A. (3)	40,601	19,212	19,212
Employee funds	3,909	4,777	4,777
Consumer financing - DCCI (4)	-	1,582,596	1,582,596
Extended warranty (5)	-	167,972	167,972
Other trade accounts receivable	143,600	23,159	23,159
Impairment loss (6)	(19,863)	(323,630)	(329,999)
Total current trade receivables	**990,030**	**2,950,107**	**2,944,501**

(1) Includes trade receivables from customers of Companhia Brasileira de Distribuição - CBD, relevant to sales under payment terms other than financing (direct credit to consumer with intervention DCCI). It additionally includes accounts receivable of Companhia Brasileira de Distribuição - CBD from financial entities or banks, arising from sales on credit cards "Administradoras de cartões de crédito", where Companhia Brasileira de Distribuição - CBD receives cash in as much as customers pay to the bank the instalments agreed upon. Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

(2) Refer to accounts receivable from suppliers of Companhia Brasileira de Distribuição – CBD relevant to the suppliers' contribution arising from purchase volume, price protection and agreements defining a supplier's participation in advertising-related expenses.

(3) Includes items related with the operation of Tarjeta Éxito, such as royalties and reimbursement of shared expenses and collections from recovery of coupons, to be paid in the short term.

(4) For 2015, refers to Via Varejo S.A. sales financed through consumer direct credit with intervention (CDCI), that may be paid in up to 24 months; however, the term most used is less than 12 months. Via Varejo S.A. has entered into agreements with financial institutions, which act as intermediaries in these transactions. Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

(5) Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

(6) The impairment of receivables is independently analyzed for large customers and jointly analyzed for those customers whose balances are not material taken separately, based on debts overdue exceeding historic payment history. The impairment of receivables is recognized as expense in period results. However, even if impaired, the Parent is of the opinion that these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings, when they are available in credit databases recognized in the market. At December 31, 2016 the net expense amounts to $310,136 (2015 - $319,198). The development of the impairment of receivables during the period is as follows:

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

Balance at December 31, 2015	**323,630**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.2)	6,369
Adjusted balance at December 31, 2015	**329,999**
Recognized impairment loss	135,900
Reversal of impairment loss	(9,343)
Receivables written-off	(83,045)
Effect of exchange differences	16,816
Reclassifications to Assets as held for trading	(370,464)
Balance at December 31, 2016	**19,863**

Note 46 - Policies on financial risk management, includes an analysis of the credit risk for trade debtors.

Note 9.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Accounts Receivable - Paes Mendonça S.A. (1)	489,867	423,512	423,512
Account receivable from the sale of companies (2)	63,188	41,396	83,588
Employee fund	58,906	48,056	48,056
Business agreements	38,791	44,436	44,436
Sale of property, plant and equipment, intangible assets and other assets.	18,694	30,497	30,497
Accounts receivable from insurance companies	9,003	13,533	13,533
Money transfers	3,026	6,283	6,283
Tax claims	1,405	2,442	2,442
Money transfer services	1,227	26,587	26,587
Account receivable - Casas Bahia Ltda. (3)	-	231,658	231,658
Reimbursement of freight expenses	-	35,027	35,027
Other	80,522	296,558	276,053
Total other accounts receivable	**764,629**	**1,199,985**	**1,221,672**

(1) Since 1999, certain stores owned by Paes Mendonça S.A. (a supermarket network in Brazil) were leased through subsidiary Novasoc Comercial Ltda. Novasoc Comercial Ltda. paid certain of Paes Mendonça S.A.'s liabilities, and even though the later has made partial payments, Companhia Brasileira de Distribuição - CBD still shows a receivable from the transaction. Pursuant to payment agreements entered into between the parties, balances receivable are updated from a monetary point of view by the IGP-M (Market Price General Index) and are secured with some stores operated by Novasoc Comercial Ltda. We are not aware of objective evidence showing impairment of such accounts receivable. Maturity of these accounts receivable is related to lease agreements under the same conditions originally agreed upon; they are deemed non-current assets given the possibility of turning such accounts into trade rights on the leased stores.

(2) Relates to accounts receivable arising from the exercise of the purchase option of certain fuel stations sold by subsidiary Companhia Brasileira de Distribuição - CBD. The amount of the account receivable is updated from a monetary point of view since the execution of the agreement on May 28, 2012, by 110% of the IDC (interbank deposit certificate), with payment foreseen in 240 monthly instalments.

(3) For 2015, refers to accounts receivable by subsidiary Vía Varejo S.A. from Casas Bahía Comercial Ltda. relevant to the "First amendment to the association agreement" entered into by and between Vía Varejo S.A., Companhia Brasileira de Distribuição - CBD and Casas Bahia Comercial Ltda., which ensures the right of Casas Bahía Comercial Ltda. to be reimbursed for certain contingencies recognized prior to June 30, 2010, date of the agreement. Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

Note 9.3. Trade receivables and other accounts receivable classified as current and non-current

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

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Current			
Foreign customers	548,954	1,043,006	1,148,962
Rentals and dealers	98,195	94,200	94,200
Accounts receivable from suppliers	87,476	147,274	147,274
Domestic customers	84,800	191,541	86,348
Employee funds	42,413	34,214	34,214
Compañía de Financiamiento Tuya S.A.	40,601	19,212	19,212
Business agreements	38,791	44,436	44,436
Sale of property, plant and equipment, intangible assets and other assets.	18,694	30,497	30,497
Accounts receivable from insurance companies	9,003	13,533	13,533
Money transfers	3,026	6,283	6,283
Tax claims	1,405	2,442	2,442
Money transfer services	1,227	26,587	26,587
Account receivable from the sale of companies	973	-	-
Consumer financing - DCCI	-	1,494,232	1,494,232
Extended warranty	-	167,972	167,972
Reimbursement of freight expenses	-	35,027	35,027
Other trade accounts receivable	143,599	23,159	23,159
Other	68,880	266,140	196,279
Impairment loss	(19,863)	(313,281)	(319,650)
Total current accounts receivable	**1,168,174**	**3,326,474**	**3,251,007**

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Non-current			
Accounts Receivable - Paes Mendonça S.A.	489,867	423,512	423,512
Account receivable from the sale of companies	62,215	41,396	83,588
Employee funds	20,402	18,619	18,619
Rentals and dealers	2,358	-	-
Account receivable - Casas Bahia Ltda.	-	231,658	231,658
Consumer financing - DCCI	-	88,364	88,364
Other	11,643	30,418	79,774
Impairment loss	-	(10,349)	(10,349)
Total accounts receivable	**586,485**	**823,618**	**915,166**

Note 9.4. Trade receivables and other accounts receivable by age

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

			Overdue			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
December 31, 2016	1,774,522	1,535,999	172,508	38,070	1,677	26,268
December 31, 2015	4,473,722	3,723,331	217,477	119,036	107,287	306,591
December 31, 2015, adjusted	4,496,172	4,357,989	47,331	15,676	20,624	54,552

Note 10. Prepaid expenses

The balance of prepaid expenses was comprised of:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Leases	81,902	80,823	80,823
Bank expenses	23,020	15,125	15,125
Insurance	22,746	28,469	28,469
Maintenance	10,740	8,325	8,325
Employee benefits	10,129	26,270	26,270
Advertising	6,991	9,870	9,870
Services	4,604	17,514	17,514
Taxes	3,683	1,592	1,592
Sales commissions	1,843	5,573	5,573
Licenses in use	921	796	796
Store expansion	-	796	796
Other	13,642	29,315	29,315
Total prepaid expenses	**180,221**	**224,468**	**224,468**
Current	**119,733**	**166,892**	**174,091**
Non-current	**60,488**	**57,576**	**50,377**

Note 11. Accounts receivable from and accounts payable to related parties

The balance of accounts receivable from and accounts payable to related parties is as follows:

	Accounts receivable			Accounts payable		
	December 31, 2016	**December 31, 2015**	**December 31, 2015 (adjusted)**	**December 31, 2016**	**December 31, 2015**	**December 31, 2015 (adjusted)**
Controlling entity (1)	10,011	35,006	194,339	71,260	188,465	164,583
Associates (2)	13,318	7,961	7,961	12,580	9,553	9,553
Key management personnel	29	78	78	-	-	-
Members of the Board	-	-	-	93	1	1
Joint ventures (3)	16,068	-	-	-	-	-
Grupo Casino companies (4)	9,400	28,002	53,304	157,951	497,587	547,868
Other related parties	-	6,533	6,684	830	5,735	4,309
Total	**48,826**	**77,580**	**262,366**	**242,714**	**701,341**	**726,314**
Current portion	**33,142**	**63,251**	**248,058**	**229,981**	**688,637**	**713,610**
Non-current portion	**15,684**	**14,329**	**14,308**	**12,733**	**12,704**	**12,704**

(1) The balance of accounts payable to the controlling entity results from:

(a) Cost sharing agreement entered into by and between Companhia Brasileira de Distribuição - CDB and Grupo Casino on August 10, 2014, which purpose is the reimbursement of expenses incurred by professionals and companies of Grupo Casino for the benefit of this subsidiary. This agreement was authorized by the Board of Directors on July 22, 2014.

(b) Agency agreement, entered into by and between Companhia Brasileira de Distribuição - CBD and Grupo Casino on July 25, 2015 with the purpose of regulating the provision of procurement intermediation services.

(c) Expense reimbursement agreement entered into by and between Companhia Brasileira de Distribuição - CBD and Grupo Casino related with the provision of procurement intermediation service agreement.

(d) Loan in American dollars known as "Triple S" with HSBC repaid by Grupo Casino to HSBC on behalf of Libertad S.A. In addition, there are some debts of subsidiary Libertad S.A. arising from expatriate personnel services.

(e) Consultancy, technical assistance, insurance and administration support services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. to the Parent and its Colombian subsidiaries. It also includes dividend-related accounts payable.

The balance of accounts receivable from the controlling entity includes charges arising from the Latin America strategic direction service agreement entered into with Casino Guichard-Perrachon S.A.; it also includes charges arising from the cost sharing agreement and bonuses receivable.

(2) Accounts receivable mainly relate to balances with FIC Promotora de Vendas Ltda., mostly charges arising from trade agreements for the promotion and sale of financial services offered by FIC Promotora de Vendas Ltda. at the stores of Companhia Brasileira de Distribuição – CBD.

Accounts payable mainly relate to balances payable to FIC Promotora de Vendas Ltda. arising from credit management expenses

(3) The balance of accounts receivable from joint ventures relates to a subscription of shares in Compañía de Financiamiento Tuya S.A. dated December 27, 2016. Given that Compañía de Financiamiento Tuya S.A. did not receive authorization from the Colombian Financial Superintendence to register a capital increase, the amount disbursed by the Parent and its subsidiary Almacenes Éxito Inversiones S.A.S. was recorded as account receivable until such authorization is received, which is expected during the first half of 2017.

(4) The balance of accounts payable for 2015 refers to loans payable to Casino Finance International S.A. for cash-pooling services; costs payable to Big C- Thailand for the purchase of products; costs and expenses payable to C'est Chez Vous for delivery services, and costs payable to EMC Distribuition Societé par Actions Simplifiée for product procurement centralization services, and to Easydis for logistic services.
At September 30, 2016, these balances were reclassified to non-current assets held for trading, which were sold at the closing of 2016.

Further, the balance at December 31, 2016 and December 31, 2015 includes accounts payable arising from the provision of energy efficiency solutions services, under an agreement entered into by and between Companhia Brasileira de Distribuição - CBD and Green Yellow on May 8, 2015.

The balance of accounts receivable mainly relates to reimbursement of personnel expenses.

Note 12. Inventories and cost of sales

The balance of inventories is as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Inventories available for trading (1)	5,692,621	8,660,780	8,525,494
Inventories of property under construction (2)	58,066	133,248	133,248
Inventories in transit	39,981	27,542	27,693
Materials, small spares, accessories and packaging material	17,790	17,546	17,546
Product in process	4,050	9,192	9,192
Raw materials	4,824	5,336	5,336
Inventory impairment (3)	(39,159)	(149,316)	(33,288)
Total inventories	**5,778,173**	**8,704,328**	**8,685,221**

(1) The decrease as compared to 2015 relates to balances reclassified as part of non-current assets held for trading.

(2) For 2015, the inventory of construction in progress mainly includes the Thera Faria Lima Pinheiros ("Thera"), Figue, Classic and Carpe Diem projects, and a store built on the first floor of the Thera project, owned by Companhia Brasileira de Distribuição - CBD and its subsidiaries. The construction and incorporation is carried out by Cyrela Polinésia Empreendimentos Imobiliários Ltda., Pitangueiras Desenvolvimento Imobiliário SPE Ltda. and Hesa Investimentos Imobiliários Ltda. The Figue project started in February 2015, and delivery of the Thera Faria Lima Pinheiros, Classic and Carpe Diem projects was foreseen for 2016.

Thera Faria Lima Pinheiros, Classic and Carpe Diem projects were completed in 2016. Current balance mainly relates to the Figue project. It also includes real estate projects Hotel Cota and Univalledupar, which since 2015 are in the construction restructuring stage.

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

Balance at December 31, 2015	**149,316**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.2)	(116,028)
Adjusted balance at December 31, 2015	**33,288**
Impairment loss recognized during the period	9,354
Reversal of impairment losses	(5,267)
Effect of exchange differences	(25)
Reclassifications	1,809
Balance at December 31, 2016	**39,159**

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

Pursuant to Parent's policy, inventories are valued at cost or fair value less selling costs, whichever is less. The adjustments to this valuation are included in the costs of sale for the period. No impairment has been reversed regarding these inventories.

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

	December 31, 2016	**December 31, 2015**
Cost of goods sold without impairment	39,095,468	17,778,151
Impairment loss recognized during the period	9,354	11,783
Reversal of impairment loss recognized during the period (1)	(5,267)	(2,381)
Total cost of goods sold	**39,099,555**	**17,787,553**

(1) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage space at the distribution center, limiting the exposure of goods at the warehouses. Likewise, as of 2015 general inventories are handled instead of revolving inventories, in addition to post-season critical controls, critical goods and other activities.

Note 13. Other financial assets

The balance of other financial assets is as follows:

	December 31, 2016	**December 31, 2015**	**December 31, 2015 (adjusted)**
Financial assets measured at fair value through income, foreign currency (1)	621,143	801,305	801,305
Derivative financial instruments designated as hedge instruments (2)	96,684	573,174	592,279
Financial assets measured at amortized cost (3)	75,220	136,179	136,179
Financial assets measured at fair value through other comprehensive income (4)	248	1,046	1,046
Financial assets measured at fair value through income (5)	1,142	965	965
Derivative financial instruments (6)	9,547	67,027	67,027
Total other financial assets	**803,984**	**1,579,696**	**1,598,801**
Current	**100,879**	**445,365**	**446,957**
Non-current	**703,105**	**1,134,331**	**1,151,844**

(1) Financial assets measured at fair value through income, in foreign currency, relate to:

(a) Balances of certain bank accounts regarding legal and tax deposits not available to subsidiary Companhia Brasileira de Distribuicao - CBD given that they are restricted to be used for payment under some legal proceedings filed against it. Balance thereof is monthly updated in the statement of income, using an interest rate.

	December 31, 2016	**December 31, 2015**
Deposit for tax legal proceedings	166,665	167,176
Deposit for labor legal proceedings (1)	381,212	566,009
Deposit for civil legal proceedings	23,941	35,027
Deposit for regulatory legal proceedings	36,832	27,066
Total	**608,650**	**795,278**

(1) Decrease as compared to December 31, 2015 is mainly due to the reclassification to assets held for trading; see Note 47.

(b) Legal deposits in amount of $230 (2015 - $203) relevant to subsidiary Libertad S.A.

(c) Investment in bonds in amount of $12,263 (2015 - $5,824) of Grupo Disco Uruguay S.A.

(2) Derivatives designated as hedge instruments reflect the fair value of swap contracts for 100% of liabilities denominated in US Dollars at a fixed interest rate, of Companhia Brasileira de Distribuição – CBD, exception made of DCCI (Direct consumer credit through an intermediary), exchanging such obligations at a floating IDC interest rate. The term of these contracts equals that of the debt and hedge both principal and interests. The IDC annual average rate in 2016 was 14.00% (13.24% in 2015). Fair values of these instruments are determined using valuation models, commonly used by market participants. The detail of maturities of these instruments at December 31, 2015 is as follows:

	Derivative	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Total
December 31, 2016	*Swap*	54,327			34,070	8,287	96,684
December 31, 2015	*Swap*	5,573	63,685	60,502	248,375	195,039	573,174
December 31, 2015, adjusted	*Swap*	5,573	65,278	60,502	248,375	212,551	592,279

At December 31, 2015, both asset and liability swaps were shown under one single asset line item. At December 31, 2016, the asset portion is shown under the asset side and the liability portion under the liability side.

(3) Financial assets measured at amortized cost include investments in bonds in amount of $75,157 (2015 - $136,166) issued by Compañía de Financiamiento Tuya S.A., which the Parent has the intention and capability of maintaining until maturity. These investments are part of Tarjeta Éxito corporate collaboration agreement, with nominal value of $74,500, a term of between 1 and 10 years and a yield of CPI + 6%. Shares of Compañía de Financiamiento Tuya S.A. were subscribed in October 2016, gaining 50% of the equity in such company; bonds amounting to $69,500 were used to pay for such subscription.

(4) Financial assets measured at fair value through other comprehensive income are equity investments not held for trading. The fair value on each reporting date is:

	December 31, 2016	**December 31, 2015**
Fogansa S.A. (in process of being liquidated) (1)	-	798
Other minor equity investments	248	248
Total	**248**	**1,046**

(1) At the closing of 2016, the Parent decided to eliminate this investment from the financial statements given the high probability of non-recovery.

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

(6) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Parent measures the derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2015 and December 31, 2016 relates to the increase in the valuation of closing rates for forwards and swaps, above the average of the rates agreed upon with various financial players, giving rise to a right (asset) but not to an obligation (liability).

The detail of maturities of these instruments at December 31, 2015 is as follows:

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

The detail of maturities of these instruments at December 31, 2015 is as follows:

	Less than 1 month	**From 1 to 3 months**	**From 6 to 12 months**	**Total**
Forward	31,068	32,238	2,965	66,271
Swap	756	-	-	756
	31,824	**32,238**	**2,965**	**67,027**

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

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Current			
Derivative financial instruments	4,800	67,027	67,027
Derivative financial instruments designated as hedge instruments	88,397	378,135	379,727
Financial assets measured at amortized cost	7,452	-	-
Financial assets measured at fair value through income	230	203	203
Total current	**100,879**	**445,365**	**446,957**
Non-current			
Derivative financial instruments designated as hedge instruments	8,287	195,039	212,552
Financial assets measured at amortized cost	67,768	136,179	136,179
Financial assets measured at fair value through other comprehensive income	248	1,046	1,046
Financial assets measured at fair value through income	622,055	802,067	802,067
Derivative financial instruments	4,747	-	-
Total non-current	**703,105**	**1,134,331**	**1,151,844**

No restrictions or liens have been imposed on other financial assets that limit negotiability or realization thereof, exception made of the investment of Parent in bonds of Compañía de Financiamiento Tuya S.A., which were issued under a corporate collaboration agreement on Tarjeta Éxito, legal and tax deposits of subsidiary Companhia Brasileira de Distribuicao - CBD intended for payment of certain legal claims filed against it and legal deposits of subsidiary Libertad S.A. None of the investments was impaired during these periods.

Note 14. Property, plant and equipment, net

The balance of property, plant and equipment, net, is as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Land	2,496,768	2,229,171	2,575,213
Buildings	4,175,042	8,444,349	4,202,469
Machinery and equipment	3,305,304	3,420,586	3,379,095
Furniture and fixtures	1,509,614	1,465,874	1,458,109
Assets under construction	417,548	380,486	378,920
Premises	770,937	739,041	697,496
Improvements to third party properties	4,986,744	252,362	4,641,875
Vehicles	20,102	102,461	91,851
Computers	216,347	311,565	311,565
Other property, plant and equipment	170,752	195,340	179,289
Total property, plant and equipment	**18,069,158**	**17,541,235**	**17,915,882**
Accumulated depreciation	(5,603,460)	(5,485,934)	(5,445,988)
Total net property, plant and equipment	**12,465,698**	**12,055,301**	**12,469,894**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other property, plant and equipment	Total
Balance at December 31, 2015	**2,229,171**	**8,444,349**	**3,420,586**	**1,465,874**	**380,486**	**739,041**	**252,362**	**102,461**	**311,565**	**195,340**	**17,541,235**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.2)	346,042	(4,241,880)	(41,491)	(7,765)	(1,566)	(41,545)	4,389,513	(10,610)	-	(16,051)	**374,647**
Adjusted balance at December 31, 2015	**2,575,213**	**4,202,469**	**3,379,095**	**1,458,109**	**378,920**	**697,496**	**4,641,875**	**91,851**	**311,565**	**179,289**	**17,915,882**
Additions	8,482	62,363	310,348	85,256	952,058	157,987	188,481	5,342	21,183	27,214	**1,818,714**
Acquisitions via business combinations	-	-	-	214	-	168	-	-	-	-	**382**
Capitalization of loan costs (1)	-	1,299	-	-	23,937	-	-	-	-	-	**25,236**
Increase (decrease) from transfers from (to) Investment property (Note 15)	(203,878)	(344,831)	-	-	(10,200)	-	2,949	-	-	-	**(555,960)**
Increase (decrease) from movements between property, plant and equipment accounts	(3,796)	301,843	66,483	40,192	(461,964)	84	48,624	-	8,534	-	**-**
Increase (decrease) from transfers from (to) other balance sheet accounts	44,090	(267,450)	22,687	26,961	(430,906)	56,526	552,267	-	1,229	(6,145)	**(741)**
(Disposal) of property, plant and equipment	(13,765)	(134,760)	(209,912)	(59,819)	(10,630)	(45,721)	(318,605)	(18,435)	(878)	(22,103)	**(834,628)**
Derecognition of property, plant and equipment	(3,772)	(4,431)	(4,286)	(14,222)	(5,267)	(20,500)	(10,532)	(1)	(411)	(1,756)	**(65,178)**
(Decrease) in assets classified as held for trading	(74,620)	(46,528)	(674,210)	(181,721)	(38,627)	(169,430)	(812,037)	(72,864)	(137,827)	(32,481)	**(2,240,345)**
Effect of exchange differences	173,094	330,642	415,430	154,648	20,227	94,327	693,174	14,209	13,045	26,734	**1,935,530**
Other changes	(4,280)	74,426	(331)	(4)	-	-	548	-	(93)	-	**70,266**
Balance at December 31, 2016	**2,496,768**	**4,175,042**	**3,305,304**	**1,509,614**	**417,548**	**770,937**	**4,986,744**	**20,102**	**216,347**	**170,752**	**18,069,158**

Accumulated depreciation	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other property, plant and equipment	Total
Balance at December 31, 2015	**-**	**2,442,446**	**1,625,718**	**645,429**	**-**	**356,700**	**74,497**	**36,926**	**200,809**	**103,409**	**5,485,934**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.1)	-	(1,479,845)	(15,379)	(4,918)	-	(26,949)	1,491,048	(4,849)	-	946	**(39,946)**
Adjusted balance at December 31, 2015	**-**	**962,601**	**1,610,339**	**640,511**	**-**	**329,751**	**1,565,545**	**32,077**	**200,809**	**104,355**	**5,445,988**
Depreciation expense/cost	-	97,241	318,970	127,746	-	48,632	274,395	6,621	41,825	24,491	**939,921**
Acquisitions via business combinations	-	-	-	212	-	159	-	-	-	-	**371**
Increase (decrease) from transfers from (to) other balance sheet accounts	-	(104,500)	-	-	-	11,960	(142,732)	-	-	-	**(235,272)**
(Decrease) from transfers (to) investment property (Note 15)	-	1,873	-	-	-	-	-	-	-	-	**1,873**
(Disposal) of property, plant and equipment	-	(80,425)	(185,242)	(55,310)	-	(39,524)	-	(8,779)	(878)	(30,726)	**(400,884)**
(Derecognition) of property, plant and equipment	-	(21)	(1,544)	(1,925)	-	(2,030)	(6,841)	(1)	(411)	-	**(12,773)**
(Decrease) in assets classified as held for trading	-	(17,558)	(360,808)	(52,673)	-	(79,009)	(206,301)	(22,825)	(125,537)	(14,924)	**(879,635)**
Effect of exchange differences	-	114,339	205,439	75,777	-	42,790	224,094	2,651	11,497	15,140	**691,727**
Other changes	-	60,425	(316)	39	-	3,701	(11,705)	-	-	-	**52,144**
Balance at December 31, 2016	**-**	**1,033,975**	**1,586,838**	**734,377**	**-**	**316,430**	**1,696,455**	**9,744**	**127,305**	**98,336**	**5,603,460**

(1) The rate used to determine the amount of loan costs capitalized was 6.389%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of 2016.

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

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

At December 31, 2016, Companhia Brasileira de Distribuição - CBD has assets delivered as collateral to third parties to secure lawsuits in amount of $794,652 (2015 - $ 695,769).

Except for that mentioned in the preceding paragraph and for the Envigado property, owned by the Parent, which is in the construction stage and will be contributed to Patrimonio Autónomo Viva Malls in 2018, no restrictions or liens are levied on property, plant and equipment that limit realization or tradability thereof. For the periods reported, the Company has no commitments to acquire, construct or develop property, plant and equipment.

During the year ended December 31, 2016 revenue in amount of $6,588 (2015 - $13,163) was received from Seguros Generales Suramericana S.A. as indemnification for the actual loss of property, plant and equipment resulting from the accident at Éxito Las Flores, owned by the Parent.

During the periods reported in these financial statements no impairment of property, plant and equipment was recognized. Information about the methodology applied to test for impairment is contained in Note 38.

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

	December 31, 2016	December 31, 2015
Buildings	18,416	17,514
Machinery and equipment	8,907	11,056
Furniture and fixtures	5,525	4,776
Computers	7,366	23,882
Other property, plant and equipment	14,119	15,703
Total	**54,333**	**72,931**

Note 15. Investment property, net

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

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Land	489,048	272,874	291,858
Buildings	1,236,600	783,207	918,614
Construction in progress	9,785	-	-
Total investment property	**1,735,433**	**1,056,081**	**1,210,472**
Accumulated depreciation	(100,882)	(76,745)	(84,062)
Total investment property, net	**1,634,551**	**979,336**	**1,126,410**

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

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2015	**272,874**	**783,207**	**-**	**1,056,081**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.2)	18,984	135,407	-	154,391
Adjusted balance at December 31, 2015	**291,858**	**918,614**	**-**	**1,210,472**
Additions	-	4,833	25,618	30,451
Capitalization of loan costs	-	5,834	359	6,193
Disposals	(1,423)	(222)	-	(1,645)
Transfers from property, plant and equipment (Note 14)	203,878	341,882	10,200	555,960
Increase (decrease) from movements between investment property accounts.	-	25,499	(25,499)	-
Effect of exchange differences	(5,265)	(44,207)	(893)	(50,365)
Other changes	-	(15,633)	-	(15,633)
Balance at December 31, 2016	**489,048**	**1,236,600**	**9,785**	**1,735,433**

Constructions

Accumulated depreciation	Land	Buildings	in progress	Total
Balance at December 31, 2015	**-**	**76,745**	**-**	**76,745**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.2)	-	7,317	-	7,317
Adjusted balance at December 31, 2015	**-**	**84,062**	**-**	**84,062**
Depreciation expense	-	26,322	-	26,322
Disposals	-	(14)	-	(14)
Transfers from property, plant and equipment (Note 14)	-	(1,873)	-	(1,873)
Effect of exchange differences	-	(5,716)	-	(5,716)
Other changes	-	(1,899)	-	(1,899)
Balance at December 31, 2016	**-**	**100,882**	**-**	**100,882**

Results arising from investment properties during the reporting periods included in these consolidated financial statements are as follows:

	December 31, 2016	December 31, 2015
Revenue from leases	196,822	116,505
Operation expenses related to revenue-generating investment properties	(55,180)	(28,765)
Operating expenses related to non-revenue-generating investment properties	(20,545)	(20,032)
Net gain from investment properties	**121,097**	**67,708**

Note 39 discloses the fair values of investment properties, based on the appraisal carried out by an independent third party.

There are no limitations or liens imposed on investment property that restrict realization or tradability thereof. For the reporting periods included in these consolidated financial statements, the Parent has no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties. The Parent has not received compensations from third parties arising from the damage or loss of investment properties. It has not recognized impairment losses. Information about the methodology applied to test for impairment is contained in Note 38.

Note 16. Goodwill, net

The net balance of goodwill refers to the following business combinations:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Companhia Brasileira de Distribuição – CBD (1)	2,550,181	3,096,735	2,636,341
Libertad S.A. (1)	144,913	472,157	185,936
Spice Investment Mercosur S.A. (2)	1,466,948	1,499,222	1,499,222
Carulla Vivero S.A. (3)	827,420	827,420	827,420
Super Inter (4)	453,649	453,649	453,649
Cafam (5)	122,219	122,219	122,219
Other (6)	50,806	50,806	50,806
Total	**5,616,136**	**6,522,208**	**5,775,593**

(1) Refers to goodwill generated from the business combination completed in August 2015 for the acquisition of the operations of Companhia Brasileira de Distribuição - CBD in Brazil and Libertad S.A. in Argentina, through the Spanish company Onper Investments 2015 S.L. Note 6.2 and Note 6.4.

(2) The balance is comprised of:

- The business combination carried out in 2011 with the acquisition of the Uruguayan Spice Investments Mercosur S.A. The value represents the deemed cost in the opening balance sheet, in exercise of the exemption of not to restate business combinations.

- The goodwill recognized by Spice Investments Mercosur in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1.

- The goodwill from the business combination with Grupo Disco del Uruguay, resulting from the acquisition of control at January 1, 2015.

- Goodwill from the business combination with Grupo Disco del Uruguay S.A. to acquire Sumelar S.A. in 2016.

(3) Relates to the business combination arising from the merger with Carulla Vivero S.A. in 2007. The value was determined as the cost attributable in the opening balance in exercise of the exemption of not to restate business combinations.

(4) Represents the acquisition of 46 trade establishments under the banner Super Inter, of which 19 were acquired at the end of 2014 and the remaining 29 during April 2015. It also includes the acquisition of 7 trade establishments between February 23, 2015 and June 24, 2015, and the loss from the sale of two assets under condition acquired in the business combination in amount of $1,714. (See Note 6 - Business combinations).

(5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that the Parent had been operating since 2010. (See Note 6 - Business combinations). The trade establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: $80,134 to Éxito, $29,075 to Carulla and $13,010 to Surtimax.

(6) Refers to the non-significant acquisition of trade establishments that subsequently were turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: $10,540 to Éxito, $28,566 to Surtimax and $10,683 to Súper Inter. The goodwill from the business combination with Gemex O&W S.A.S. in amount of $1,017 is also included.

The following is the development of goodwill during the reported periods:

Balance at December 31, 2015	**6,522,208**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição – CBD and Libertad S.A. (Note 6.2)	(746,615)
Adjusted balance at December 31, 2015	**5,775,593**
Additions from business combinations	1,216
Effect of exchange differences	347,868
Decrease from the loss of control over subsidiaries	(5,279)
Reclassification to non-current assets held for trading	(112,765)
Reclassification to investments accounted for using the equity method	(390,497)
Balance at December 31, 2016	**5,616,136**

Goodwill was not impaired during the reporting periods. Information about the methodology applied to test for impairment is contained in Note 38.

Note 17. Intangible assets other than goodwill, net

The net balance of intangible assets other than goodwill is made as follows:

	December 31, 2016	**December 31, 2015**	**December 31, 2015 (adjusted)**
Trademarks (1)	3,525,265	1,880,977	6,523,288
Rights (2)	1,414,177	957,725	2,256,635
Computer software	1,324,953	1,827,865	1,731,075
Customer-related intangible assets (3)	35,911	26,675	103,490
Other	1,522	67,929	65,550
Total intangible assets other than goodwill	**6,301,828**	**4,761,171**	**10,680,038**
Accumulated amortization	(638,406)	(1,055,106)	(1,022,502)
Total intangible assets other than goodwill, net	**5,663,422**	**3,706,065**	**9,657,536**

(1) Refers to the trademarks of:

Segment	**Banner**	**Useful life**	**December 31, 2016**	**December 31, 2015**	**December 31, 2015 (adjusted)**
Food	Extra (a)	Indefinite	1,651,918	-	1,428,158
Food	Pão de Açúcar (a)	Indefinite	959,476	-	829,510
Food	Assaí (a)	Indefinite	685,998	31,047	593,076
Non-Food	Casas Bahía (a) (b)	Indefinite	-	1,322,280	1,388,354
Non-Food	Ponto Frío (a) (b)	Indefinite	-	318,430	445,006
E-Commerce	Cdiscount France (a) (c)	Indefinite	-	-	1,580,626
E-Commerce	Other (a) (c)	Indefinite	-	16,717	16,717
Argentina	Libertad (d)	Indefinite	38,453	-	49,338
Uruguay	Sundries (e)	Indefinite	108,289	111,369	111,369
Discount	Surtimax (f)	Indefinite	17,427	17,427	17,427
Discount	Super Inter (g)	Indefinite	63,704	63,704	63,704
Sundries	Sundries	Indefinite	-	3	3
			3,525,265	**1,880,977**	**6,523,288**

(a) Refers to trademarks of subsidiary Companhia Brasileira de Distribuição – CBD. These trademarks were registered during 2016 as result of the progress and further completion of the purchase price allocation process as part of the acquisition of control over such subsidiary.

(b) Decrease as compared to the balance at December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

(c) Decrease as compared to the balance at December 31, 2015 is due to the reclassification to assets held for trading in September 2016 and further sale of the E-commerce business in October 2016, by subsidiary Companhia Brasileira de Distribuição – CBD.

(d) Relates to trademarks of subsidiary Libertad S.A. These trademarks were registered during 2016 as result of the progress and further completion of the purchase price allocation process as part of the acquisition of control over such subsidiary.

(e) Refers to trademarks of Grupo Disco del Uruguay S.A.
(f) Trademark received upon the merger with Carulla Vivero.

(g) Trademark acquired under the business combination carried out with Comercializadora Giraldo Gómez y Cía S.A.

(2) Includes the book value of the following rights:

a) $1,384,886 of Companhia Brasileira de Distribuição - CBD, relevant to trade rights acquired as trade usage of paying a premium in order to obtain a rental contract in commercially attractive places; from a trade viewpoint, such rights have an undefined useful life. The distribution by segment is as follows:

- Food $1,384,886 (2015 - $63,686; 2015 adjusted - $1,197,296).
- Non-food $0 (2015 - $507,099; 2015 adjusted - $621,734). Decrease as compared to the balance at December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

b) Rights of Libertad $15 (2015 - $23).

c) $13,238 y $11,522 (2015 - $0) from the recognition of a contract executed by the Parent to acquire the rights to exploit trade premises during September and December 2016, respectively. Given the relevant usage considerations such rights have indefinite useful life, and consequently they are not amortized.

d) $4,499 (2015 - $4,499) from the recognition of a contract executed by and between the Parent and Comercializadora Giraldo y Cía. S.A. regarding the use for no consideration of the Super Inter trademark up to April 1, 2015, date on which the business combination of 29 trade establishments and the Super Inter trademark was completed (See Note 5 Business combinations). Such intangible asset has been fully amortized

e) At December 31, 2016, favorable contracts on the properties of Casa Bahia Comercial Ltda. in amount of $51,565 (2015 - $55,725), which include stores, distribution centers and constructions that are the purpose of a certain operating lease agreement in advantageous conditions entered into by subsidiary Via Varejo S.A, a subsidiary of Companhia Brasileira de Distribuição - CBD, were reclassified as non-current assets held for trading. See Note 47. Measurement thereof was carried out based on market comparable transactions applying the revenue approach methodology. The asset was recognized under the business combination of Companhia Brasileira de Distribuição - CBD and the Parent.

f) At December 31, 2016, contract rights of subsidiary Companhia Brasileira de Distribuição - CBD in amount of $170,348 (2015 - $117,819) were reclassified as non-current assets held for trading; see Note 47.

(3) Relates to non-contract relations with customers, an intangible recognized by subsidiary Companhia Brasileira de Distribuição – CBD, which are amortized over an average of 9 years.

The development of intangible assets other than goodwill during the period is:

Cost	Trademarks	Rights	Computer software	Customer-related intangible assets	Other	Total
Balance at December 31, 2015	**1,880,977**	**957,725**	**1,827,865**	**26,675**	**67,929**	**4,761,171**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.2)	4,642,311	1,298,910	(96,790)	76,815	(2,379)	5,918,867
Adjusted balance at December 31, 2015	**6,523,288**	**2,256,635**	**1,731,075**	**103,490**	**65,550**	**10,680,038**
Additions	-	81,822	305,103	-	60,574	447,499
Decrease in assets classified as held for trading	(2,021,752)	(1,419,528)	(536,383)	(49,161)	-	(4,026,824)
Effect of exchange differences	781,704	295,970	187,067	12,308	(5,715)	1,271,334
Transfers	-	201,912	181,364	-	(47,405)	335,871
Disposals and derecognition	(1,757,975)	(2,634)	(543,273)	(30,726)	(71,482)	(2,406,090)
Balance at December 31, 2016	**3,525,265**	**1,414,177**	**1,324,953**	**35,911**	**1,522**	**6,301,828**

Accumulated amortization	Trademarks	Rights	Computer software	Customer-related intangible assets	Other	Total
Balance at December 31, 2015	**-**	**266,709**	**746,401**	**26,675**	**15,321**	**1,055,106**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.2)	-	(2,672)	(32,176)	4,132	(1,888)	(32,604)
Adjusted balance at December 31, 2015	**-**	**264,037**	**714,225**	**30,807**	**13,433**	**1,022,502**
Amortization expense/cost	-	38,631	242,384	2,459	1,756	285,230
Transfers	-	196,645	148,363	-	-	345,008
Effect of exchange differences	-	26,663	93,830	3,445	1,226	125,164
Decrease in assets classified as held for trading	-	(518,826)	(208,057)	-	-	(726,883)
Disposals and derecognition	-	(2,634)	(364,331)	(30,726)	(14,924)	(412,615)
Balance at December 31, 2016	**-**	**4,516**	**626,414**	**5,985**	**1,491**	**638,406**

No limitations or liens have been imposed on the reported intangible assets that restrict realization or tradability thereof. For the reported periods, the Parent and its subsidiaries have neither commitments to acquire or develop intangible assets, nor impairment losses. Information about the methodology applied to test for impairment is contained in Note 38.

The balance of computer software includes the following assets, received under finance lease agreements:

	December 31, 2016	December 31, 2015
Software of Companhia Brasileira de Distribuição - CBD	146,408	70,851
Telephone plant	-	424
Total	**146,408**	**71,275**

Note 18. Investments accounted for using the equity method

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

Company	Classification	December 31, 2016	December 31, 2015
Cnova N.V. (1)	Associate	686,922	-
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	Associate	290,973	286,588
Compañía de Financiamiento Tuya S.A. (2)	Joint venture	90,192	-
Banco Investcred Unibanco S.A. (BINV) (3)	Associate	-	17,514
Total		**1,068,087**	**304,102**

(1) Cnova Comercio Electronico S.A. became a wholly-owned subsidiary of Via Varejo S.A., which in turn ceased having an interest in Cnova N.V. losing control over this subsidiary and consequently ceasing to consolidate the subsidiaries that represent the foreign e-commerce business, thus becoming an associate because of the interest held by Companhia Brasileira de Distribuição – CBD.

(2) On October 31, 2016, the Parent and its subsidiary Almacenes Éxito Inversiones S.A.S. acquired 50% of the shares of Compañía de Financiamiento Tuya S.A. Such investment is classified as a joint venture.

(3) Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

Below is additional information on ownership percentages and shares held in investments accounted for using the equity method:

Companies	Country	Functional currency	Main economic activity	Ownership percentage		Number of shares	
				December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Cnova N.V. (1)	Brazil	Brazilian real	Investment	34.05%	-	117.963.047	-
Financiera Itaú CBD - FIC Promotora de Vendas Ltda. (1).	Brazil	Brazilian real	Investment	35.76%	41.93%	386.923.764	453.683.261
Compañía de Financiamiento Tuya S.A.	Colombia	Colombian peso	Credit	50.00%	-	4.124.061.485	-
Banco Investcred Unibanco S.A. (BINV) (1)	Brazil	Brazilian real	Investment	-	22.00%	-	95.290

(1) The percentage of ownership is that directly owned by Companhia Brasileira de Distribuição – CBD in these investments

Below is a detail of financial information on the companies that are accounted for using the equity method at December 31, 2016:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations
Cnova N.V.	1,341,609	461,322	1,793,723	64,456	(55,248)	6,309,307	(196,645)
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	3,738,456	39,594	2,808,446	13,812	955,792	961,467	207,179
Compañía de Financiamiento Tuya S.A.	2,474,730	-	1,393,875	935,756	145,099	857,706	10,156

Below is a detail of financial information on the companies that are accounted for using the equity method at December 31, 2015:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	3,099,914	30,251	2,443,949	11,941	674,275	378,518	79,161
Banco Investcred Unibanco S.A. (BINV)	31,047	-	796	-	30,251	1,587	794

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

Cnova N.V.

Cnova N.V. was incorporated on May 30, 2014. Its corporate purpose is participating or carrying out all activities and operations related with or suitable for e-commerce and regular trade, and the provision of services in the fields of retail sales, advertising, transportation, data communications, business advisory and business funding. Its main domicile is Amsterdam, The Netherlands.

Financiera Itaú CBD - FIC Promotora de Vendas Ltda.

A company established jointly with Itaú Unibanco S.A. and Compañía Brasileña de Distribuição – CBD in 2004; its main place of business is Sao Paulo, Brazil. Its main corporate purpose is to engage in credit, finance and investment activities and the management of credit cards.

Compañía de Financiamiento Tuya S.A.

A joint business, joint control over which was acquired on October 31, 2016. Is a private entity, authorized by the Colombian Financial Superintendence, incorporated by means of public deed No. 7418 granted on November 30, 1971 before the Notary First of Bogotá, having its main place of business in Medellín. The company's main corporate purpose is attracting resources using term-deposits with the primary purpose of engaging in credit active operations, to ease the trading of goods and services, without prejudice of operations and investments that it may carry out in compliance with the conditions or limitations set out by the legal regime applicable to financing companies.

Banco Investcred Unibanco S.A. (BINV)

A company established jointly with Unibanco - União de Bancos Brasileiros S.A. and Via Varejo S.A., in 1966, having its main place of business in Río de Janeiro, Brazil. Its main corporate purpose is the provision of financial services and products.

The reconciliation of summarized financial information reported to the book value of associates and joint ventures in the consolidated financial statements is:

	December 31, 2016					
Companies	**Shareholders' equity**	**Equity base to apply the method**	**Ownership**	**Value of Parent ownership**	**Fair value**	**Book value**
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	955,792	813,684	35.76%	290,973	-	290,973
Cnova N.V.	-	-	34.05%	-	686,922	686,922
Compañía de Financiamiento Tuya S.A.	145,099	180,384	50.00%	90,192	-	90,192

	December 31, 2015					
Companies	**Shareholders' equity**	**Equity base to apply the method**	**Ownership**	**Value of Parent ownership**	**Fair value**	**Book value**
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	674,275	573,176	50.00%	286,588	-	286,588
Banco Investcred Unibanco S.A. (BINV)	30,251	35,028	50.00%	17,514	-	17,514

The dividends received from associates and joint ventures during 2016 amounted to $18,416 (2015 - $19,313).

There are no restrictions on the capability of the associates and joint ventures to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments. Additionally, the Parent has no contingent assets incurred related to its participation therein. There are no constructive obligations acquired by the Parent on behalf of associates or joint ventures arising from losses exceeding the interest held in them.

The investments recognized using the equity method have no restrictions or liens that limit realization or tradability thereof.

Note 19. Changes in the classification of financial assets

During the year ended December 31, 2016, there were no changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 20. Financial liabilities

Book balances are made as follows:

	December 31, 2016	December 31, 2015
Local currency		
Current		
Bank loans (1)	432,060	216,207
Finance leases	237	41
Total current financial liabilities in local currency	**432,297**	**216,248**
Non-current		
Bank loans (1)	2,174,968	2,486,352
Finance leases	73	1,149
Total non-current financial liabilities in local currency	**2,175,041**	**2,487,501**
Total financial liabilities in local currency	**2,607,338**	**2,703,749**
Foreign currency		
Current		
Bank loans (1)	2,114,665	3,346,850
Put option (2)	364,867	310,323
Finance leases	41,178	37,227
Sale of receivables	-	3,184
Letters of credit	10,105	8,726
Total current financial liabilities in foreign currency	**2,530,815**	**3,706,310**
Non-current		
Bank loans (1)	2,004,735	4,024,868
Finance leases	175,102	195,192
Total non-current financial liabilities in foreign currency	**2,179,837**	**4,220,060**
Total financial liabilities in foreign currency	**4,710,652**	**7,926,370**
Total financial liabilities	**7,317,990**	**10,630,119**
Current	**2,963,111**	**3,922,558**
Non-current	**4,354,879**	**6,707,561**

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

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

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

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

In June 2016, subsidiary Devoto Hermanos S.A. entered into credit agreements with Uruguayan banks to pay dividends, for a three-month term at fixed interest rate, in amount of $4,417.

The balance also includes short-term loans acquired by Companhia Brasileira de Distribuição - CBD for working capital purposes, in amount of $5.6 trillion (2015 - $3.2 trillion), and long-term loans in amount of $0.9 trillion (2015 - $2.5 trillion). Decrease as compared to the balance at December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

Patrimonio Autónomo Viva Mall acquired loans in amount of $200,000 in the following 5 trenches: $140,000 in August 2016, $9,000 in September 2016, $24,000 in October 2016 and $27,000 in December 2016; all of these borrowings were repaid on December 23, 2016.

(2) The Parent was a party to the put option contract entered into with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option was based on a previously determined formula and the option could be exercised at any time. Such option was measured at fair value and amounted to $310,323. On June 30, 2016, the Parent transferred this put option contract to subsidiary Spice Investments Mercosur S.A.

Below is a detail of annual maturity dates for non-current bank loans and finance leases discounted at present value, for the periods ended December 31, 2016 and December 31, 2015:

At December 31, 2016:

Year	Total
2018	2,441,746
2019	607,417
2020	526,346
Later than 2021	779,370
Total	**4,354,879**

At December 31, 2015

Year	Total
2017	2,686,800
2018	2,225,965
2019	550,462
>2020	1,244,334
Total	**6,707,561**

Note 20.1. Commitments undertaken under credit contracts (financial liabilities)

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

The Parent must pay in advance such obligations without accruing any prepayment commission or penalty, in the following events:

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

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

(c) Prepayments under bridge loan contract: Wherever the Parent intends to prepay bank credits in foreign currency, the Parent shall prepay the short-term trench in proportion to the amount prepaid of bank credits in foreign currency, and in proportion to each creditor.

Note 20.2. Obligations undertaken under credit contracts (financial liabilities)

(a) Financial: The Parent is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio will be measured annually on April 30th based on audited consolidated financial statements for each period.

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

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

Note 20.3. Net financial debt

In accordance with the obligations taken on by the Parent arising from the borrowings to acquire control of Companhia Brasileira de Distribuição – CBD and Libertad S.A., below is an estimation of the net financial debt:

	December 31, 2016	December 31, 2015
Current liabilities		
Current financial liabilities (1)	(2,963,111)	(3,922,558)
Other current financial liabilities (2)	(805,555)	(32,602)
Other current financial assets (3)	93,197	445,162
Non-current liabilities		
Non-current financial liabilities (1)	(4,354,879)	(6,707,561)
Other non-current financial liabilities (2)	(1,835,159)	(714,079)
Other non-current financial assets (3)	13,034	195,038
Contingent liabilities		
Guarantees granted and letters of credit (4)	(9,058)	(45,477)
Total gross liabilities	**(9,861,531)**	**(10,782,077)**
Cash and cash equivalents	**6,117,844**	**10,068,716**
Net liabilities	**(3,743,687)**	**(713,361)**
Ebitda (*)	**2,924,856**	**2,031,230**
Net liabilities/Ebitda (*)	**1.28**	**0.35**

(1) Under contract terms, the estimation of the Ebitda is as follows:
- Operating profit for the last 12 months,
- Plus depreciation and amortization and all other expenses not involving cash outflows, accrued during the same 12-month period,
- Plus dividends distributed by subsidiaries, directly or through special-purpose vehicles, under control of the Parent, effectively received,
- Plus proforma dividends of subsidiaries acquired during the last 12 months of activity. Proforma dividends are those dividends that would have been received if the Parent had acquired or maintained under control a subsidiary during the entire 12-month period.

The calculation of the consolidated net financial debt includes the following balances:

(1) Current financial liabilities:

	December 31, 2016	December 31, 2015
Bank loans	432,059	216,207
Finance leases	237	41
Total current financial liabilities in local currency	**432,296**	**216,248**
Bank loans	2,114,665	3,346,850
Put option	364,867	310,323
Finance leases	41,178	37,227
Sale of receivables	-	3,184
Letters of credit	10,105	8,726
Total current financial liabilities in foreign currency	**2,530,815**	**3,706,310**
Total current financial liabilities	**2,963,111**	**3,922,558**

Non-current financial liabilities:

	December 31, 2016	December 31, 2015
Bank loans	2,174,969	2,486,352
Finance leases	73	1,149
Total non-current financial liabilities in local currency	**2,175,042**	**2,487,501**
Bank loans	2,004,735	4,024,868
Finance leases	175,102	195,192
Total non-current financial liabilities in foreign currency	**2,179,837**	**4,220,060**
Total non-current financial liabilities	**4,354,879**	**6,707,561**

(2) Other current financial liabilities:

	December 31, 2016	December 31, 2015
Bonds issued	34,090	30,251
Trade papers	488,025	-
Derivative financial instruments	186,114	2,351
Collections received on behalf of third parties	96,426	-
Total other current financial liabilities	**805,555**	**32,602**

Other non-current financial liabilities

	December 31, 2016	December 31, 2015
Bonds issued	1,753,208	714,079
Derivative financial instruments	81,951	-
Total other non-current financial liabilities	**1,835,159**	**714,079**

(3) Other current financial assets:

	December 31, 2016	December 31, 2015
Derivative financial instruments	4,800	67,027
Derivative financial instruments designated as hedge instruments	88,397	378,135
Total other current financial assets	**93,197**	**445,162**

Other non-current financial assets:

	December 31, 2016	December 31, 2015
Derivative financial instruments designated as hedge instruments	8,287	195,039
Derivative financial instruments	4,747	-
Total other non-current financial assets	**13,034**	**195,039**

(4) The Parent and its subsidiaries have unused open letters of credit in amount of $8,996 (2015 - $22,447). Additionally, the Parent issued financial guarantees on behalf of some of its subsidiaries in amount of $62 (2015 - $23,000)

Note 21. Employee benefit provisions

The balance of employee benefit provisions is:

	December 31, 2016	December 31, 2015
Defined benefit plans (21.1)	28,244	34,109
Long-term benefits (21.2)	1,904	11,263
Total	**30,148**	**45,372**
Current	**3,276**	**4,141**
Non-current	**26,872**	**41,231**

Note 21.1. Defined benefit plans and defined contribution plans

The Parent and its subsidiaries have the following defined benefit plans:

a. Retirement pension plan

Under the plan, a Parent's employee will receive, upon retirement, a certain annuity paid monthly, pension adjustments pursuant to legal regulations, survivor's pension, assistance with funeral expenses and June and December bonuses established by law. Such amounts depend on factors such as: employee age, time of service and salary.

The Parent is responsible for the payment of retirement pensions to employees who meet the following requirements:
- Employees who at January 1, 1967 had more than 20 years of service (full liability) and
- Employees and former employees who at January 1, 1967 had more than 10 and less than 20 years of service (partial liability).

For subsidiary Companhia Braseira de Distribução - CBD and its subsidiaries, the defined benefit plan is offered only to the employees of subsidiaries based in France, upon recognition of eligibility of such employees to receive a compensation on the date of retirement.

b. Retroactive severance pay plan

Under the plan, the Parent will pay employees upon retirement a retroactive amount as severance pay, after deduction of advance payments. Retroactivity of severance pay is estimated for those employees to whom labor laws applicable are those prior to Law 50 of 1990, and who did not move to the new system. This social benefit is calculated over the entire time of service, based on the latest salary earned.

c. Retirement bonus upon meeting of requirements to obtain an old-age pension

Under the plan, wherever an employee of the Parent and of subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S. meets the age and contribution requirements to obtain a retirement pension under the average defined benefit system, he is granted a single $1 cash bonus upon the employee's completion of his time of service.

Until 2015, the plan was that wherever an employee of the Parent and of subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S. met the age and contribution requirements to obtain a retirement pension under the average defined benefit system, he was granted a cash bonus in accordance with the following range:

- Less than 10 years of service at the Company: $1,5.
- From 10 to less than 20 years of service at the Company: $2.
- From 20 to less than 30 years of service at the Company: $3.
- 30 or more years of service at the Company: $4.

d. Retirement bonus upon meeting of requirements to obtain a disability pension

Under the plan, wherever an employees of the Parent and its subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S. is granted a disability pension by the relevant pension administration entity, and provided that the loss of work capacity of 50% or more was qualified during the term of the labor agreement, he will be granted a single retirement bonus in amount of $4 (2015 - $1), regardless the time of service.

The old-age pension or disability pension bonus is granted under a collective bargain agreement.

Such benefits are estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Below is a reconciliation of developments in defined benefit plans:

	Retirement pensions	Retrospective severance pay	Old-age pension and disability retirement bonus	Total
Balance at December 31, 2015	**26,757**	**1,036**	**6,316**	**34,109**
Cost of present service	-	32	380	412
Interest expense	1,320	71	455	1,846
Actuarial (gain) loss from changes in experience	2,210	35	(49)	2,196
Actuarial (gains) from demographic changes	-	(1)	(282)	(283)
Actuarial (gains) from financial assumptions	1,388	25	(168)	1,245
Benefits directly paid by the Company	(2,241)	(118)	(164)	(2,523)
Reclassification to non-current liabilities held for trading	(8,758)	-	-	(8,758)
Balance at December 31, 2016	**20,676**	**1,080**	**6,488**	**28,244**

Below are the main assumptions applied during the latest valuation of defined benefit plans:

	2016				2015		
	Pensions (1)	Pensions (2)	Old-age pension and disability retirement bonus	Retrospective severance pay	Retrospective severance pay	Old-age pension and disability retirement bonus	Retirement pensions
Discount rate	7.50%	9.96%	7.60%	7.20%	7.30%	7.30%	5.92%
Annual salary increase rate	3.50%	4.93%	3.50%	3.50%	3.25%	3.25%	2.53%
Future annuity increase rate	3.50%	4.93%	-	-	-	-	2.88%
Annual inflation rate	3.50%	3.50%	3.50%	3.50%	3.25%	3.25%	2.88%
Death rate	60-62	60-62	60-62	60-62	59	59	61
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%

(1) Relates to rates applied pursuant to Regulatory Decree 2131 of December 22, 2016, based on which the pension plan liability for 2016 was calculated.

(2) Relates to rates applied pursuant to Regulatory Decree 2496 of December 23, 2015, based on which the pension plan liability for 2015 was calculated.

Employee turnover, disabilities and early retirement rates:

	Rates	
Years of service	**2016**	**2015**
From 0 to less than 5	34.26%	29.98%
From 5 to less than 10	16.68%	14.60%
From 10 to less than 15	9.82%	8.59%
From 15 to less than 20	7.32%	6.41%
From 20 to less than 25	5.62%	4.92%
25 and more	4.24%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the defined benefit net liability:

	2016				2015		
Variation expressed in basis points	**Pensions (1)**	**Pensions (2)**	**Retrospective severance pay**	**Old-age pension and disability retirement bonus**	**Retirement pensions**	**Retrospective severance pay**	**Old-age pension and disability retirement bonus**
Discount rate + 25	(359)	(315)	(11)	(125)	(307)	(12)	(137)
Discount rate - 25	371	325	11	129	317	12	142
Discount rate + 50	(706)	(621)	(22)	(246)	(604)	(24)	(269)
Discount rate - 50	754	660	23	262	644	25	288
Discount rate + 100	(1,368)	(1,205)	(43)	(476)	(3,558)	(47)	(519)
Discount rate - 100	1,560	1,363	47	543	2,924	51	598
Annual salary increase rate + 25	N/A	N/A	21	N/A	N/A	23	N/A
Annual salary increase rate - 25	N/A	N/A	(20)	N/A	N/A	(23)	N/A
Annual salary increase rate + 50	N/A	N/A	41	N/A	N/A	47	N/A
Annual salary increase rate - 50	N/A	N/A	(40)	N/A	N/A	(45)	N/A
Annual salary increase rate + 100	N/A	N/A	84	N/A	N/A	94	N/A
Annual salary increase rate - 100	N/A	N/A	(79)	N/A	N/A	(89)	N/A

(1) Relates to the sensitivity analysis completed using the rates set out in Regulatory Decree 2131 of December 22, 2016, based on which the pension plan liability for 2016 was calculated.

(12 Relates to the sensitivity analysis completed using the rates set out in Regulatory Decree 2496 of December 23, 2015, based on which the pension plan liability for 2015 was calculated.

Contributions foreseen for the forthcoming years, funded with own resources will be:

	Retirement pensions			Retroactive severance pay		Old-age pension and disability retirement bonus	
Year	**2016 (1)**	**2016 (2)**	**2015**	**2016**	**2015**	**2016**	**2015**
2016	-	-	2,141	-	87	-	324
2017	2,338	2,375	2,080	140	96	536	376
2018	2,268	2,335	2,104	109	128	370	478
2019	2,277	2,376	2,104	160	169	466	558
>2019	39,317	48,686	107,200	1,114	1,059	12,399	12,199
Total	**46,200**	**55,772**	**115,629**	**1,523**	**1,539**	**13,771**	**13,935**

(1) Relates to the amount of foreseen contributions calculated using the rates set out by Regulatory Decree 2131 of December 22, 2016, based on which the pension plan liability for 2016 was calculated.

(2) Relates to the amount of foreseen contributions calculated using the rates set out by Regulatory Decree 2496 of December 23, 2015, based on which the pension plan liability for 2015 was calculated.

The average duration of the liability for defined benefit plans at 31 December 2016 is 7.97 years (2015 - 8 years).

There are no specific assets intended for guaranteeing the defined benefit plans.

The defined contribution plan expense at December 31, 2016 amounted to $111,539 (2015 - $89,090).

Note 21.2. Long-term benefits

The long-term benefit plan involves a time-of-service bonus payable to the employees of the Parent and of subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S.

Such benefits are estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Agreement was reached during 2015 and 2016 with several employees who voluntarily decided to replace the time-of-service bonus with a single one-time bonus.

Below is a reconciliation of the development of long-term benefit plans:

Balance at December 31, 2015	**11,263**
Cost of present service	345
Interest expense	499
Actuarial loss from changes in experience	520
Actuarial (gains) from demographic changes	(61)
Actuarial loss from financial assumptions	27
(Gains) from settlements	(9,983)
Benefits directly paid by the Parent and its subsidiaries	(712)
Other changes	6
Balance at December 31, 2016	**1,904**

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31, 2016	December 31, 2015
Discount rate	7.30%	7.30%
Annual salary increase rate	3.50%	3.25%
Future annuity increase rate	-	-
Annual inflation rate	3.50%	3.25%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disabilities and early retirement rates:

	Rates	
Years of service	**December 31, 2016**	**December 31, 2015**
From 0 to less than 5	34.26%	29.98%
From 5 to less than 10	16.68%	14.60%
From 10 to less than 15	9.82%	8.59%
From 15 to less than 20	7.32%	6.41%
From 20 to less than 25	5.62%	4.92%
25 and more	4.24%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the long-term benefit net liability:

Variation expressed in basis points	December 31, 2016	December 31, 2015
Discount rate + 25	(25)	(146)
Discount rate - 25	25	150
Discount rate + 50	(49)	(289)
Discount rate - 50	51	303
Discount rate + 100	(95)	(564)
Discount rate - 100	105	622
Annual salary increase rate + 25	26	156
Annual salary increase rate - 25	(26)	(152)
Annual salary increase rate + 50	53	314
Annual salary increase rate - 50	(51)	(302)
Annual salary increase rate + 100	109	643
Annual salary increase rate - 100	(100)	(591)

Contributions foreseen for the forthcoming years, funded with own resources will be:

Year	December 31, 2016	December 31, 2015
2016	-	1,616
2017	225	1,614
2018	237	1,396
2019	341	1,379
>2019	2,217	11,864
Total	**3,020**	**17,869**

The average duration of the liability for long-term benefits at December 31, 2016 is 5.9 years (2015 - 5.6 years).

There are no specific assets devoted to guarantee payment of the time-of-service bonus.

Note 22. Other provisions

The balance of other provisions is made as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Legal proceedings (1)	426,960	731,720	731,720
Taxes other than income tax (2)	2,221,272	426,783	1,858,349
Restructuring (3)	6,824	13,072	13,072
Other (4)	88,118	18,337	116,929
Total other provisions	**2,743,174**	**1,189,912**	**2,720,070**
Current (22.1)	**36,545**	**65,230**	**81,796**
Non-current (22.1)	**2,706,629**	**1,124,682**	**2,638,274**

During the year ended December 31, 2016, the Parent reclassified to long-term certain provisions for legal proceedings and taxes other than income tax, in accordance with new information available provided by experts regarding such proceedings.

The Parent and its Subsidiaries have not recognized provisions from contracts for consideration during the reporting periods.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from lawsuits brought against the Parent and its Subsidiaries, related with labor, civil, administrative and regulatory matters, which are assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of $288,912 (2015 - $496,888) for labor proceedings, $107,797 (2015 - $207,140) for civil proceedings, $30,183 (2015 - $27,605) for administrative and regulatory proceedings and $68 (2015 - $87) for other proceedings.

Labor provisions mainly refer to lawsuits brought against Companhia Brasileira de Distribuição CBD and its subsidiaries in amount of $278,082 (2015 - $475,257), which are updated pursuant to a chart provided by the TST ("Tribunal Superior do Trabalho") plus 1% monthly interest.

Provisions for civil, administrative and regulatory proceedings mainly include lawsuits where Companhia Brasileira de Distribuição - CBD and its subsidiaries are parties, in amount of $129,833 (2015 - $224,493). The balance includes the following lawsuits:

a) Legal actions seeking the revision of contracts and renewals on lease instalments agreed upon. A provision was recognized for the difference between amounts paid and amounts disputed by the counterparty in the legal action, when in the opinion of in-house and external counsels there is probability of adjustment to the instalments paid. At December 31, 2016, the provisions to protect against such legal actions amounted to $45,119 (2015 - $35,823) for which there are no legal deposits covering said amount; should there be such deposits, they are recognized as other financial assets.

b) Fines imposed by regulatory agencies, mainly Brazilian consumer defense agencies PROCONs and INMETRO, and local mayor's offices. At December 31, 2016, such provision amounted to $29,466 (2015 - $27,067).

c) Other tax-related provisions booked upon the business combination with Via Varejo S.A. and related with consumer rights, and lawsuits related with termination of supplier contracts. At 31 December 2015, such provision amounted to $53,407 (2015 - $50,949).

(2) The provisions for taxes other than income tax relate to:

- Tax proceedings of Companhia Brasileira de Distribuição - CBD and its subsidiaries in amount of $2,205,399 (2015 - $411,571; 2015 adjusted - $1,843,137), which are subject to monthly monetary correction at the indexation rates used by each tax jurisdiction;
- Industry and trade tax of the Parent in amount of $4,986 (2015 - $3,256);
- Real estate tax-related proceedings amounting to $5,571 (2015 - $5,556), value added tax in amount of $534 (2015 - $0) and other minor proceedings of the Parent in amount of $4,782 (2015 - $6,400).

The most important tax lawsuits of Companhia Brasileira de Distribuição CBD and its subsidiaries, include:

a) Social contribution to finance social security (Contribución social para Financiación a la Seguridad Social - COFINS) and Social integration program (Programa de integración social - PIS): Under the non-cumulative system to calculate PIS and COFINS, a request was filed claiming right to exclude the value of the Impuesto a la Circulación de Mercaderías y Servicios - ICMS (Tax on the Movement of Goods and Services) from the basis to assess these two contributions and other less relevant matters. The value of the provision at December 31, 2016 is $136,279 (205 - $81,996).

b) Tax on the Movement of Goods and Services (ICMS): Pursuant to a ruling dated October 16, 2014, the Higher Federal Court (STF) defined that ICMS taxpayers who trade basic basket products are not entitled to fully apply the credits arising from such tax; consequently, with the support of their external advisors, it was deemed appropriate to recognize a provision in amount of $140,883 (2015 - $101,898).

c) Complementary law No. 110/2001: The right of not to recognize the contributions set forth in Complementary Law No. 110/2001, established to support the costs of the Fundo de Garantia do Tempo de Serviço (FGTS) is being discussed through judicial action. The value of the provision at December 31, 2016 is $70,902 (2015 - $49,357).

d) Tax provisions were recognized based on the business combination with Via Varejo in amount of $0 (2015 - $66,870), related to the offsetting of tax debits and credits on the export of coffee.

e) Other provisions relate to the following proceedings, in amount of $$327,805 (2015 - $110,654):
   (i) Proceedings referred to the purchase, industrialization and export of soy and derivative products (PIS, CONFIS and IRPJ);
   (ii) Investigation regarding the failure to apply the Fator Acidentário de Prevenção (FAP) for 2011;
   (iii) Investigation regarding the Fundo de Combate à Pobreza, implemented by the Río de Janeiro State;
   (iv) Investigations related with procurement from suppliers deemed disqualified from the registry with Secretaria da Fazenda Estadual, mistake in application of aliquot and ancillary obligations by state tax authorities;
   (v) Tax provisions of e-commerce companies abroad;
   (vi) Provisions relevant to Bartira's business combination; and
   (vii) Other less relevant matters.

(f) Provisions were recognized for taxes other than income tax in amount of $1,529,530 (2015 adjusted - $1,431,566), relevant to the adjustment arising from the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. Provisions recognized relate to proceedings associated with the following taxes: Social contribution to finance social security - COFINS, $165,200 (2015 adjusted - $158,107), provisional contribution on financial transactions - CPMF, $50,393 (2015 adjusted - $43,567), tax on the movement of goods and services - ICMS, $1,212,167 (2015 adjusted - $1,105,575), industrial products tax - IPI, $69,467 (2015 adjusted - $60,057), Brazilian real estate tax - IPTU, $31,730 (2015 adjusted - $27,432) and others in amount of $573 (2015 adjusted - $36,828).

(3) The restructuring provision relates to the reorganization processes announced to Parent's employees of stores and distribution centers in amount of $3,141 (2015 - $8,295) and to the employees of subsidiary Companhia Brasileira de Distribuição CBD in amount of $3,683 (2015 - $4,777), that will affect these companies' activities. The provision is estimated based on the cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation date are expected to occur in 2017. The restructuring provision was recognized in the statement of income as other expenses.

(4) Provisions were recognized in amount of $80,500 (2015 - $0; 2015 adjusted - $98,592) as a result of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A., covering external counsel fees related with the defense of tax proceedings, whose compensation is tied to a success fee upon the legal closing thereof. Such percentages may vary, in accordance with qualitative and quantitative factors of each proceeding.

The development of provisions during the period is as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2015	**731,720**	**426,783**	**13,072**	**18,337**	**1,189,912**
Adjustment from the completion of the purchase price allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. (Note 6.2)	-	1,431,566	-	98,592	1,530,158
Adjusted balance at December 31, 2015	**731,720**	**1,858,349**	**13,072**	**116,929**	**2,720,070**
Increase	880,325	276,802	22,162	11,400	1,190,689
Uses	(451)	(225)	-	(204)	(880)
Payments	(333,518)	(25,458)	(27,312)	(16,025)	(402,313)
Reversals (not used)	(294,303)	(20,191)	(4)	(21,087)	(335,585)
Increase from the passing of time	107,979	45,650	-	-	153,629
Effect of exchange differences	81,309	289,056	662	13,291	384,318
Decrease from the classification as held for trading	(746,196)	(204,952)	(1,756)	(15,667)	(968,571)
Other changes	95	2,241	-	(519)	1,817
Balance at December 31, 2016	**426,960**	**2,221,272**	**6,824**	**88,118**	**2,743,174**

Note 22.1. Other provisions classified as current and non-current

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

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Current			
Legal proceedings	6,650	21,210	21,210
Taxes other than income tax	1,247	15,212	16,990
Restructuring	6,824	13,072	13,072
Other	21,824	15,736	30,524
Total other current provisions	**36,545**	**65,230**	**81,796**
Non-current			
Legal proceedings	420,310	710,510	710,510
Taxes other than income tax	2,220,025	411,571	1,841,359
Other	66,294	2,601	86,405
Total other non-current provisions	**2,706,629**	**1,124,682**	**2,638,274**
Total other provisions	**2,743,174**	**1,189,912**	**2,720,070**

Note 22.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Parent and its subsidiaries are responsible at December 31, 2016 will be:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	6,650	1,247	6,824	21,824	36,545
From 1 to 5 years	182,743	1,830,526	-	54,456	2,067,725
5 years and more	237,567	389,499	-	11,838	638,904
Total estimated payments	**426,960**	**2,221,272**	**6,824**	**88,118**	**2,743,174**

Note 23. Trade payables and other accounts payable

The balance of trade payables and other accounts payable at December 31, 2016 is as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Current			
Foreign suppliers (1)	7,403,536	13,383,142	13,440,070
Domestic suppliers	2,193,026	1,847,224	2,165,035
Short-term employee benefits	776,583	1,048,738	1,006,483
Costs and expenses payable	645,953	998,158	819,763
Financing for the acquisition of property, plant and equipment	131,029	89,956	89,956
Dividends payable	51,710	1,090	32,724
Acquisition of companies	6,446	60,502	60,502
Other (1)	328,685	939,884	985,415
Total current accounts payable	**11,536,968**	**18,368,694**	**18,599,948**
Non-current			
Acquisition of companies	-	22,290	22,290
Financing for the acquisition of property, plant and equipment	3,683	3,184	3,184
Other	38,674	8,715	4,755
Total non-current accounts payable	**42,357**	**34,189**	**30,229**
Total accounts payable	**11,579,325**	**18,402,883**	**18,630,177**

- Decrease as compared to the balance at December 31, 2015 is due (i) to the reclassification to assets held for trading in September 2016 and subsequent sale of the E-commerce business in October 2016, by subsidiary Companhia Brasileira de Distribuição – CBD, and (ii) to the reclassification to assets held for trading of Via Varejo S.A.'s liabilities; see Note 47.

Note 24. Income tax

Note 24.1. Tax regulations in force applicable to the Parent and to Colombian subsidiaries

Tax regulations in force applicable to the parent and Colombian subsidiaries set out that:

a. As of 2013 until 2016 the applicable income tax rate is 25% and the income tax for equality CREE rate is 9%; also, as of 2015 there is a surcharge on the income tax for equality CREE of between 5% and 9%. For 2016 the rate is 6% (2015 - 5%).

b. The taxable base to assess the income tax and the income tax for equality CREE cannot be less than 3% of the net equity held on the last day of the preceding taxable period.

c. The annual adjustment applicable for 2016 to movable assets and real estate deemed fixed assets is 7.08% (2015 - 5.21%).

d. Comprehensive inflation adjustments were eliminated for tax purposes from 2007 onwards, and the tax on occasional gains was reinstated at a current rate of 10%, payable by legal entities on total occasional gains obtained during the taxable year.

e. As of 2007 and until taxable 2009, the deduction of effective investments made in productive fixed assets is 40%, and application thereof does not give rise to taxable profits for partners or shareholders.

Taxpayers who acquire productive fixed assets capable of being depreciated as of 1 January 2007 and use such deduction, are only allowed to depreciate such assets under the straight-line method and will not be entitled to the audit benefit, even if they meet the requirements to claim such benefit pursuant to tax regulations. Prior to 1 January 2007 the same deduction applied to investments in productive fixed assets without the obligation of depreciating such assets using the straight-line method. Wherever the assets on which the above-mentioned deduction benefit was applied cease to be used in an income-producing activity, or wherever they are sold, the proportion of such deduction equivalent to the remaining useful life at the time of abandonment or sale, becomes income taxable at applicable rates.

Law 1370 of 2009 reduced from 40% to 30% the deduction rate arising from effective investments in productive fixed assets for 2010; Law 1430 of December 29, 2010 eliminated the special deduction from investment in productive fixed asset as of taxable 2011. However, the possibility of stabilizing such regulation for a maximum term of three years is authorized to investors who prior to 1 November 2010 filed a request to be part to a legal stability agreement.

Legal stability

Up to 2017, the Parent may request in its income tax return 40% of said investments, given that section 158-3 of the Tax Code is an integral part of the Legal Stability Contract EJ-03, under Law 963 of July 2005, entered into with the Colombian government for ten years as of August 2007.

Tax credits

At December 31, 2016, the Parent has accrued excess presumptive income over net income in amount of $159,370 (2015 - $0) and excess presumptive income over income tax for equality CREE in amount of $132,649 (2015 - $0).

At December 31, 2016, the Parent has accrued tax losses amounting to $16,315 (2015 - $0)

Based on the new formula applicable to estimate tax losses and excess presumptive income capable of offsetting in future years pursuant to Law 1819 of December 29, 2016, the Parent has $152,296 excess presumptive income and $11,998 tax losses to be offset in future.

Subsidiary Distribuidora de Textiles y Confecciones S.A. has not accrued tax losses or excess presumptive income for future offsetting.

Subsidiaries Éxito Viajes y Turismo S.A.S. and Cdiscount Colombia S.A.S. have accrued excess presumptive income in amount of $619 pending offsetting against the income tax.

Subsidiaries Almacenes Éxito Inversiones S.A.S., Éxito Viajes y Turismo S.A.S., Logística, Transporte y Servicios Asociados S.A.S., Gemex O & W S.A.S. and Cdiscount Colombia S.A.S. have accrued tax losses in amount of $73,206.

Based on the new formula applicable to estimate tax losses and excess presumptive income capable of offsetting in future years pursuant to Law 1819 of December 29, 2016, subsidiaries Almacenes Éxito Inversiones S.A.S., Éxito Viajes y Turismo S.A.S., Logística, Transporte y Servicios Asociados S.A.S., Gemex O & W S.A.S. and Cdiscount Colombia S.A.S. have accrued tax losses in amount of $73,166 that may be offset in future.

Pursuant to tax regulations in force, as of taxable 2007 companies may offset tax losses adjusted for tax purposes against ordinary net income without prejudice to the presumptive income for the period, with no limitation as to percentage and at any time. Excess presumptive income over ordinary income obtained as of 2007 may be offset against ordinary net income assessed within the following five (5) years adjusted for tax purposes. Company losses are not transferrable to shareholders. In no event tax losses arising from revenue other than income and occasional gains, and from costs and deductions not directly related with the generation of taxable income will be offset against the taxpayer's net income.

Pursuant to sections 188 and 189 of the Tax Code, for 2016 the Parent estimated its income tax liability using the presumptive income system and for 2016 using the ordinary income system: and it estimated its income tax for equality CREE liability using the net income system for both years.

Subsidiaries Distribuidora de Textiles y Confecciones S.A. and Éxito Viajes y Turismo S.A.S. estimated their income tax liability and income tax for equality CREE liability using the ordinary income system; all other subsidiaries estimated both liabilities using the presumptive income system.

The Parent's income tax return for 2011 (offsetting of 2008 tax loss) is open to review during 5 years as of filing date; income tax returns and income tax for equality CREE returns for taxable 2014 and 2015 are open to review during 2 years as of filing date.

Subsidiary Distribuidora de Textiles y Confecciones S.A.'s income tax returns from 2008 (with tax loss) to 2014 (offset of 2008 tax loss) are open to review during 5 years as of filing date.

Income tax and income tax for equality CREE returns for taxable 2014 of all other subsidiaries are open to review during two years.

Income tax returns for 2013, 2014 and 2015 of all other subsidiaries are open to review during 5 years as of filing dates, since they show tax losses.

Tax advisors and management of the Parent and its subsidiaries are of the opinion that no additional taxes will be assessed, other than those for which a provision has been recorded at December 31, 2016.

Transfer pricing

Parent transactions with its parent, its parent's subsidiaries and/or foreign related parties have been carried out in accordance with the arm's length principle as if they were independent parties, as required by Transfer Pricing provisions set out by domestic tax regulations. Independent advisors are updating the transfer pricing survey as required by tax regulations, aimed at demonstrating that transactions with foreign related parties were carried out at market values during 2016. For this purpose, the Parent will file an information statement and will make the mentioned survey available by mid-June 2017.

Tax reform Law 1819 of December 29, 2016

On December 29, 2016, the Congress of the Republic approved the Tax Reform, which mainly enacts the following amendments related with the income tax, to be in force as of 2017:

a. Income tax

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

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

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

b. Tax on dividends

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

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

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

The above will apply to earnings obtained as of 2017.

c. IFRS base for tax purposes

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

d. Presumptive income

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

e. Foreign controlled entities

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

f. Tax losses and closing of tax returns

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

g. Entities under the special tax regime

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

h. Tax on financial transactions

The tax on financial transactions becomes a permanent tax.

Note 24.2. Tax regulations applicable to foreign subsidiaries

Tax regulations in force applicable to foreign subsidiaries foresee the following income tax rates:
- Uruguay: 25%,
- Brazil: 25% applicable to the controlling entity and 34% applicable to subsidiaries
- Argentina: 35%

Note 24.3. Current tax assets and liabilities

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

Current tax assets

	December 31, 2016	**December 31, 2015**	**December 31, 2015 (adjusted)**
Income tax balance receivable (1)	142,787	113,465	113,465
Income tax for equality - CREE balance receivable (2)	26,658	109	109
Income tax for equality - CREE paid in advance	23,097	19,617	19,617
Industry and trade tax and withholdings paid in advance.	12,427	10,642	10,642
Receivable value added tax from imports	5,420	1,347	1,347
Current tax assets of subsidiary Spice Investment Mercosur S.A.	58,812	69,781	69,781
Current tax assets of subsidiary Onper Investment 2015 S.L.	627,766	885,362	866,422
Total current tax assets	**896,967**	**1,100,323**	**1,081,383**

(1) The balance is comprised of:

	December 31, 2016	December 31, 2015
Income tax withholdings	166,438	143,028
Tax discount to be requested	19,376	7,654
Subtotal	**185,814**	**150,682**
Less income tax expense (Note 24.5)	(43,027)	(37,217)
Total income tax balance receivable	**142,787**	**113,465**

(2) The balance is made as follows:

	December 31, 2016	December 31, 2015
Income tax for equality CREE withholdings	51,150	-
Tax discount to be requested	**-**	109
Subtotal	**51,150**	**109**
Less income tax expense (Note 24.5)	(24,492)	-
Total income tax for equality - CREE balance receivable	**26,658**	**109**

Current tax liabilities

	December 31, 2016	December 31, 2015
Income tax for equality CREE payable (1)	-	4,627
Industry and trade tax payable	44,719	43,523
Other taxes payable	2,777	2,629
Taxes payable foreign affiliate Investments Mercosur	11,233	57,236
Current tax liabilities of foreign affiliates -ONPER	261,675	697,977
Total current tax liabilities	**320,404**	**805,992**

(1) The balance is comprised of:

	December 31, 2016	December 31, 2015
Income tax for equality - CREE payable	-	50,901
Less income tax for equality - CREE withholdings	-	(46,274)
Income tax for equality - CREE payable	**-**	**4,627**

Note 24.4. Non-current tax assets and liabilities

Non-current tax assets

The balance of $581,947 (2015 - $1,941,626; 2015 ADJUSTED - $1,963,916) relates to taxes receivable of foreign subsidiaries, basically the ICMS tax (Tax on the Movement of Goods and Services) and the Social Security National Tax.

Non-current tax assets

The balance of $502,452 (2015 - $455,355; 2015 adjusted - $455,355) relates to federal taxes payable and instalment incentive payment program of foreign affiliates.

Note 24.5. Income tax

The following is the reconciliation of accounting income to taxable income, and the estimation of tax expense:

	December 31, 2016	December 31, 2015
Earnings before income tax	**380,270**	**1,268,082**
Add:		
Selling price of fixed assets sold, held less than two years	195,058	16,482
Excess presumptive income	159,370	36
Tax losses for the period	36,043	5,505
Tax on equity	52,622	57,772
Net income - recovery of depreciation of fixed assets sold	21,356	7,272
Tax on financial transactions	9,313	163
Taxes taken on and revaluation	7,259	13,227
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	90,404	268
Fines, penalties and litigation expenses	3,171	3,273
(Recovery of receivables) receivables written-off	(4,707)	19,565
Non-deductible taxes	19	95
Non-deductible expenses	14,498	2,619
Loss from derecognition of assets	6,576	-
Provision for industry and trade tax	3,418	14,046
Less:		
40% deduction of investment in income-generating assets	(128,076)	(125,962)
Withdrawal of gain on sale of fixed assets reported as occasional gain	(72,984)	(92,868)
Goodwill tax deduction, in addition to the accounting deduction	(18,362)	(217,173)
Cost of fixed assets held less than two years	(195,058)	(14,475)
Amortization of tax losses	(8,209)	(2,979)
Allowance for doubtful accounts	-	(5,916)
Recovery of provisions	(1,988)	(8,446)
Disabled employee deduction	(811)	(556)
IFRS adjustments with no tax effects	(59,166)	(247,253)
Affiliates effect	(310,718)	(464,770)
Net taxable income	**179,298**	**228,007**
Income tax rate	25%	25%
Subtotal income tax	**44,825**	**57,002**
Occasional gains tax	1,988	6,602
Tax discounts	(3,786)	(26,387)
Total income tax	**43,027**	**37,217**
Income tax for equality - CREE expense	**13,868**	**32,775**
Income tax for equality - CREE surcharge expense	**10,624**	**18,126**
Current tax from previous year expense (recovery)	**1,720**	**(1,625)**
Total current income tax in Colombia	**69,239**	**86,493**
Foreign subsidiaries current tax expense	**139,610**	**110,371**
Total current income tax	**208,849**	**196,864**

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

	December 31, 2016	December 31, 2015
Current income tax (expense)	(208,849)	(196,864)
Deferred income tax revenue (expense) (Note 24.6)	41,035	(190,819)
Total income tax (expense)	**(167,814)**	**(387,683)**

The reconciliation of the average effective tax rate to the applicable tax rate is as follows:

	2016	Tax rate	2015	Tax rate
Accounting income	**380,270**		**1,268,082**	
Total tax expense at applicable tax rate	152,108	40%	494,919	39%
Tax effect of non-deductible expenses to determine taxable income	146,721	38%	51,926	4%
Tax effect of tax losses	71,566	47%	1,000	0%
Effect of tax rates levied abroad	80,411	21%	139,305	10%
Other tax effects from the reconciliation of accounting income to tax expense	(282,992)	-74%	(299,467)	-23%
Total tax expense / tax rate	**167,814**	**72%**	**387,683**	**30%**

Note 24.6. Deferred tax

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

Deferred taxes recognized in the statement of financial position relate to the following items:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Investments at amortized cost	(2)	(76)	(76)
Equity investments	(74,214)	(50,068)	(50,068)
Accounts receivable	2,838	324,700	324,700
Inventories	26,030	41,318	41,318
Real estate for trading	(83)	-	-
Land	(39,031)	(38,704)	(38,704)
Tax consolidation and readjustment	19,407	19,926	19,926
Buildings	(55,409)	(129,037)	(129,037)
Non-operating commercial premises	103	40	40
Investment property	(16,150)	(8,261)	(8,261)
Construction in progress	(22,641)	(16,940)	(16,940)
Other fixed assets	(26,851)	(21,415)	(21,415)
Intangible assets	(78,310)	(542,248)	(542,248)
Deferred charges	63,168	12,885	12,885
Other assets	165,777	8,817	(116,963)
Financial liabilities	(1,464,859)	2,664	2,664
Other liabilities	(8,493)	(285,195)	(1,982,033)
Total net deferred tax (liabilities)	**(1,508,720)**	**(681,594)**	**(2,504,212)**

Deferred tax assets and liabilities are made as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Deferred tax assets	1,456,866	524,828	399,048
Deferred tax liabilities	(2,965,586)	(1,206,422)	(2,903,260)
Total net deferred tax (liabilities)	**(1,508,720)**	**(681,594)**	**(2,504,212)**

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

	December 31, 2016	December 31, 2015
Deferred income tax 25%	29,369	(143,390)
Deferred CREE tax 9%	3,334	(44,854)
Deferred CREE tax surcharge 5%	(55)	5,289
Deferred occasional gains tax 10%	4,315	(3,736)
Deferred retained earnings Uruguay 7%	4,072	(4,128)
Total deferred tax revenue (expense)	**41,035**	**(190,819)**

The effect of the deferred tax on the statement of 0ther comprehensive income is as follows:

	December 31, 2016	December 31, 2015
Gain (loss) from actuarial gains and losses from defined benefit plans	676	(375)

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

	December 31, 2016	December 31, 2015
Subsidiaries domiciled in Colombia	(112,723)	(35,869)
Subsidiaries domiciled abroad	-	(817)
Other	(8,340)	(7)
Total	**(121,063)**	**(36,693)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized amounted to $164,538 at December 31, 2016 (2015 - $83,061).

Note 24.7. Effects of the income tax on the distribution of dividends.

Pursuant to Colombian tax regulations in force, neither the distribution of dividends nor retained earnings have an effect on the income tax rate or on the CREE tax rate.

Note 25. Other financial liabilities

The balance of other financial liabilities is as follows:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Bonds issued (1)	1,788,198	744,330	744,330
Trade papers (2)	488,025	-	-
Derivative financial instruments (3)	268,065	2,351	21,457
Collections received on behalf of third parties (4)	96,426	363,450	363,450
Total	**2,640,714**	**1,110,131**	**1,129,237**
Current	**805,555**	**396,052**	**396,052**
Non-current	**1,835,159**	**714,079**	**733,185**

(1) Companhia Brasileira de Distribuição – CBD uses the issuance of bonds to strengthen working capital, maintain its cash strategy, extend its debt profile and make investments. Bonds issued are not convertible, have no renegotiation clauses and are unsecured, exception made of the issue of bonds by subsidiaries, which are endorsed by the subsidiary.

Amortization of bonds varies in accordance with the issue. The following amortization methods are foreseen:
- Repayment only upon maturity with annual compensation (10th issue of CBD);
- Repayment only upon maturity with biannual compensation (11th issue of CBD);
- Annual instalments as of the fourth year of issue (12th issue of CBD) and biannual repayments.

12th and 13th issues are entitled to early redemption at any time in accordance with the conditions set by the issue instrument.

The 2nd issue of trade papers of Companhia Brasileira de Distribuição – CBD was released on August 1, 2016. The issue consisted of 200 title certificates with unit value of $2,302 for total $460,401. Resources from the issue were entirely used to reinforce working capital.

On December 20, 2016, Companhia Brasileira de Distribuição – CBD released the 13th issue of straight bonds, not convertible, unsecured, with unique serial number, which were privately placed with Ares Serviços Imobiliários Ltda., which in turn assigned and transferred them to Ápice Securitizadora S.A., which acquired the bonds and credit rights of Agronegocio (CRA) with the purpose of linking them to the 2nd series of the 1st issue of certificates receivable of Agronegocio. Resources raised will be solely devoted to the purchase of agricultural products such as fruits, vegetables, dairy products, poultry and other animal proteins directly from rural producers and rural cooperatives. The attracted amount of $932,773 matures on December 20, 2019, and bears an interest of 97.5% of the IDC payable biannually.

Subsidiary Companhia Brasileira de Distribuição – CBD is required to maintain financial ratios related with issues released. Such ratios are estimated based on consolidated financial information prepared pursuant to accounting practices adopted in Brazil, as follows: (i) net debt (less cash and cash equivalents and accounts receivable) not to exceed net shareholders' equity; and (ii) net consolidated debt / Ebitda ratio of less than or equal to 3.25. The company complied with such ratios at December 31, 2016.

(2) On August 1, 2016, Companhia Brasileira de Distribuição - CBD issued debt securities maturing on January 30, 2017 and interest of IDC x 108%, to strengthen its working capital.

(3) Derivative financial instruments reflect the variation in the fair value of forward and swaps contracts designated to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. Derivative financial instruments (forward and swap) are measured at fair value in the statement of financial position, on each accounting closing date. The variation between December 31, 2016 and December 31, 2015, relates to the reduction of closing valuation rates for forwards and swaps, which reached values under the average rates agreed upon with the various financial players.

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

Derivative	Less than 1 year	More than 1 year	Total
Forward	4,160	12,186	16,346
Swap	169,769	81,950	251,719
Total	**173,929**	**94,136**	**268,065**

The detail of maturities of these instruments at December 31, 2015 is as follows:

Derivative	Less than 1 year	More than 1 year	Total
Forward	2,154	197	2,351
Total	**2,154**	**197**	**2,351**

The detail of maturities of these instruments at December 31, 2015, adjusted, is as follows:

Derivative	Less than 1 year	More than 1 year	Total
Forward	2,154	197	2,351
Swap	-	19,106	19,106
Total	**2,154**	**19,303**	**21,457**

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

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Non-banking correspondent	34,376	23,373	23,373
Éxito Card collections	27,813	17,390	17,390
Monies collected by Companhia Brasileira de Distribuição – CBD (1)	13,812	316,837	316,837
Travel collections	10,990	672	672
Direct trading (Market Place)	3,967	762	762
Money transfer services	1,364	925	925
Other collections	4,104	3,491	3,491
Total	**96,426**	**363,450**	**363,450**

(1) Relates to collections on account of insurance, extended warranty, telephone companies mobile line recharges and non-banking correspondent collections on behalf of Financiera Itaú CBD - FIC Promotora de Vendas Ltda.

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

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Bonds issued	34,990	30,251	30,251
Trade papers	488,025	-	-
Derivative financial instruments	186,114	2,351	2,351
Collections received on behalf of third parties	96,426	363,450	363,450
Current	**805,555**	**396,052**	**396,052**
Bonds issued	1,753,208	714,079	714,079
Derivative financial instruments	81,951	-	19,106
Non-current	**1,835,159**	**714,079**	**733,185**

Note 26. Other non-financial liabilities

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

	December 31, 2016	December 31, 2015
Current		
Customer loyalty programs (1)	91,218	90,639
Advance payments contracts and other projects (2)	18,403	192.008
Revenues received in advance (3)	233,091	91,422
Extended warranty (4)	22,099	139,313
Instalments received under "plan resérvalo"	1,266	1,381
Other (5)	2,762	32,639
Total other current non-financial liabilities	**368,839**	**547,402**
Non-current		
Advance payments contracts and other projects (2)	60,704	63,183
Extended warranty (4)	-	479,237
Revenues received in advance (3)	10,129	-
Bradesco Agreement (6)	-	475,256
Other (5)	11,971	19,106
Total other non-current non-financial liabilities	**82,804**	**1,036,782**
Total other non-financial liabilities	**451,643**	**1,584,184**

(1) Relates to customer loyalty programs “Puntos Éxito”, “Supercliente Carulla”, “Hipermillas” of Mercados Devoto S.A., “Tarjeta Más” of Supermercados Disco del Uruguay S.A., in addition to points programs of Companhia Brasileira de Distribuição – CBD and Club Libertad of Libertad S.A. The following are the balances of these programs as included in the statement of financial position and respective effect on income:

In the statement of financial position:

	December 31, 2016	December 31, 2015
“Puntos Éxito” and “Supercliente Carulla” programs	37,334	35,617
"Hipermillas" and "Tarjeta Mas" programs	26,862	29,354
“Puntos Extra” and “Pao de Azucar” programs	25,782	23,882
Club Libertad	1,240	1,786
Total	**91,218**	**90,639**

In the statement of income:

	December 31, 2016	December 31, 2015
“Puntos Éxito” and “Supercliente Carulla” programs	1,718	4,577
"Hipermillas" and "Tarjeta Mas" programs	1,665	19,142
“Puntos Extra” and “Pao de Azucar” programs	2,654	5,211
Club Libertad	165	1,662
Total	**6,202**	**30,592**

(2) Relates to advance payments for the purchase of real estate property in subsidiary Companhia Brasileira de Distribuição – CBD, and to advance lease payments on investment assets and real estate projects. Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

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

	December 31, 2016	December 31, 2015
Revenue received in advance by Companhia Brasileira de Distribuição – CBD (a)	173,967	29,303
Gift card	43,264	44,869
Cafam comprehensive card	9,035	10,824
Exchange card	3,326	3,506
Data and telephone minutes purchased in advance	1,213	702
Fuel card	932	877
Repurchase coupon	49	259
Other	1,305	1,082
Total current	**233,091**	**91,422**
Revenue received in advance by Companhia Brasileira de Distribuição – CBD (a)	10,129	-
Total non-current	**10,129**	**-**

(a) A balance of $92,080 is included for 2016, relevant to an advance payment received on a distribution center sales commitment.

(4) In August 2014, subsidiary Via Varejo S.A. executed an agreement on the sale of insurance and extended warranties at Casas Bahía and Ponto Frio stores. The term of such agreement is 8 years. Contract conditions were met on October 1, 2014 and the subsidiary received an advance on commissions in amount of $676,663, which has been amortized as extended warranties are sold. Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

(5) Other non-financial liabilities mainly relate to the parking service agreement covering the stores of subsidiary Companhia Brasileira de Distribuição – CBD with "Allpark", service charged to customers.

(6) On December 4, 2015 Via Varejo entered into a financial service agreement with Banco Bradesco SA and Bradescard Bank SA (jointly, "Bradesco"), to be in force until August 28, 2029. The agreement includes clauses and amendments to the agreement entered into between Casa Bahia Comercial Ltda. and Bradesco on November 10, 2006. Part of the agreement are the provision of credit cards and financial services and the provision of direct services to customers. Initial agreement and amount received was $560,436, which included advance commissions for $437,841, to be recognized in income in as much as contract purposes are met; in addition, such amounts are to be offset in 9 years as of contract date; it also included additional payments for $122,595 to be recognized on a linear basis in the statement of income. Decrease as compared to December 31, 2015 is due to the reclassification to assets held for trading; see Note 47.

Note 27. Share capital, repurchased shares and premium on the issue of shares

The Parent's authorized capital is represented in 530,000,000 ordinary shares with par value of $10 (*) each; subscribed and paid-in capital amounts to $4,482 at December 31, 2016 and December 31, 2015. The number of outstanding shares is 447,604,316 and the number of repurchased shares is 635,835 with value of $2,735 on the same reporting dates.

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

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to $4,843,466 at December 31, 2016 and December 31, 2015. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in Colombian pesos.

Note 28. Reserves, retained earnings and other comprehensive income

Reserves

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

Retained earnings

Retained earnings include the effect on shareholders' equity of the converge to IFRS in amount of $1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 2131.

Other accumulated comprehensive income

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

	December 31, 2016			December 31, 2015			December 31, 2015 (adjusted)		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Measurement of financial statements at fair value through other comprehensive income (1)	(2,976)	-	(2,976)	(2,976)	-	(2,976)	(2,976)	-	(2,976)
Measurement of defined benefit plans (2)	(2,083)	676	(1,407)	2,081	(377)	1,704	2,081	(377)	1,704
Translation exchange differences (3)	1,385,504	-	1,385,504	(928,493)	-	(928,493)	(906,655)	-	(906,655)
Gains from net investment hedging in foreign business, net of taxes (4)	-	-	-	902	-	902	902	-	902
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	60,702	-	60,702	(3,972)	-	(3,972)	(25,810)	-	(25,810)
Total other accumulated comprehensive income	1,441,147	676	1,441,823	(932,458)	(377)	(932,835)	(932,458)	(377)	(932,835)

(1) Relates to accumulated gains or losses arising from the valuation at fair value of investments in financial instruments through equity. Changes in fair value are not reclassified to income for the period.

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

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

(4) Represents the accumulated value of the effective portion of gains or losses arising from the changes in the fair value of items hedged (investments abroad) in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transactions has an effect on period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a non-financial hedged entry. During the year amounted to $902.

(5) Relates to the Parent's share of other comprehensive income of its investments in associates and joint ventures.

Note 29. Share-based payments

Preferred shares purchase option plan:

On 9 May 2014, the Extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição CBD approved:

1. To suspend the Share Purchase Option Plan ("Old Option Plan") approved at the Extraordinary General Meeting held on December 20, 2006, for new options awarded, without prejudice to options already awarded, which will continue valid under the same conditions;
2. To create a share purchase option plan and relevant share subscription agreement ("Option Plan"); and
3. To create a share purchase option compensation plan and relevant subscription agreement ("Compensation Plan").

Below is a description of the plans that were in force at December 31, 2016 (and with options valid at December 31, 2016) and both plans in force at December 31, 2016.

Old Option Plan - Plano de opção Antigo:

Is managed by a committee appointed by the Board of Directors of Companhia Brasileira de Distribuição CBD, called Share Option Plan Administration Committee ("*Stock Option Committee*"). Regularly this committee identifies the employees who will be awarded share purchase options, based on their position, responsibilities and performance under applicable conditions.

The *Stock Option Committee* conducts annual option awarding cycles. Each awarding cycle is given a series number that begins with letter A. At 31 December 2015, options awarded of series A7 of the Old Option Plan were valid. Options awarded under the Old Option Plan are classified either as "*Gold*" or "*Silver*", and the difference is the price to exercise the options.

For options classified as "*Silver*", the exercise price per preferred share is the average price at the closing of trading of preferred shares issued by Companhia Brasileira de Distribuição CBD during the last 20 sessions of the Stock, Goods and Futures Exchange - BM & FBOVESPA S.A. prior to the date on which the *Stock Option* Committee approved awarding the option. A 20% discount is applied on such estimated average price. For options classified as "*Gold*", the exercise price per preferred share is equivalent to R$0,01 (one cent of a Brazilian real). Prices are not updated in either case.

In 2003, the *Stock Option Committee* approved new criteria to estimate the reduction and/or increase rate for the number of "*Gold*" options awarded, for each series of the Old Option Plan, according to a performance analysis of the ROIC (return on invested capital) index. The Committee decided that as of series A6 and A7, the reduction or increase in "*Gold*" options is based on the ROCE return on used capital of Companhia Brasileira de Distribuição CBD.

There is no limit for the reduction or increase in the number of options awarded pursuant to the new criteria approved. Vesting rights are calculated using the average ROIC/ROCE for the last 3 years, as compared with the ROIC/ROCE defined when awarding each series.

As a general rule, the right to exercise an option begins in month 36 and ends in month 48, as of the date of execution of the respective pre-formulated standard contract, where beneficiary is entitled to purchase 100% of shares whose option was classified as "*Silver*". Options classified as "*Gold*" shall be exercised during the same period, but the exercise percentage for such options shall be determined by the *Stock Option Committee* during month 35 as of the date of execution of the respective pre-formulated standard contract.

Options awarded under the Old Option Plan may be exercised in full or in part. "*Gold*" options are in addition to "*Silver*" options; consequently "*Gold*" options may only be exercised jointly with "*Silver*" options.

The price of exercise of options awarded under the Old Option Plan shall be paid in full by the beneficiary in Brazilian reals in a lump sum 30 days as of the date of subscription of the relevant shares.

Compensation Plan - Plano de Remuneração:

Is managed by the Board of Directors of Companhia Brasileira de Distribuição - CBD, through the Human Resources and Compensation Committee ("Committee").

The members of the Committee meet to award the options of the series of the "Compensation Plan", and to make decisions on matters related to such plan. Each series under this plan shall be given letter "B" followed by a number. Options awarded under series B1, B2 and B3 were valid at December 2016.

Options awarded to a participant shall not be exercised during 36 months as of awarding date ("grace period"), and shall only be exercised on the first day of month 37 and on the last day of month 42, as of awarding date ("Exercise Period"), save exceptions included in the Compensation Plan.

A participant may exercise his options in full or in part, at once or several times, provided that during the exercise period the term of exercise of the option is provided for each option executed.

The price of exercise of each share purchase option awarded pursuant to the Compensation Plan is R$0.01 (one cent of a Brazilian real) ("Exercise Price").

The exercise price of the options shall be fully paid in Brazilian reals by check or bank transfer to the bank account of Companhia Brasileira de Distribuição CBD, taking into consideration that the final date of payment shall always be the tenth (10) day prior to the share acquisition date.

A participant shall not, over a period of 180 (one hundred and eighty) days as of the share acquisition date, directly or indirectly, sell, assign, exchange, dispose of, transfer, contribute to the capital of another company, grant an option or enter into any act or agreement resulting in or that may result in the disposition, direct or indirect, for consideration or else, of all or some of the shares acquired through the exercise of the purchase option, under the Compensation Plan.

Companhia Brasileira de Distribuição - CBD shall apply tax withholdings as required by Brazilian tax law, by deducting the amount equivalent to taxes withheld from the number of shares delivered to a participant.

Option Plan - Plano de Opção:

Is managed by the Board of Directors of Companhia Brasileira de Distribuição - CBD, through the Human Resources and Compensation Committee ("Committee").

The members of the Committee meet to award the options of the series of the Option Plan, and to make decisions on matters related to such plan. Each series under this plan shall be given letter "C" followed by a number. Options awarded under series C1, C2 and C3 were valid at December 2015.

For each series of share options, the exercise price of each option is 80% of the average of trading of preferred shares issued by Companhia Brasileira de Distribuição CBD during the last 20 sessions of the Stock, Goods and Futures Exchange - BM & FBOVESPA S.A. prior to the calling date for the meeting of the Committee held to decide of the awarding of options under such series ("Exercise Price").

Options awarded to a participant shall not be exercised during 36 months as of awarding date ("grace period"), and shall only be exercised on the first day of month 37 and on the last day of month 42, as of awarding date ("Exercise Period"), save exceptions included in the Option Plan.

A participant may exercise his options in full or in part, at once or several times, provided that during the exercise period the term of exercise of the option is provided for each option executed.

The exercise price of the options shall be fully paid in Brazilian reals by check or bank transfer to the bank account of Companhia Brasileira de Distribuição CBD, taking into consideration that the final date of payment shall always be the tenth (10) day prior to the share acquisition date.

Companhia Brasileira de Distribuição - CBD shall apply tax withholdings as required by Brazilian tax law, by deducting the amount equivalent to taxes withheld from the number of shares delivered to a participant.

The information relevant to the Old Option Plan, the Compensation Plan and the Option Plan at December 31, 2016 is summarized as follows:

Balance at December 31, 2016

				Price in Brazilian reals (2)		Options batch (in thousands)			
Series awarded (1)	**Awarding date**	**First exercise date**	**Second exercise date and expiry date**	**At awarding date**	**At period closing**	**Number of options awarded**	**Number of options exercised**	**Number of options cancelled**	**Number of valid options**
Series A6 - Gold	15/03/2012	31/03/2015	31/03/2016	0.01	0.01	526	(490)	(36)	-
Series A6 - Silver	15/03/2012	31/03/2015	31/03/2016	64.13	64.13	526	(490)	(36)	-
Series A7 - Gold	15/03/2013	31/03/2016	31/03/2017	0.01	0.01	358	(231)	(43)	84
Series A7 - Silver	15/03/2013	31/03/2016	31/03/2017	80.00	80.00	358	(230)	(43)	85
Series B1	30/05/2014	30/05/2017	30/11/2017	0.01	0.01	239	(27)	(58)	154
Series C1	30/05/2014	30/05/2017	30/11/2017	83.22	83.22	239	(11)	(84)	144
Series B2	29/05/2015	01/06/2018	30/11/2018	0.01	0.01	337	(75)	(32)	230
Series C2	29/05/2015	01/06/2018	30/11/2018	77.27	77.27	337	-	(55)	282
Series B3	30/05/2016	30/05/2019	30/11/2019	0.01	0.01	823	(165)	(28)	630
Series C3	30/05/2016	30/05/2019	30/11/2019	37.21	37.21	823	(10)	(28)	785
Total						**4,566**	**(1,729)**	**(443)**	**2,394**

Balance at December 31, 2015

				Price in Brazilian reals (2)		Options batch (in thousands)			
Series awarded (1)	**Awarding date**	**First exercise date**	**Second exercise date and expiry date**	**At awarding date**	**At period closing**	**Number of options awarded**	**Number of options exercised**	**Number of options cancelled**	**Number of valid options**
Series A6 - Gold	15/03/2012	31/03/2015	31/03/2016	0.01	0.01	526	(490)	(36)	-
Series A6 - Silver	15/03/2012	31/03/2015	31/03/2016	64.13	64.13	526	(488)	(36)	2
Series A7 - Gold	15/03/2013	31/03/2016	31/03/2017	0.01	0.01	358	(172)	(35)	151
Series A7 - Silver	15/03/2013	31/03/2016	31/03/2017	80.00	80.00	358	(172)	(35)	151
Series B1	30/05/2014	30/05/2017	30/11/2017	0.01	0.01	239	(16)	(54)	169
Series C1	30/05/2014	30/05/2017	30/11/2017	83.22	83.22	239	(11)	(64)	164
Series B2	29/05/2015	01/06/2018	30/11/2018	0.01	0.01	337	(5)	(16)	316
Series C2	29/05/2015	01/06/2018	30/11/2018	77.27	77.27	337	-	(23)	314
Total						**2,920**	**(1,354)**	**(299)**	**1,267**

(i) Refers to options awarded by Companhia Brasileira de Distribuição - CBD, as part of the Old Option Plan, Compensation Plan and Option Plan.

(2) The values taken to the Group's consolidated income arising from purchase options plans on preferred shares of Companhia Brasileira de Distribuição - CBD for the period ended December 31, 2016 amounted to $18,435 (2015 - $2,388).

Share purchase option plans for new series B3 and C3:

Companhia Brasileira de Distribuição - CBD defined two preferred share purchase option plans, approved by the General Meeting of Shareholders held on May 30, 2016. Pursuant to plan terms, each option confers upon a beneficiary the right to acquire preferred shares of Companhia Brasileira de Distribuição - CBD. Both plans foresee a grace period of 36 months, as of the date on which the Board of Directors approved the issue of the respective series of options. The share options may be exercised during the term mentioned in the description of each plan. The condition to exercise an option is that the beneficiary continues being an employee of the Company during such term. The difference between the plans is the exercise price of the options and whether or not there is a restriction period to dispose of the shares acquired in exercise of the option.

Share options awarded under each of the plans may represent a 0.7% of total shares of Companhia Brasileira de Distribuição - CBD at the most. 1,646.000 share purchase options were awarded under these plans.

At December 31, 2016 there were 232,586 treasury preferred shares, which could be used as collateral for the options awarded under the plans; the quote of preferred shares on the Stock, Goods and Futures Exchange - BM & BOVESPA S.A. was $50,415 (2015 - $33,308) (R$41.86, 2015 - $54.75) per share.

The following chart shows the maximum dilution percentage of the interest that will have the existing shareholders of Companhia Brasileira de Distribuição - CBD during 2015 for all options awarded:

	December 31, 2016	December 31, 2015
Total number of shares	266.076	265.702
Balance of outstanding series awarded	2,394	1,267
Dilution percentage	0.90%	0.48%

The fair value of each option awarded is estimated on the awarding date using the Black & Scholes option valuation model, taking into consideration the following assumptions for B1 and C1 series:
1. Dividend expectation 0.96%,
2. Volatility expectation, approximately 22.09% and
3. Risk-free weighted average interest rate of 11.70%

The fair value of each option awarded is estimated on the awarding date using the Black & Scholes option valuation model, taking into consideration the following assumptions for B2 and C2 series:
1. Dividend expectation 1.37%,
2. Volatility expectation, approximately 24.34% and
3. Risk-free weighted average interest rate of 12.72%.

The fair value of each option awarded is estimated on the awarding date using the Black & Scholes option valuation model, taking into consideration the following assumptions for B3 and C3 series:
1. Dividend expectation 2.50%,
2. Volatility expectation, approximately 30.20% and
3. Risk-free weighted average interest rate of 13.25%.

The remaining weighted average term of the series valid at December 31, 2016 is 1.84 years (1.75 years at December 31, 2015). The weighted average fair value of options awarded at December 31, 2016 represented $39,650 (2015 - $53,616) (2016 - R$43.06, 2015 - R$67.35).

Below is information on the number and weighted average exercise prices of share options, in share-based payment agreements:

At December 31, 2016	Number of options (thousands)	Weighted average of exercise price (in Brazilian reals)	Weighted average of the remaining contract term
Number of options on outstanding shares at beginning of period	1,267	39.57	-
Awarded	1,645	18.61	-
Void	(144)	40.40	-
Exercised	(374)	13.39	-
Number of options on outstanding shares at end of period	2,394	29.21	1.84
Total options to be exercised at December 31, 2016	2,394	29.21	1.84

At December 31, 2015	Number of options (thousands)	Weighted average of exercise price (in Brazilian reals)	Weighted average of the remaining contract term
Number of options on outstanding shares at beginning of period (1)	1,292	39.56	-
Awarded	-	-	-
Void	(20)	41.84	-
Exercised	(5)	26.21	-
Number of options on outstanding shares at end of period	1,267	39.57	1.75
Total options to be exercised at 31 December 2015	1,267	39.57	1.75

(1) Relates to 31 August 2015, effective date for accounting purposes of the business combination with Companhia Brasileira de Distribuição – CBD.

Note 30. Revenue from ordinary activities

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

	December 31, 2016	December 31, 2015
Total retail sales (1)	50,867,511	23,598,803
Other ordinary revenue (2)	771,992	447,168
Revenue from ordinary activities	**51,639,433**	**24,045,971**

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

	December 31, 2016	December 31, 2015
Sale of goods, net of sales returns and rebates	50,837,988	23,569,748
Revenue from the sale of real estate projects (a)	29,523	29,055
Revenue from ordinary activities	**50,867,511**	**23,598,803**

(a) The revenue from the sale of real estate projects relates to:

	December 31, 2016	December 31, 2015
Éxito Itagüí	29,523	-
Éxito La Caracas (Avenida Chile)	-	18,000
Carulla Paseo Real	-	8,266
Calle 77 plot of land	-	2,789
Total	**29,053**	**29,055**

(2) Other ordinary revenue relates to:

	December 31, 2016	December 31, 2015
Service revenue (a)	648,351	317.704
Royalty revenue	71,684	91,859
Other revenue (b)	51,887	37,605
Total other ordinary revenue	**771,992**	**447,168**

(a) Represents revenue from extended warranties, rental of buildings and physical space at stores, dealers, intermediation, mobile phone recharges and revenue from non-banking correspondent activities.

(b) Relates to:

	December 31, 2016	December 31, 2015
Other operating revenue (a)	14,165	19,362
Revenue from use of goods	10,676	4,917
Recovery of revenue arising from commissions as "non-banking correspondent"	7,933	-
Other revenue from Latam strategic direction	7,239	-
Revenue from expiry of own cards	1,637	1,492
Sundries (b)	10,237	11,834
Total other revenue	**51,887**	**37,605**

(a) For 2016, includes revenue from reimbursement of lease instalments, recognition of restitution of the CEDI Pereira building (prior to expiry of the lease agreement) and reimbursement of subsidiary travel expenses, among other items. For 2015, in addition to 2016 items, includes revenue from participation in sales contracts with third parties and revenue from modifications to properties.

(b) For 2016, includes $7,740 (2015 - $6,387) charges to third parties related to advertisements in events and campaigns carried out by the Parent.

Note 31. Distribution expenses and administration and sales expenses

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

	December 31, 2016	December 31, 2015
Leases	1,266,069	529,151
Services	882,545	281,187
Depreciation and amortization	716,227	349,518
Advertising	390,409	213,409
Debit and credit card commissions	376,090	145,986
Repairs and maintenance	357,731	135,711
Taxes other than income tax	288,914	211,306
Fuels and power	225,112	187,562
Legal expenses	79,256	37,228
Transport	69,724	36,834
Packaging materials and marking expenses	50,838	50,114
Insurance	41,216	24,794
Administration of trade premises	31,464	28,440
Fees	30,979	31,928
Travel expenses	20,501	7,486
Contributions and affiliations	1,067	1,133
Other	321,395	131,288
Total distribution expenses	**5,149,537**	**2,403,075**

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

	December 31, 2016	December 31, 2015
Services	200,016	39,510
Depreciation and amortization	169,940	86,454
Fees	108,714	56,030
Taxes other than income tax	40,614	29,608
Travel expenses	17,949	9,329
Repairs and maintenance	17,469	8,601
Insurance	4,324	2,954
Fuels and power	3,191	2,540
Transport	2,898	3,230
Contributions and affiliations	2,228	1,813
Leases	1,836	3,219
Legal expenses	735	5,255
Advertising	669	163
Other	44,520	61,165
Total administration and sales expenses	**615,103**	**309,871**

Note 32. Employee benefit expense

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

Types of employee benefit expenses	December 31, 2016	December 31, 2015
Wages and salaries (1)	3,051,156	1,560,712
Contributions to the social security system	661,442	208,132
Other short-term employee benefits	255,599	102,679
Total short-term employee benefit expenses	**3,968,197**	**1,871,523**
Post-employment benefit expenses, defined contribution plans	111,539	89,090
Post-employment benefit expenses, defined benefit plans	439	5,323
Total post-employment benefit expenses	**111,978**	**94,413**
Termination benefit expenses	272,647	52,968
Other long-term employee benefits (2)	(9,381)	(15,326)
Other personnel expenses	427,987	145,720
Total employee benefit expenses	**4,771,428**	**2,149,298**

(1) At December 31, 2016, the wages and salaries line item includes the expense relevant to the new organizational structure of which the administration and management of companies located in Brazil, Argentina and Uruguay are part. In addition, Parent's expense for the period includes the average 6.96% general salary increase (2015 - 4.61%), and a 5% key management average salary increase during July 2016 (2015 3% as of April), which had a directly proportional effect on the contributions to the social security system, other short-term employee benefits, post-employment benefit expenses and defined contribution plans.

(2) As of 2015, the Parent and its subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S. agreed with certain employees the termination of the seniority bonus benefit, granting a single special bonus to those who expressed their will to accept such elimination; this agreement resulted in a significant change in the long-term benefit plan, with savings amounting to $9,381 (2015 - $15,326).

Note 33. Other operating revenue, other operating expenses and other (losses) gains, net

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

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

	December 31, 2016	December 31, 2015
Other operating revenue		
Recovery of allowance for trade receivables	6,250	9,447
Recovery of other provisions related to labor legal proceedings (1)	5,775	741
Recovery of other provisions related to civil lawsuits	2,227	534
Reimbursement of ICA-related costs and expenses	1,886	233
Compensation from insurance companies (2)	1,143	8,548
Reimbursement of property tax-related costs and expenses	1,050	209
Recovery of other provisions	-	150
Other recurring operating revenue(*)	**18,331**	**19,862**
Compensation from insurance companies (3)	6,588	13,163
Other minor	38	1,858
Revenue from the measurement at fair value of interest in companies (4)	-	29,681
Other non-recurring operating revenue	**6,626**	**44,702**
Total other operating revenue	**24,957**	**64,564**
Other operating expenses		
Restructuring provision expense (5)	(96,193)	(13,590)
Tax proceedings provision expense (6)	(195,798)	(3,171)
Tax on wealth expense (7)	(64,096)	(72,787)
Other provisions expense	-	(6,016)
Other expenses (8)	(34,978)	(58,477)
Labor indemnifications expense	(5,373)	(15,776)
Total other operating expenses	**(396,438)**	**(169,817)**
Other (loss) gains, net		
(Loss) gain from the sale of property, plant and equipment	(35,535)	4,086
(Loss) gain from the sale of intangible assets (9)	(80)	75,397
(Loss) from derecognition of property and equipment (10)	(12,056)	(20,042)
(Loss) from subsidiaries not included in the consolidation	(5,279)	-
(Loss) from the sale of assets (11)	(1,108)	-
Total other (loss) gains, net	**(54,058)**	**59,441**

(*) Other recurring operating revenue relates to revenue that used to be classified as other ordinary revenue. As of June 30, 2016, they are classified as other operating revenue. For comparison purposes, this new classification was made retrospective to January 1, 2015.

(1) For 2016, includes revenue arising from the recovery of labor legal proceedings accrued during the previous year in amount of $5,113.

(2) For 2016 and 2015, represents revenue received from Compañía de Seguros Generales Suramericana S.A. as indemnification for the loss of profits, inventories and other extraordinary expenses, resulting from the Éxito Valledupar Las Flores casualty.

(3) For 2016 and 2015, represents revenue received from Seguros Generales Suramericana S.A. as indemnification for the actual loss of property, plant and equipment, resulting from the Éxito Valledupar Las Flores casualty.

(4) Refers to the gain arising from the measurement at fair value of the 62.49% Parent's interest held in Grupo Disco Uruguay prior to the business combination completed on January 1, 2015.

(5) For 2016, refers to the results of the measures implemented by Companhia Brasileira de Distribuição - CBD to adapt the expense structure, including all operating and administrative areas, seeking to mitigate the effects of inflation on fixed costs and a reduced dilution of costs. Additionally, refers to expenses from the Parent's restructuring plan, which include the purchase of seniority bonuses and operating excellence plan. For 2015, includes the purchase of seniority bonuses at the Parent.

(6) Refers to the provision booked by Companhia Brasileira de Distribuição - CBD, for legal proceedings related with the income tax and other taxes such as: ICMS, PIS/COFINS.

(7) Refers to the tax on wealth introduced by the Colombian National Government by means of Law 1739 of December 23, 2014, applicable to the Parent and its Colombian subsidiaries. Includes also the tax on wealth of subsidiaries in Uruguay.

(8) For 2016, mainly represents expenses for corporate indemnifications, expenses incurred on the creation of real estate vehicles, and expenses accrued on the closing or stores.

For 2015, mainly represents transaction costs related with the acquisition by the Parent of operations in Brazil and Argentina in amount of $50,333; transaction costs from the business combination related with the acquisition of trade establishment under the Super Inter banner in amount of $2,135, and expenses incurred upon acquisition of Cafam establishments in amount of $1,349.

(9) For 2015, the balance includes gains in amount of $74,515 arising from the sale to Cafam of the drugstores owned by the Company, some of which had been operated by Cafam since September 2010, and $882 from the sale of the right to use in construction of Patrimonio Autónomo Villavicencio

(10) For 2016, the balance relates to a loss in amount of ($3,791) from the derecognition of improvements to third party properties, relevant to the stores closed during 2016, including Éxito Lisboa, Carulla Express Avenida 15, Éxito Express Malecón, Éxito Express Kennedy, Surtimax Plaza de Florez, Éxito Express Avenida del Ferrocarril, Éxito Tecno Oviedo, Surtimax Paraíso, Éxito Express Colores Cl 53, Surtimax Plaza Envigado, Éxito Express Exposiciones, Bodega Surtimax Calatrava and Éxito Express Universidad Nacional.

For 2015, includes a loss in amount of $3,742 from the contribution of the premises of Éxito Barranquilla to the Patrimonio Autónomo Barranquilla; a loss in amount of $12,349 of property, plant and equipment and furniture arising from the casualty at the Éxito Valledupar Las Flores, and a loss in amount of $3,827 arising from the settlement of Fideicomiso del Este.

(11) For 2016, includes $798 from the derecognition in the financial statements of the investment in Fogansa S.A. (under liquidation proceedings).

Note 34. Financial revenue and expenses

The balance of financial revenue and expense is as follows:

	December 31, 2016	December 31, 2015
Gain from exchange difference	194,490	477,625
Revenue from interest, other securities	119,921	52,086
Revenue from interest, cash and cash equivalents	100,116	118,498
Other financial revenue	38,140	22,083
Gain from derivative financial instruments	29,690	433,189
Total financial revenue	**482,357**	**1,103,481**
Interest, borrowings and finance lease expenses (1)	(1,118,109)	(391,246)
Commission expense	(146,293)	(54,892)
Loss from derivative financial instruments	(193,258)	(39,010)
Loss from exchange difference	(137,583)	(633,759)
Other financial expenses	(98,870)	(48,834)
Interest expense, negotiation with suppliers	(49,997)	(22,170)
Interest expense, bonds	-	(5,596)
Total financial expenses	**(1,744,110)**	**(1,195,507)**

(1) Includes the effect of measurement at fair value of the Swap contracts to hedge interest rates and exchange rates of Companhia Brasileira de Distribuição – CBD

Note 35. Share of profits in associates and joint ventures that are accounted for using the equity method

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

	December 31, 2016	December 31, 2015
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	66,644	9,746
C-Nova N.V.	(14,046)	-
Compañía de Financiamiento Tuya S.A.	11,154	-
Total	**63,752**	**9,746**

Note 36. Earnings per share

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

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

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

In period results

	December 31, 2016	December 31, 2015
Net earnings attributable to shareholders of the controlling entity	**43,528**	**573,495**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic and diluted earnings per share (in pesos)	97.25	1,281.26

	December 31, 2016	December 31, 2015
Net period profit from continuing operations	**212,456**	**880,399**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic and diluted profit per share (in pesos)	474.65	1,966.71

	December 31, 2016	December 31, 2015
Net period (loss) from discontinued operations	**(834,851)**	**(275,059)**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic (loss) per share and diluted (in pesos)	(1,865.15)	(614.51)

	December 31, 2016	December 31, 2015
Net period gains from continuing operations	**212,456**	**880,399**
Net gains from continuing operations attributable to non-controlling interests	111,929	287,689
Net gains from continuing operations attributable to shareholders of the controlling entity	**100,527**	**592,710**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic earnings per share and diluted (in pesos) from continuing operations attributable to shareholders of the controlling entity	224.59	1,324.19

	December 31, 2016	December 31, 2015
Net period (loss) from discontinued operations	**(834,851)**	**(275,059)**
Net (loss) from discontinued operations attributable to non-controlling interests	(777,853)	(255,844)
Net (loss) from discontinued operations attributable to shareholders of the controlling entity	**(56,999)**	**(19,215)**
Weighted average of the number of ordinary shares attributable to the basic (loss) per share (basic and diluted	**447.604.316**	**447.604.316**
Basic (loss) per share and diluted (in pesos) from discontinued operations attributable to shareholders of the controlling entity	(127.34)	(42.93)

In total comprehensive period results

	December 31, 2016	December 31, 2015 (adjusted)
Net profit attributable to shareholders of the controlling entity	**567,134**	**128,085**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic earnings per share and diluted (in pesos) in total comprehensive income	1,267.04	286.16

Note 37. Transactions with related parties

Note 37.1. Key management personnel compensation

Transactions between the Parent and its subsidiaries and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered into between the parties.

Compensation to key management personnel recognized during the twelve months ended December 31, 2016 and 2015, is as follows:

	December 31, 2016	December 31, 2015
Short-term employee benefits (1)	115,954	66,302
Post-employment benefits	2,933	1,310
Termination benefits	465	25
Share-based payment plans	20,191	608
Total	**139,543**	**68,245**

(1) For 2016, includes compensation to key management personnel of Companhia Brasileira de Distribuição – CBD and Libertad S.A. between January 1, 2016 and December 31, 2016. For 2015, includes from August 31, 2015 to December 31, 2015.

Note 37.2. Transactions with related parties

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

	Revenue		Costs and expenses	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Controlling entity (1)	7,238	-	66,957	31,863
Associates (2)	48,696	2,821	-	-
Members of the Board	-	-	7,407	4,049
Joint ventures (3)	17,697	-	341	-
Grupo Casino companies (4)	19,128	10,894	82,125	49,776
Other related parties (5)	-	834	17,339	10,532
Total	**92,759**	**14,549**	**174,169**	**96,220**

(1) Costs and expenses mainly refer to the reimbursement of expenses incurred by professionals and companies of Grupo Casino for the benefit of Companhia Brasileira de Distribuição - CBD under a "*cost sharing agreement*" It also includes other expenses incurred with the controlling entity from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V.

Revenues basically relate to the strategic direction agreement entered into with Casino Guichard Perrachon S.A.

(2) Refer to transactions with FIC Promotora de Vendas Ltda., financing company of Companhia Brasileira de Distribuição - CBD. Revenue mainly comes from the reimbursement of expenses arising from the infrastructure contract entered into with this company, commissions on the sale of financial products and lease of property.

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

(4) Revenue mainly refer to sales of products to Distribution Casino France and to suppliers' centralized negotiation with IRTS. Grupo Casino-related costs and expenses mainly relate to expenses incurred by Companhia Brasileira de Distribuição - CBD with Grupo Casino under the cost sharing agreement, and to costs related with energy efficiency services with Green Yellow.

(5) Costs and expenses with other related parties relate to transactions with companies where the shareholders are the beneficial owners of 10% or more of total outstanding shares, members of the Board, legal representatives and/or administrators having a direct or indirect interest equal to or higher than 10% of outstanding shares.

Note 38. Asset impairment

Note 38.1. Financial assets

No significant losses arising from impairment of financial assets were recognized during the reporting periods. Note 9 contains information related to the impairment of Company's trade receivables.

Note 38.2. Non-financial assets

The parent conducted the annual impairment testing at 31 December 2016 by groups of cash-generating units. The book value of the groups of cash-generating units is made of the balances of goodwill, property, plant and equipment, investment properties, other intangible assets other than goodwill, net working capital and related financial lease liabilities; for Uruguay, Brazil and Argentina relates to the equity value of such subsidiaries plus the balances of goodwill. For the purposes of impairment testing, the goodwill obtained via business combinations and trademarks with indefinite useful lives was allocated to the following groups of cash-generating units:

	Groups of cash-generating units								
	Éxito	Carulla	Surtimax	Super Inter	Todo hogar (1)	Uruguay	Brazil	Argentina	Total
Goodwill	90,674	856,495	41,575	464,333	1,017	1,466,948	2,550,181	144,913	**5,616,136**
Trademarks with defined useful life	-	-	17,427	63,704	-	108,289	3,297,392	38,453	**3,525,265**

(1) Relates to the goodwill arising from the acquisition of Gemex O y W S.A.S.

(2) Relates to the goodwill arising from the business combinations of the operations of Companhia Brasileira de Distribuição - CBD and Libertad S.A, whose measurement period has been completed. (See Note 6 Business combinations).

The method used for testing was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by management over a five-year period, on the grounds of the price growth rate, trend analysis from historic results, expansion plans, strategic projects to increase sales and optimization plans, except for the Brazil segment where the forecast period was 10 years seeking to fairly reflect management's future perspectives.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. According to the Company, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might have an effect on growth.

The tax rate included in the forecast of cash flows is the rate that the Parent is expected to pay as taxes during the next years. Rates applied to the goodwill impairment testing of groups of cash-generating units Carulla, Surtimax, Super Inter and Todo hogar were 42% for 2017, 43% for 2018 and 34% for 2019, rates in force in Colombia until December 29, 2016, date of the Colombian tax reform, by means of which the rates in effects were set as 34% for 2017 and 33% for 2018 onwards. For goodwill allocated to the Uruguay cash-generating unit, the tax rate is 25%. For goodwill allocated to the Argentina cash-generating unit, the tax rate is 35% and for the Brazil cash-generating unit is 25% for Extra's and Pao de Azucar's goodwill, and 34% for Assai's goodwill; such rates vary since the income tax is assessed depending on the city where each store is located.

Expected cash flows were discounted at the weighted average cost of capital (WACC) using the market indebtedness structure for the industry where the Parent operates; consequently, the weighted average cost of capital (WACC) used in the valuation of the goodwill of groups of cash-generating units Éxito, Carulla, Surtimax, Super Inter and Todo hogar was 8.66% for 2017, 8.63% for 2018 and 8.89% for 2019 onwards. The variation in the discount rate for 2017 to 2019 is due to the various tax rates applicable to the Parent for such years as mentioned above. The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Uruguay cash-generating unit 13.18%. The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Argentina cash-generating unit was 17.1% and for the Brazil cash-generating unit was 12.4% for the first three years and 11.06% as of the fourth year, to reflect the variations in the cost of debt that more accurately reflect the "value of money over time", since at present interest rates are high, although they are expected to decrease.

No impairment of the groups of cash-generating units was identified from this analysis.

A sensitivity analysis carried out on the variables with the greater effect on the determination of the value in use of the groups of cash-generating units, such as discount rate and perpetual growth rate, would have the following effect:

Perpetual growth rate

In accordance with that mentioned above, the estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the rate used in the valuation is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% beyond the general price increase in the economy.

Discount rate

The estimation of the discount rate is based on an analysis of the market indebtedness for the Group; a change is deemed reasonable if the discount rate would increase by 1%, in which event no impairment in the value of the groups of cash-generating units Éxito, Carulla, Surtimax and Super Inter would arise.

Note 39. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities at December 31, 2016 and December 31, 2015 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose book values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	December 31, 2016		December 31, 2015		December 31, 2015 (adjusted)	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets						
Loans at amortized cost	20,283	17,612	22,091	19,359	22,091	19,359
Investments in private equity funds	1,142	1,142	965	965	966	966
Forward contracts measured at fair value through income	4,800	4,800	67,027	67,027	66,271	66,271
Swap contracts measured at fair value through income	4,747	4,747	-	-	756	756
Derivative swap contracts denominated as hedge instruments	250,458	250,458	573,174	573,174	592,279	592,279
Investment in bonds	87,408	87,813	5,824	5,824	5,824	5,824
Equity investments	248	248	1,046	1,046	1,046	1,046
Non-financial assets						
Investment property	1,634,551	2,186,173	979,336	1,395,311	1,126,410	1,451,927
Net non-current assets classified as held for trading	7,605	7,605	-	-	22,077	22,077
Financial liabilities						
Financial liabilities and finance leases	6,953,123	6,924,053	10,319,796	10,253,184	10,319,788	10,329,546
Put option (1)	364,867	364,867	310,323	310,323	310,323	310,323
Bonds and trade papers issued	2,276,223	2,252,282	744,330	744,330	744,330	858,168
Swap contracts denominated as hedge instruments	250,458	250,458	-	-	19,106	19,106
Forward contracts measured at fair value through income	16,346	16,346	2,351	2,351	2,351	2,351
Swap contracts measured at fair value through income	1,262	1,262	-	-	-	-
Non-financial assets						
Customer loyalty liability	91,218	91,218	-	-	90,639	90,639

(1) The Parent was a party to the put option contract entered into with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option was based on a previously determined formula and the option could be exercised at any time. The option was measured at fair value. On June 30, 2016, the Parent transferred this put option contract to subsidiary Spice Investments Mercosur S.A.

The development of the put option measurement during the period was:

Balance at December 31, 2015	**310,323**
Changes in fair value recognized in Investments (a)	54,544
Balance at December 31, 2016	**364,867**

(a) Changes arising mainly from the variations in the US Dollar - Uruguayan peso and US Dollar - Colombian peso exchange rates between valuation dates.

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the pre-closing value for the day, divided by the total number of fund units at the closing of operations for the day. The fund administrator appraises the assets on a daily basis.	N/A
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The "*forward*" rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap *LIBOR curve*. Treasury Bond curve. CPI 12 months
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using IDC curves and discounting them at present value, using *swap* IDC market rates, both as displayed by BM&FBovespa.	IDC Curve Swap IDC rate
Investment in bonds	Level 1	Market quote prices	Fair value of such investments is calculated as reference to quotes displayed in active markets for the relevant financial instrument.	N/A
Equity investments	Level 2	Deemed cost	Investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is not material and that measurement using a valuation technique commonly used by market participants may result in higher costs that benefits.	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of goods from a survey of recent offers or transactions for similar goods that are comparable to the purpose of the valuation.	N/A
Investment property	Level 3	Discounted cash flows method	This technique provides the opportunity to identify the increase in revenue over a previously defined period of investment. Property value is equivalent to the discounted value of future benefits. Such benefits represent annual cash flows (both, positive and negative) over a period, plus the net gain arising from the hypothetical sale of the property at the end of the investment period.	Weighted average cost of capital. Growth in sales lessees. Vacancy. Growth in revenue.
Investment property	Level 3	Replacement cost method	The valuation method consists in calculating the value of a brand-new property, built at the date of the report, having the same quality and comforts as that under evaluation. Such value is called replacement value; then an analysis is made of property impairment arising from the passing of time and the careful or careless maintenance the property has received, which is called depreciation.	Physical value of building and land
Investment property	Level 2	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable Value
Non-current assets classified as held for trading	Level 2	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable Value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Put option	Level 3	Given formula	Fair value is measured using a given formula under an agreement entered into with non-controlling interests of Grupo Disco, using level 3 input data.	Net Income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015 Uruguayan peso-US Dollar exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A. .
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basis points LIBOR rate + Negotiated basis points
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity dates.	CPI 12 months
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The "forward" rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. CPI 12 months
Customer loyalty liability	Level 3	Market value	The customer loyalty liability is updated in accordance with the point average market value for the last 12 months and the effect of the expected redemption rate, determined on each customer transaction.	Number of points redeemed, expired and issued. Point value. Expected redemption rate

Not observable material data input and a valuation sensitivity analysis on the valuation of the "*put option*" refer to:

	Not observable significant input data	Range (weighted average)	Input data sensitivity on the calculation of the fair value
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2014, 2015 and 2016	$70,486 - $106,196	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	Ebitda of Supermercados Disco del Uruguay S.A., consolidated over 24 months	$127,784 - $136,716	
	Consumer price index Uruguay	8.10% - 9.44%	
	Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months	($86,059) - ($221,991)	
	Fixed contract price	$419,607 - $440,409	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	$29.34 – $29.873	
	US Dollar-Colombian peso exchange rate on the date of valuation	$3,000.71 - $3,149.47	
	Total shares Supermercados Disco del Uruguay S.A.	443.071.594	

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

Note 40. Contingent assets and liabilities

Note 40.1. Contingent assets

The Parent and its subsidiaries have not recognized material contingent assets at December 31, 2016.

Note 40.2. Contingent liabilities

Contingent liabilities, which nature is that of potential liabilities, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Contingent liabilities relate to:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Legal proceedings (a)	358,192	326,391	326,391
Taxes (b)	7,354,775	8,942,306	6,913,172
Other contingent liabilities (c)	676,868	682,947	682,947
Total	**8,389,835**	**9,951,644**	**7,922,510**

(a) Legal proceeding-related contingent liabilities refer to a requirement by the National Social Security Institute of Brazil INSS to Companhia Brasileira de Distribuição CBD on the grounds of its failure to pay social contributions on benefits granted to its employees, among other matters. The requirements are being discussed in administrative and judicial proceedings.

(b) Tax-related contingent liabilities refer to the following proceedings:

- Imposto de Renda Pessoa Juridica (IRPJ), Imposto de Renda Retido na Fonte (IRRF), Contribuição Social sobre o Lucro Líquido (CSLL), Imposto sobre operações financeiras (IOF), Imposto de renda sobre o lucro líquido (ILL): They refer to proceedings on the offsetting of taxes, rules on deductibility of provisions, tax differences, excess payments, fines arising from failure to comply with ancillary obligations, among other minor. Such proceedings are pending administrative and juidicial ruling. Such proceedings include those regarding the collection of differences in the receipts of IRPJ for years 2007 to 2013, arising from the incorrect deduction of the amortization of goodwill paid on transactions between shareholders Casino and Abílio Diniz. Contingent liabilities amount to $895,941 (2015 - $1,579,413, 2015 adjusted - $746,718).

- Tax proceedings resulting from the deduction of amortization expenses during 2012 and 2013, of the goodwill gained upon acquisition of the Ponto Frío trademark in 2009. These proceedings are valued at $72,743 (2015 - $57,317).

- Sales tax, tax on purchases, tax on bank transactions and tax on industrial products (COFINS, PIS and CPMF and IPI): Refer to offsetting proceedings on IPI credits - inputs subject to zero aliquot or exempt - acquired from third parties, other offsetting requests, collection of taxes with a bearing on soy exports, payment differences, excess payments, fines from the failure to comply with ancillary obligations, non-recognition of COFINS and PIS credits on products predominantly single-phase, among other issues. Such proceedings are pending administrative and judicial ruling. These contingent liabilities amount to $1,685,456 (2015 - $1,701,211, 2015 adjusted - $1,545,357).

- Tax on the Movement of Goods and Services (ICMS): Companhia Brasileira de Distribuição - CBD received a requirement from tax authorities regarding the appropriation of credits as follows: (i) electric power; (ii) procurement from suppliers deemed disqualified before the register of Secretaria da Fazenda Estadual; (iii) compensation of tax substitution without compliance with the ancillary obligations set forth in Portaria CAT n° 17 of the State of Sao Paulo; (iv) incidents on the goods procurement operation; (v) arising from the trading of extended warranty; (vi) among others. Such proceedings are pending final administrative and judicial ruling. Such proceedings amount to $4,560,342 (2015 - $5,353,601, 2015 adjusted - $4,279,870).

- Tax on services (ISS), Brazilian tax on property (IPTU), levies and other: Refer to requirements on third party withholdings, differences in the payment of IPTU, fines from the failure to comply with ancillary obligations, ISS - compensation for advertising expenses, and miscellaneous levies. Such proceedings are pending administrative and judicial ruling. Such proceedings amount to $120,202 (2015 - $308,081 - 2015 adjusted - $280,649).

Proceedings seeking nullity of the resolution on changes to the Parent's Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of $11,830 (2015 - $0). The purpose of the nullity and restoration of rights action is that the Parent be exempted from paying the amounts claimed by the tax authority.

- Proceedings on the assessment of the Parent's real estate revaluation, in amount of $1,163 (2015 - $1,163).

- Proceedings on the 2005 Parent's Industry and Trade Tax in amount of $1,010 (2015 - $1,010).

- Proceedings seeking nullity of resolutions on the improper offsetting of the Carulla Vivero S.A. 2008 income tax, at the Parent, in amount of $1,088 (2015 - $1,088).

- Proceedings seeking nullity of the resolution on changes to the Parent's Bogotá Industry and Trade tax returns for the bi-monthly periods 2, 3, 4, 5 and 6 of 2012 in amount of $5,000 (2015 - $0). The purpose of the nullity and restoration of rights action is that the Parent be exempted from paying the amounts claimed by the tax authority.

(c) Other contingent liabilities relate to:

- $663,898 (2015 - $659,946) of Companhia Brasileira de Distribuição - CBD arising from real estate-related actions filed on the grounds of extension of lease agreements at market prices, administrative proceedings brought by regulators such as consumer protection bodies (PROCONs), Instituo Nacional de Metrologia, Normalização e Qualidade Industrial – INMETRO, Agência Nacional de Vigilância Sanitária - ANVISA, among others.

- $12,970 (2015 - $0) of Companhia Brasileira de Distribuição – CBD for external counsel fees to defend tax proceedings, whose compensation is tied to a success fee upon legal closing of such proceedings. Such percentages may vary, in accordance with qualitative and quantitative factors of each proceeding.

- On December 18, 2015, subsidiary Cdiscount Colombia S.A.S. assigned title to credits with accountability to BBVA in amount of $18,001, with the Parent acting as guarantor. On April 8, 2016, Cdiscount Colombia S.A.S. paid to BBVA the invoices assigned. As a result of this payment, the contingent liability was no longer held at December 31, 2016.

Note 41. Offsetting of financial assets and liabilities

Out of total financial assets and liabilities included in the statement of financial position, below are assets and liabilities that appear offset in such line items:

Year	Financial assets	Gross value of recognized financial assets	Gross value of related recognized financial liabilities	Net value of recognized financial assets
2016	Derivative financial instruments and hedging (1)	-	-	9,547
2015	Derivative financial instruments and hedging (1)	1,298,865	1,231,838	67,027

Year	Financial liabilities	Gross value of recognized financial liabilities	Gross value of related recognized financial assets	Net value of recognized financial liabilities
2016	Derivative financial instruments and hedging (1)	-	-	17,607
	Trade payables and other accounts payable (2)	10,415,329	1,188,067	9,227,261
2015	Derivative financial instruments and hedging (1)	55,307	52,956	2,351
	Trade payables and other accounts payable (2)	15,096,238	912,882	14,183,356

(1) The Parent and its subsidiaries carries out derivative and hedge "*forward*" and "*swap*" contracts to hedge against fluctuation in exchange rates and interest rates on accounts payable and financial liabilities. Such items are measured at fair value. For 2016, the valuation of derivative financial instruments comprises intrinsic value plus temporary value, reason why right and obligation may not be individualized.

(2) The Parent and its subsidiaries have executed offsetting agreements with suppliers, arising from the acquisition of inventories. Such items are included in trade payables and other accounts payable.

No uncleared amounts related to collaterals or other financial instruments have been recognized in the Parent's and its subsidiaries' statement of financial position.

Note 42. Dividends declared and paid

At December 31, 2016

The Parent's General Meeting of Shareholders held on March 30, 2016, declared a dividend of $302,457, equivalent to an annual dividend of $675.72 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2016, and January 2017. Dividends paid during the year ended December 31, 2016 amounted to $291,680.

(*) Expressed in Colombian pesos.

Dividends declared and paid to the owners of non-controlling interests in the following subsidiaries during the year ended December 31, 2016 are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Laureles	1,512	1,551
Patrimonio Autónomo Viva Sincelejo	2,774	3,002
Patrimonio Autónomo San Pedro Etapa I	1,247	1,273
Patrimonio Autónomo Centro Comercial	5,007	2,793
Patrimonio Autónomo Iwana	54	62
Patrimonio Autónomo Viva Villavicencio	9,481	9,620
Patrimonio Autónomo Viva Palmas	558	420
Grupo Disco Uruguay S.A.	63,467	64,855
Companhia Brasileira de Distribuição - CBD	1,984	1,984
Total	**86,084**	**85,560**

At December 31, 2015

The Parent's General Meeting of Shareholders held on March 17, 2015, declared a dividend of $260,022, equivalent to an annual dividend of $580.92 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2015, and January 2016. Dividends paid during the year ended December 31, 2015 amounted to $254,297.

(*) Expressed in Colombian pesos

Dividends paid to the owners of non-controlling interests in the following subsidiaries during the year ended December 31, 2015 are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Laureles	1,926	1,457
Patrimonio Autónomo Viva Sincelejo	3,161	5,021
Patrimonio Autónomo Viva Villavicencio	5,810	-
Patrimonio Autónomo San Pedro Etapa I	2,639	2,545
Patrimonio Autónomo Centro Comercial	7,717	2,793
Patrimonio Autónomo Iwana	214	32
Grupo Disco Uruguay S.A.	19,244	11,640
Companhia Brasileira de Distribuição - CBD	19,720	19,720
Total	**60,431**	**43,208**

Note 43. Lease agreements

Note 43.1. Finance leases when the Parent and its subsidiaries are the lessees

The Parent and its subsidiaries have finance leases on property, plant and equipment and intangible assets. The amount of the most significant categories of assets under finance lease are disclosed in Note 14 - Property, plant and equipment. Minimum installments and present values thereof under finance lease agreements are as follows:

	December 31, 2016	December 31, 2015
Up to one year	41,960	71,099
From 1 to 5 years	146,227	255,797
More than 5 years	29,996	98,320
Total minimum instalments on finance leases	**218,183**	**425,216**
Future financing (expense)	(192,199)	(191,607)
Book value of finance leases	**25,984**	**233,609**

No contingent instalments were shown in income during the period.

At the closing of the reporting periods, there are no finance lease agreements that are material if considered separately.

Note 43.2. Operating leases when the Parent and its subsidiaries are the lessees

The Parent and its subsidiaries have entered into operating lease agreements mainly related to business premises, vehicles and machinery. Total future minimum instalments under irrevocable operating lease agreements for the reporting periods are:

	December 31, 2016	December 31, 2015
Up to one year	250,360	181,885
From 1 to 5 years	757,634	614,597
More than 5 years	780,945	811,715
Total minimum instalments on irrevocable operating leases	**1,788,940**	**1,608,197**

Operating lease agreement terms range from 1 to 25 years. The Parent and its subsidiaries made an analysis and concluded that operating lease agreements may not be cancelled during its term. In the event of termination, a minimum cancellation charge shall be paid, ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining of the term.

The Parent and its subsidiaries consider payment of additional instalments as contingent payments that may range from 0.01% to 6% on sales. The agreements may be extended pursuant to legal regulations in force and include periodic adjustment clauses according to inflation.

Lease expenses recognized in income for the period amounted to $1,019,317 (2015 $861,869), including contingent installments in amount of $500,029 (2015 $177,125).

At the closing of the reporting periods, there are no operating lease agreements that are material if considered separately.

Note 43.3. Operating leases when the Parent and its subsidiaries are the lessors

The Parent and its subsidiaries have entered into operating lease agreements on investment properties. Total minimum of future charges under irrevocable operating lease agreements at the reporting date is:

	December 31, 2016	December 31, 2015
Up to one year	122,718	102,947
From 1 to 5 years	373,437	196,061
More than 5 years	160,574	248,537
Total minimum instalments on irrevocable operating leases	**656,729**	**547,545**

The Parent and its subsidiaries made an analysis and concluded that operating lease agreements may not be cancelled during its term. Prior agreement of the parties and a minimum cancellation payment ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining of the term, are required to terminate these agreements.

Revenue from leases recognized in period results amounted to $314,596 (2015 - $279,255) including revenue from the lease of investment properties in amount of $196,822 (2015 - $116,505). Contingent instalments included in the revenue from leases amounted to $85,578 (2015 - $65.268).

Note 44. Seasonality of transactions

The Parent's and its subsidiaries' operation cycles indicate seasonality in operating and financial results, focused during the first half of the year mainly on the carnivals and Easter holidays, and during the last quarter of the year, mainly on Christmas season; and at the Parent on the second most important promotional event of the year called "Special Price Days".

Note 45. Information on operating segments

For organizational and management purposes, the Parent and its subsidiaries are focused on seven operating segments (2015 - 9 segments) divided in four geographic segments, as follows: Colombia (Éxito, Carulla, Descuento & B2B), Brazil (Food for 2016 and Non-food y E-commerce for 2015), Uruguay and Argentina. For each of the segments there is financial information that is used on an ongoing basis by senior management for making decisions on the operations, allocation of resources and strategic approach.

Total assets and liabilities by segment are not specifically reported internally for management purposes and consequently they are not disclosed in the framework of IFRS 8 - Operating segments.

Reportable segments include development of the following activities:

Colombia:

- Éxito: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Carulla.
- Discount: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Surtimax and Super Inter.
- B2B: The most significant products and services for this segment come solely from retailing activities in B2B format and with stores under the banner Surti wholesaler.

Brazil:

- Food: The most significant products and services for this segment come solely from food trading activities.
- Non-Food: The most significant products and services for this segment come solely from the trading of household appliances and other goods other than food. At the closing of 2016, this reportable segment is classified as held for trading.
- E-Commerce: The most significant products and services for this segment come solely from the trading of products through the Internet or electronic commerce. At the closing of 2016, this reportable segment was realized by subsidiary Companhia Brasileira de Distribuição - CBD.

Argentina:

- The most significant products and services for this segment come solely from retailing activities in Argentina, with stores under the banner Libertad and Mini Libertad.

Uruguay:

- The most significant products and services for this segment come solely from retailing activities in Uruguay, with stores under the banner Disco, Devoto and Géant.

The accounting policies of segments being reported are the same as the Parent's accounting policies described in Note 4.

The Parent discloses information by segment pursuant to IFRS 8 - Operating Segments, which are defined as a component of an entity with separate financial information assessed by senior management on an ongoing basis.

Sales by each of the segments for the years ended December 31, 2016 and 2015:

Country	Segment	December 31, 2016	December 31, 2015
Colombia	Éxito	7,491,803	6,979,065
	Carulla	1,570,180	1,493,215
	Discount	1,647,400	1,570,030
	B2B	286,435	242,889
Brazil	Food	36,182,414	10,595,904
	Non-Food	-	4,795,995
	E-Commerce	-	3,465,273
Argentina		1,324,595	595,882
Uruguay		2,376,064	2,122,911
Total sales		**50,878,891**	**31,861,164**
Eliminations		(11,380)	(1,093)
Transfer to discontinued operation (for purposes of comparison to 2016)		-	(8,261,268)
Consolidated total (Note 30)		**50,867,511**	**23,598,803**

Information by geographical area relates to:

	At December 31, 2016						
	Colombia	**Brazil (2)**	**Argentina (2)**	**Uruguay (2)**	**Total**	**Eliminations (1)**	**Total**
Retail sales	10,995,818	36,182,414	1,324,595	2,376,064	50,878,891	(11,380)	50,867,511
Trade margin	2,835,933	8,358,848	515,636	832,558	12,542,975	(3,097)	12,539,878
Total recurring expenses	2,240,838	7,167,186	460,880	651,931	10,520,835	(3,096)	10,517,739
ROI	595,095	1,191,662	54,756	180,627	2,022,140	-	2,022,139
Recurring Ebitda	832,750	1,818,334	68,839	188,409	2,908,332	(1)	2,908,331

	At December 31, 2015						
	Colombia	**Brazil (2) (3)**	**Argentina (2)**	**Uruguay (2)**	**Total**	**Eliminations (1)**	**Total**
Retail sales	10,285,199	10,595,904	595,882	2,122,911	23,599,896	(1,093)	23,598,803
Trade margin	2,607,959	2,667,436	236,458	747,304	6,259,157	(739)	6,258,418
Total recurring expenses	2,012,300	2,019,714	192,454	616,796	4,841,264	(739)	4,840,525
ROI	595,659	647,722	44,004	130,508	1,417,893	-	1.417,893
Recurring Ebitda	806,903	827,644	50,980	169,301	1,854,828	-	1,854,828

(1) Refers to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements.

(2) For information presentation purposes, non-operating companies (holding companies that hold interests in the operating companies) are allocated by segments to the geographical area to which the operating companies belong. Should a holding company hold interests in various operating companies, it is allocated to the most significant operating company.

(3) Includes only the Food segment.

Note 46. Financial risk management policy

The Parent's and its subsidiaries' financial instruments are classified according to its nature, features and the purpose for which they have been acquired or issued.

The Parent and its subsidiaries maintain instruments measured at fair value through income, with the purpose of holding them for investment or risk management in the case of derivative financial instruments not classified as cash flow hedge instruments.

The Parent and its subsidiaries use derivative financial instruments just as a positive defense measure against identified risks. Total underlying assets and liabilities under financial instrument contracts are limited to the amount of actual assets and liabilities entailing an underlying risk. The only purpose of transactions with financial derivative instruments is to reduce the exposure to fluctuation of interest rates and foreign exchange rates and maintain a proper structure of the financial position.

At period closing, Company's financial instruments represented:

	December 31, 2016	December 31, 2015	December 31, 2015 (adjusted)
Financial assets			
Cash and cash equivalents	6,117,844	10,068,717	10,068,717
Trade receivables and other accounts receivable	1,754,659	4,150,092	4,166,173
Related parties (1)	48,826	77,580	262,366
Other financial assets, including derivatives	803,984	1,579,696	1,598,801
Financial liabilities			
Related parties (1)	242,714	701,341	726,314
Trade accounts payable	11,577,484	18,402,883	18,630,177
Financial liabilities	7,317,990	10,630,119	10,630,119
Other financial liabilities, including derivatives	2,640,714	1,110,131	1,129,237
Net exposure	**(13,053,589)**	**(14,968,389)**	**(15,019,790)**

(1) Transactions with related parties refer to transactions between the Parent and its subsidiaries and other related parties, and are carried in accordance with market prices and general terms and conditions.

The fair value of other current and non-current financial assets, mentioned in the chart above, represents an approximation to book values pursuant to agreed-upon payment terms.

Other current and non-current financial assets and financial liabilities, measured at amortized cost, are disclosed in Note 13 - Other financial assets and Note 26 - Other financial liabilities.

Considerations of risk factors that might have an effect on Company business

General framework for risk management

At present, comprehensive risk management is carried out at two levels, namely a strategic level management and a tactical level management. The first level is focused on risks affecting compliance with the Parent's and its subsidiaries' strategic pillars, with a vision from the corporation with international scope (towards foreign subsidiaries - Latam); the second level is focused on risks affecting each of the Parent's businesses.

In addition, the identification and prioritization of the trends that most influence the compliance with the Parent's strategic pillars was included in this management strategic level as of 2016. Such management activity is based on international standards and is thought of both from a view point of threats and opportunities, to support decision-making towards achieving the Parent's sustainable growth.

There is a comprehensive risk management policy, with defined roles and responsibilities, a centralized area to lead and support the identification, assessment, management and ongoing monitoring of risks methodology, so as to reflect the reality and changes in market conditions.

Controls have been implemented at all levels, processes and areas of the Parent, through a set of defined policies, principles, regulations, procedures and verification and assessment systems.

Some of the mechanisms put in place to achieve control purposes are:
- The self-control program, which allows a self-assessment of the most critical risks and key controls, carried out half-yearly by process leaders, and a definition of corrective action plans wherever deviations are identified.
- The transparency program is supported by an Ethics Committee that receives, analyzes and decides on information gathered through whistleblower channels, such as the transparency line 018000 52 25 26, etica@grupo-exito.com and an application developed to receive reports.
- Controls and procedures for the prevention and control of money-laundering and the financing of terrorism
- Risk management annual report

Risk management and internal control system reporting bodies:
- At a strategic level: Board of Directors, Audit and Risk Committee, Presidency and Senior Management Committee.
- At a tactical level: Business responsible parties and Risk Internal Committee.
- At an operating level: Process owners through Self-control.

The internal audit, in an independent and objective manner, conducted a risk-based assessment focused on compliance with business goals and on the most significant projects of the Parent, including risk management, control and governance processes.

The Board of Directors, through the Audit and Risk Committee, supervised information and financial reporting processes; risk management comprehensive management; internal control system and architecture, including monitoring of Internal Audit's and Statutory Audit's activities; compliance with rules applicable to the Parent and with the transparency program. Also, transactions among related parties and the resolution of conflicts of interests of senior management and the Board of Directors were submitted to the consideration of the Committee.

Financial risk management

Besides derivative instruments, the most significant of the Parent's and its subsidiaries' financial liabilities include debt, finance leases and interest-bearing loans, trade accounts payable and other accounts payable. The main purpose of such liabilities is financing Parent's operations and maintaining proper levels of working capital and net financial debt.

The most significant of the Parent's and its subsidiaries' financial assets include loans, trade debtors and other accounts receivable, as well as cash and short-term placements directly resulting from routine transactions. The Parent and its subsidiaries also have other investments classified as financial assets measured at fair value, which, according to the business model, have effects on period results or in other comprehensive income. Further, other rights that will be recorded as financial assets may arise from transactions with derivative instruments.

The Parent and its subsidiaries are exposed to market, credit and liquidity risks. Parent's and its subsidiaries' management monitor the manner in which such risks are managed, through the relevant levels of the organization. The scope of the Board of Directors' activities includes a financial committee that supervises such financial risks and the financial risk management corporate framework that is most appropriate to the Parent and its subsidiaries. The financial committee supports Parent's and its subsidiaries' management in that financial risk assumption activities fall within the approved corporate policies and procedures framework, and that such financial risks are identified, measured and managed pursuant to such corporate policies.

Financial risk management related to all transactions with derivative instruments is carried out by teams of specialists with the required capabilities and experience and who are supervised by the organizational structure. Pursuant to the Parent's and its subsidiaries' corporate policies, no transactions with derivative instruments may be carried out solely for speculation.

Should they be applied, the effects of accounting hedge models are taken to income for the period or to other comprehensive income, as the case may be. Generally, hedges are classified as cash flow hedges; they have been documented and comply with all requirements set out by the financial instruments standard. When accounting hedge models are not applied, then derivatives are negotiated on the basis of an underlying element which in fact requires such hedging in accordance with company analyses.

The Board of Directors reviews and agrees on the policies applicable to manage each of these risks, which are summarized below:

a. Credit risk

A credit risk is the risk that a counterpart fail to comply with his obligations taken on under a financial instrument or trade agreement, resulting in financial loss. The Parent and its subsidiaries are exposed to credit risk arising from its operating activities (particularly from trade debtors) and from its financial activities, including deposits in banks and financial institutions and other financial instruments. The book value of financial assets represents the maximum exposure to credit risks.

Cash and cash equivalents

The credit risk arising from balances with banks and financial entities is managed through the Parent's liquidity and capital structure guidelines, and in accordance with corporate policies defined for such purpose. Surplus funds are only invested with counterparties approved by the Board of Directors and within previously established jurisdictions. On an ongoing basis, management reviews the general financial conditions of counterparties, assessing the most significant financial ratios and market ratings.

Trade receivables and other accounts receivable

The credit risk associated with trade receivables is low given that most of the Parent and its subsidiaries sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Parent's and its subsidiaries' exposure to risk. In addition, there are administrative collections departments that permanently monitor ratios, figures, payment behaviors and risk models by each third party. A portion of trade receivables is sold to financial entities; such sale is recognized as derecognition of trade receivables, and the credit risk, benefits and control over such assets is transferred to the mentioned entities.

There are no trade receivables that individually are equivalent to or exceed 5% of accounts receivable or sales, respectively.

Guarantees

The Parent's policy is to provide financial guarantees only to its subsidiaries. At December 31, 2016, the Parent has not issued financial guarantees on behalf with any of its subsidiaries.

Credits receivable

The credit risk related to credits receivable, mainly on credit cards, is deemed to be moderate, considering the target market and the guarantees gathered during the process. Subsidiary Companhia Brasileira de Distribuição – CBD and its subsidiaries have an area specialized in the production and control of such credits and the risk exposure is managed following strict collection processes under management direction. Expected losses related to such receivables are shown net of balances thereof, such balance being the highest potential loss of the financial asset.

b. Market risk

Market risk is the risk that changes in market prices, namely changes in exchange rates, interest rates or stock prices, have a negative effect on the Parent's and its subsidiaries' revenue or on the value of the financial instruments they hold. The purpose of market risk management is to manage and control exposure to this risk within reasonable parameters while optimizing profitability.

Interest rate risk

Interest rate risk is the risk that the fair value of financial assets and liabilities, or the future cash flows of financial instruments, fluctuate due to changes in market interest rates. The Parent's and its subsidiaries'' exposure to the interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of the Parent and its subsidiaries.

Most of the Parent's and its subsidiaries' financial liabilities are indexed to market variable rates. To manage the risk, the Parent and its subsidiaries enter into financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which they agree on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated over an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in exchange rates. The Parent's and its subsidiaries' exposure to exchange rate risk is attached, in the first place, to liability transactions in foreign currency associated with long-term liabilities and with the Parent's and its subsidiaries' operating activities (wherever revenues and expenses are denominated in a currency other than the functional currency), as well as with the Parent's and its subsidiaries' net investments abroad.

The Parent manages its exchange rate risk via derivative financial instruments (namely forwards and swaps) wherever such instruments are efficient to mitigate volatility.

Wherever the nature of the hedge is not economic, the Parent's policy is to negotiate the conditions of derivative instruments in such a way that they correlate with the terms of the underlying elements that are the purpose of the hedge, seeking to maximize the efficacy in the exposure to such variables. Not all financial derivatives are classified as hedging transactions; however, Parent's policy is not to carry out transactions solely for speculation, and consequently even if not classified as hedge accounting, derivative financial instruments are associated to an underlying element and a notional amount that expose the Parent to variations in exchange rates.

Stock price risk

Share capital issued, premium on the issue or placement of shares and all other equity reserves attributable to the shareholders of the controlling entity are included for the purposes of managing the price of Parent stock. The main purpose of managing Parent's equity is to maximize the value to shareholders.

The Parent manages its equity structure and makes the required adjustments as a function of changes in economic conditions and requirements under financial clauses. In order to maintain and adjust its capital structure, the Company may also modify the payment of dividends to shareholders, reimburse capital contributions or issue new shares.

c. Liquidity risk

Liquidity risk is the risk that the Company might face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. The Parent's approach to manage liquidity is to ensure, in as much as possible, that it will always have the liquidity required to meet its obligations at maturity, both under ordinary and stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

The Parent and its subsidiaries manage liquidity risks by monitoring its cash flows and maturities of financial assets and liabilities on a daily basis, and by maintaining proper relations with the relevant financial institutions in each country.

The purpose of the Parent and its subsidiaries is to maintain a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to needs, unused credit lines available from financial institutions and finance leases, among other mechanisms.

The Parent and its subsidiaries have rated the concentration of liquidity risk as low with respect to the possibility of refinancing its debt. Access to financing sources is widely ensured, and debt maturing within twelve months of reporting period closing could be restructured with existing creditors without significant restriction.

Sensitivity analysis for 2016 balances

Based on statistical information, the Parent and its Colombian subsidiaries have assessed potential changes in the interest rates of financial liabilities and other relevant contractual liabilities.

Assuming complete normality and considering 10% variation in interest rates, three scenarios have been assessed:

- Scenario I: Latest interest rates known at the closing of 2016.
- Scenario II: An increase of 0.688% is assumed for Banking Reference Rate (BRR); an increase of 0.0716% is assumed for LIBOR at 30 days, and an increase of 0.12179% is assumed for LIBOR at 90 days. All increases on the latest published interest rate.
- Scenario III: A reduction of 0.688% is assumed for BRR; a reduction of 0.0716% is assumed for LIBOR at 30 days, and a reduction of 0.12179% is assumed for LIBOR at 90 days. All reductions on the latest published interest rate.

The sensitivity analysis did not result in significant variance among the three scenarios and consequently they are unobservable when rounding amounts to millions. Potential changes are as follows:

Transactions	Risk	Balance at December 31, 2016	Market forecast		
			Scenario I	Scenario II	Scenario III
Loans	Changes in interest rates	3,950,126	3,950,083	4,000,059	3,895,740
Finance leases	Changes in interest rates	18,707	18,614	18,773	18,464
Total		**3,968,827**	**3,968,697**	**4,018,832**	**3,914,204**

For subsidiaries in Brazil, the Parent made the assessment under the most likely scenario for risk evaluation using currency and interest market curves of BM&FBovespa on the maturity dates of each transaction. Assessed scenarios are as follows:

- Most likely scenario (I), no impact on the fair value of financial instruments.
- Scenarios (II) and (III), only for sensitivity analysis purposes, 25% and 50% of impairment, respectively, were considered among risk variables of financial assets, up to one year, pursuant to CVM standards.

For the most likely scenario, the weighted exchange rate was defined as $3,168 on maturity date, and the weighted interest rate was 12.35% p.a.

In the case of derivative financial instruments (intended for hedging financial debt), the variations in the scenarios are the purpose of the hedging, which means that the effects are not material. The Parent reports a net exposure of derivative financial instruments and other financial instruments under each of the mentioned scenarios as shown in the sensitivity analysis chart below:

			Market forecast		
Transactions	**Risk (IDC increase)**	**Balance at December 31, 2016**	**Scenario I**	**Scenario II**	**Scenario III**
Fixed interest rate swap (short position)	101.22% of IDC	(115,100)	(167,586)	(172,190)	(176,794)
Exchange of contract currencies (short position)	102.78% of IDC	(1,578,255)	(1,957,625)	(1,988,933)	(2,020,240)
Liabilities	107.00% of IDC	(864,633)	(971,446)	(998,150)	(1,024,853)
Agricultural certificates receivable	97.50% of IDC	(936,456)	(1,047,873)	(1,076,418)	(1,104,042)
Promissory note	108.00% of IDC	(488,025)	(558,006)	(575,501)	(592,076)
Bank credits - CDB	107.25% of IDC	(1,038,665)	(1,181,389)	(1,217,300)	(1,253,212)
Trade lease	100.19% of IDC	(68,139)	(76,427)	(78,268)	(80,110)
Trade lease	95.31% of IDC	(81,031)	(91,159)	(93,922)	(96,684)
Trade lease	100.00% of IDC	(7,366)	(8,287)	(8,287)	(9,208)
Bank credits - Barcelona	108.00% of IDC	(160,220)	(183,240)	(189,685)	(195,210)
Total loans and financing exposure		(5,337,890)	(6,243,038)	(6,398,654)	(6,552,429)
Cash equivalents (*)	98.26% of IDC	4,325,008	4,859,073	4,992,589	5,126,106
Net exposure		(1,012,882)	(1,383,965)	(1,406,065)	(1,426,323)
Net effect - (loss)			(371,083)	(393,183)	(413,441)

(*) Weighted average

d. Insurance policies

At December 31, 2016, the Parent and its subsidiaries have acquired the following insurance policies to mitigate the risks associated with the entire operation:

Insurance lines of coverage	Coverage limits	Coverage
All risk, damages and loss of profits	There is a liability ceiling per each policy	Losses or sudden and unforeseen damage and incidental damage sustained by covered property, directly arising from any event not expressly excluded. Covers buildings, furniture and fixtures, machinery and equipment, goods, electronic equipment, improved facilities, loss of profits and other insured's property.
Freight insurance	There is a ceiling per each coverage	Property and goods owned by the insured, including those on which it has insurable interest.
Third party liability	There is a ceiling per each coverage	Full coverage to address claims and insurance compensation for damages to customers or third parties arising from the risks generated in the regular operation of the business.
Director's and officers' liability insurance	There is a ceiling per each coverage	Covers claims resulting in civil liability arising from wrongful acts or alleged wrongful acts of directors and officers acting in the exercise of their respective functions.
Deception and financial risks	There is a ceiling per each coverage	Coverage: Willful misconduct of employees

Insurance lines of coverage	Coverage limits	Coverage
		Loss inside and outside of property or premises
Group life insurance and accident insurance	The insured amount relates to the number of wages defined by the Company	Death and total and permanent disability arising from natural or accidental death.
Vehicles	There is a ceiling per each coverage	Third party liability Total and partial loss - Damages. Total and partial loss - Theft Earthquake Other coverages as described in the policy

e. Derivative financial instruments

As mentioned above, the Parent and its subsidiaries use derivative financial instruments to hedge risk exposure, with the main purpose of hedging exposure to interest rate risk and exchange rate risk, turning the financial debt into fixed interest rates and domestic exchange rates.

At December 31, 2016, the reference value of these contracts amounted to USD1,412.4 million, EUR55 million and BRL120 million (2015 - USD424.5 million and EUR2.1 million). Such transactions are generally contracted under identical conditions regarding amounts, terms and transaction costs and, preferably, with the same financial institutions, always in compliance with Parent limits and policies.

Pursuant to the Parent's and its subsidiaries' treasury policies, swaps shall not be subject to restriction (caps), or special margins, return clauses, double rates, flexible options or transactions, other than traditional debt hedging swaps, without the prior authorization of Parent's management.

The Parent and its subsidiaries have designed and implemented internal controls to ensure that these transactions are carried out in compliance with previously defined policies.

f. Fair value of derivative financial instruments

The fair value of derivative financial instruments is estimated under the operating cash flow forecast model, using government treasury security curves in each country and discounting them at present value, using market rates for swaps as disclosed by the relevant authorities in such countries.

Swap market values were obtained by applying market exchange rates valid on the date of the interim financial information available, and the rates are forecasted by the market based on currency discount curves. A convention of 365 consecutive days was used to calculate the coupon of foreign currency indexed positions.

Note 47. Non-current assets held for trading and discontinued operations

Cnova N.V.

As part of the reorganization of the e-commerce operations, E-commerce segment, on July 24, 2016 subsidiaries Marneyelectro S.A.R.L. (“Luxco”) and Marneyelectro B.V. (“Dutchco”), were split among Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L. (“CBD Luxco”), Via Varejo Luxembourg Holding S.A.R.L. (“VV Luxco”) and Companhia Brasileira de Distribuição Netherlands Holding B.V. (“CBD Dutchco”), and Via Varejo Netherlands Holding B.V. (“VV Dutchco”) respectively, in such a way that they held the same interest as that previously held by Companhia Brasileira de Distribuição – CBD and Via Varejo S.A. This transaction did not result in changes in share ownership nor had any effects on consolidated financial information.

Subsequently, seeking to concentrate the Non-Food segment in one single entity, a corporate reorganization was carried out as approved by all relevant corporate bodies, with participation of the ultimate controlling entity Casino Guichard Perrachon S.A. and of subsidiaries Companhia Brasileira de Distribuição - CBD, Via Varejo S.A., Cnova N.V. and Cnova Comercio Electronico S.A.

As a result of the transaction, Cnova Comercio Electronico S.A. incorporated Via Varejo Dutchco, a wholly-owned subsidiary of Via Varejo S.A. Then, seeking to eliminate the reciprocal interest of Cnova Comercio Electronico S.A. and Cnova N.V., arising from such incorporation, Cnova Comercio Electronico S.A. received part of Cnova N.V.'s ownership shares by means of a reimbursement of capital. The remaining of shares was repurchased by Cnova Comercio Electronico S.A. This way the share capital of Cnova Comercio Electronico S.A. became solely held by Via Varejo S.A. Pursuant to the terms and conditions of existing loan agreements between Cnova Comercio Electronico S.A. and CNova N.V. (valued at approximately USD 160 million at the closing of September 2016), such event resulted in the obligation of early repayment of such loans, which were in fact paid by Via Varejo S.A. to CNova N.V.

Finally, on October 31, 2016, Cnova Comercio Electronico S.A. became a wholly-owned subsidiary of Via Varejo S.A., which in turn ceased having an interest in Cnova N.V. losing control over this subsidiary and consequently ceasing to consolidate the subsidiaries that represent the foreign e-commerce business.

Pursuant to IFRS 5 – Non-current assets held for trading and discontinued operations, up to October 31, 2016 the Parent shows the net results after taxes of subsidiaries representing the foreign e-commerce segment in one single line in period results, and the balances of assets and liabilities as held for trading and discontinued operations. As of this date, foreign e-commerce activities are accounted for using the equity method, given the significant influence of the Parent. Financial information at December 31, 2016 was restated under the same concept, for comparison purposes.

Below is the financial position of Cnova N.V., excluding Cnova Comercio Electronico S.A. and Cdiscount Colombia S.A.S. before elimination of related parties' balances with Cnova Comercio Electronico S.A., representing assets and liabilities that started to be controlled by Casino Guichard Perrachon S.A.:

	October 31, 2016
Assets	
Current assets	
Cash and cash equivalents	578,667
Trade receivables and other accounts receivable	340,719
Inventories	849,899
Other assets	111,161
Total current assets	**1,880,446**
Non-current assets	
Deferred tax assets	35,885
Accounts receivable from related parties and associated companies	491,053
Trade receivables and other accounts receivable	13,221
Property, plant and equipment	43,439
Intangible assets other than goodwill	399,453
Total non-current assets	**983,051**
Total assets	**2,863,497**
Liabilities	
Current liabilities	
Trade payables and other accounts payable	1,244,966
Accounts payable to related parties and associated companies	1,227,633
Other liabilities	342,643
Total current liabilities	**2,815,242**
Non-current liabilities	
Other provisions	49,105
Trade payables and other accounts payable	16,054
Total non-current liabilities	**65,159**
Total liabilities	**2,880,401**

Via Varejo S.A.

On November 23, 2016, the Board of Directors of Companhia Brasileira de Distribuição – CBD approved that the Administration Board started the process to sell the interest in Via Varejo S.A. in line with its long-term strategy of focusing on the development of the food segment.

Pursuant to IFRS 5 - Non-current assets held for trading and discontinued operations, the Parent is of the opinion that given the effort applied, the sale is highly likely, which involves the presentation of Via Varejo S.A.'s (and its subsidiary Cnova Comercio Electronico S.A.'s) net results after taxes in one single line in the statement of income and the balances of assets and liabilities as held for trading and discontinued operations. Financial information at December 31, 2015 was restated under the same concept, for comparison purposes. Under IFRS 5 there is no material effect on cash flows.

The amount of assets and liabilities held for trading at December 31, 2016, is $19,192,006 and $14.600,494, respectively. The net result of discontinued operations is $575,317 at December 31, 2016 and $(275,059) at December 31, 2015, including the results of Cnova N.V.'s discontinued operation.

The investment in Via Varejo S.A. must be recognized at the lower of the book value of net assets and the fair value less selling costs. Calculations have shown that the fair value less selling costs is higher than Via Varejo S.A.'s carrying amounts, based on the weighing of various valuation methods, including; (i) multiple of P/E (Price/Earnings), taking into consideration listed Brazilian companies with operations in the same segment as Via Varejo S.A., (ii) discounted cash flows prepared by external advisors, under the assumption of 15.7% discount rate and perpetual growth of 5.5%, (iii) average of premium paid on share price prior to announcement of the acquisition of listed companies, and (iv) objective share prices of financial analysts. For all methods described above, the book value falls within the valuation reasonable interval, so the valuation is not highly sensitive to changes in method assumptions.

Subsidiary Via Varejo S.A. shares are listed on the BM&FBovespa, with code "VVAR11" and "VVAR3".

Below is the financial position and summarized cash flow of Via Varejo S.A., including the effects of the placement of purchase price on the acquisitions of Globex and Casa Bahía Ltda. and expenses directly related with discontinued operations:

Cash Flows:

Net cash flows (used in) operating activities	(2,314,086)
Net cash flows from (used in) investment activities	(208,057)
Net cash flows from financing activities	179,334
Net development of cash and cash equivalents	**(2,342,809)**

Statement of financial position:

	December 31, 2016
Assets	
Current assets	
Cash and cash equivalents	3,710,833
Trade receivables and other accounts receivable	2,561,672
Inventories	2,812,130
Other assets	648,245
Total current assets	**9,732,880**
Non-current assets	
Trade receivables and other accounts receivable	2,885,794
Deferred tax assets	266,112
Accounts receivable from related parties and associated companies	410,678
Investments accounted for using the equity method	132,596
Property, plant and equipment	1,427,243
Intangible assets other than goodwill	3,839,745
Total non-current assets	**8,962,168**
Total assets	**18,695,048**
Liabilities	
Current liabilities	
Trade payables and other accounts payable	7,675,806
Financial liabilities	3,252,273
Accounts payable to related parties and associated companies	164,824
Total current liabilities	**11,092,903**
Non-current liabilities	
Financial liabilities	374,766
Deferred tax liabilities	781,761
Trade payables and other accounts payable	2,144,548
Total non-current liabilities	**3,301,075**
Total liabilities	**14,393,978**

The balance of non-current assets held for trading, included in the statement of financial position at December 31, 2016, is as follows:

Assets of Via Varejo S.A.	18,695,048
Add: adjustments from the purchase price allocation process	461,049
Total assets of Via Varejo S.A.	19,156,097
Adjustment to the goodwill allocated to the discontinued operation Via Varejo S.A.	(733,915)
Other (1)	7,605
Total	**18,429,787**

(1) In December 2015, the Board of Libertad S.A. decided to classify the construction of the "Parana" store as an asset held for trading. It is expected that the sale will be completed within 12 months in an amount significantly higher than the book value of the asset.

The balance of non-current liabilities held for trading, included in the statement of financial position at December 31, 2016, is as follows:

Liabilities of Via Varejo S.A.	14,393,978
Add: adjustments from the purchase price allocation process	198,229
Total	**14,592,207**

Below is the result of Via Varejo S.A.'s and Cnova N.V.'s discontinued operations:

Statement of income:

	Via Varejo S.A.		Cnova N.V.	
	December 31, 2016	**December 31, 2015**	**December 31, 2016**	**December 31, 2015**
Revenue from ordinary activities	20,360,619	6,959,472	4,818,832	2,315,270
Cost of sales	(14,228,643)	(5,312,694)	(4,348,864)	(2,098,324)
Gross profit	**6,131,976**	**1,646,778**	**469,968**	**216,946**
Distribution, administration and sales expenses	(5,340,130)	(1,570,412)	(451,011)	(182,293)
Depreciation and amortization	(181,721)	(61,758)	(55,306)	(22,514)
Participation in the gains (losses) of affiliated companies and joint ventures that are accounted for using the equity method	26,336	8,613	(8,779)	-
Other net revenue and expenses	(341,494)	(135,333)	(52,519)	(75,526)
Gains (loss) before financial results	**294,967**	**(112,112)**	**(97,647)**	**(63,387)**
Net financial result	(939,329)	(306,810)	(7,655)	(8,638)
(Loss) before taxes	**(644,362)**	**(418,922)**	**(105,302)**	**(72,025)**
Tax revenue (expense)	(24,581)	18,071	(21,065)	(41,310)
(Loss) after taxes	**(668,943)**	**(400,851)**	**(126,367)**	**(113,335)**
Adjustments from the purchase price allocation process	12,816	134,274	15,239	104,853
Expenses directed related with discontinued operations allocated to the food segment	(43,016)	-	(24,581)	-
Adjusted (loss) gain	**(699,143)**	**(266,577)**	**(135,708)**	**(8,482)**
Profit (loss) attributable to				
the owners of the controlling entity	(56,700)	(19,621)	(298)	405
Non-controlling interests	(642,443)	(246,956)	(135,410)	(8,887)

The effect on income is as follows:

	December 31, 2016	**December 31, 2015**
Via Varejo S.A. net (loss)	(699,143)	(266,577)
Cnova N.V. net (loss)	(135,708)	(8,482)
Net (loss) from discontinued operations	**(834,851)**	**(275,059)**

Note 48. Relevant facts

At December 31, 2016

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

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

Final agreement with Fondo Inmobiliario Colombia ("FIC")

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

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

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

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

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

Issue of trade papers by Companhia Brasileira de Distribuição - CBD

On October 5, 2016, Companhia Brasileira de Distribuição - CBD approved the thirteenth issue of non-convertible trade papers. Resources raised will be solely devoted to the purchase of agricultural products such as fruits, vegetables, dairy products, poultry and other animal proteins directly from rural producers and/or rural cooperatives.

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

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

Approval of Via Varejo S.A. business reorganization

During the General Meeting held on September 12, 2016, minority shareholders of Via Varejo S.A., holders of common and preferred shares, approved the proposal of company reorganization to merge the e-commerce business operated by Cnova Comercio Electronico S.A. into the business of Via Varejo S.A., pursuant to the recommendation of the special committee appointed by Via Varejo S.A.'s board of directors.

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

The business reorganization approved on April 27, 2016 was fully merged in August 2016. Xantocarpa Participações Ltda. was terminated by Sendas Distribuidora S.A. as result of such merger. No effects resulted on the Company's consolidated financial statements as result of this final reorganization.

Issue of trade papers by subsidiary Companhia Brasileira de Distribuição - CBD

During a meeting held on July 14, 2016, the Board of Directors approved the collecting of $455,155 (R $500 million) via the second public issue of trade papers. Their main purpose of this issue is reinforcing working capital.

Incorporation of Viva Malls

The Patrimonio Autónomo Viva Malls was incorporated by means of public deed 679 granted on July 15, 2016 before the Notary 31 of Medellín; it is a real estate vehicle, intended for developing the Parent's real estate projects. The incorporation was completed with the contribution of 5 shopping malls, namely Puerta del Norte, Viva Buenaventura, Viva Wajiira, Viva Laureles and Viva Palmas, and of 8 commercial galleries, namely Éxito Cartagena, Éxito Colombia, Éxito Country, Éxito La 33, Éxito La Flora, Éxito Occidente, Éxito Pasto and Éxito San Antonio. This real estate vehicle is 100% owned by the Parent.

Memorandum of understanding on the business reorganization of Via Varejo S.A.

On May 12, 2016, Via Varejo S.A. executed a non-binding memorandum of understanding with Cnova N.V. regarding the business reorganization that involves Cnova Comercio Electronico S.A. and Via Varejo S.A.

Following the approval by the interested parties, Vía Varejo Dutcho will be merged into Cnova Comercio Electronico S.A. In addition, seeking to eliminate the reciprocal participation of Cnova Comercio Electronico S.A. and Cnova N.V. resulting from the merger, Cnova Comercio Electronico S.A. will receive part of the shares of ownership of Cnova N.V. through a capital reimbursement transaction. The remaining portion will be repurchased by Cnova Comercio Electronico S.A. in such a way that the capital stock of Cnova Comercio Electronico S.A. will be solely held by Via Varejo S.A.

With the completion of such transaction Cnova Comercio Electronico S.A. will become a whole subsidiary of Via Varejo S.A., which in turn will cease having an interest in CNova N.V. As a result, Companhia Brasileira de Distribuição - CBD will cease holding a voting majority in Cnova N.V. thus losing control over this subsidiary and ceasing the consolidation of subsidiaries that represent the foreign e-commerce segment.

Reopening of Almacén Éxito Las Flores in Valledupar.

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

Dividend distribution at Companhia Brasileira de Distribuição - CBD

During the Extraordinary General Meeting of Shareholders held on April 27, 2016, the shareholders approved the proposal to distribute the dividends relevant to the period ended December 31, 2015, in amount of $98,969, which includes earlier dividends already declared.

Exception made of quarterly advances paid during 2015, the subsidiary will pay within 60 days as of April 27, 2016 the amount of $3,327 relevant to the outstanding installment of dividends for 2015. As of April 28, 2016, the shares will be negotiated without right to dividends until the date of payment thereof, which will be timely announced

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

On April 27, 2016 the Extraordinary General Meeting of Shareholders approved the merger of the net assets of Sendas Distribuidora S.A. Such reorganization was preceded by the following corporate acts: (i) Redemption of the shares of subsidiary Barcelona retained by subsidiary Novasoc Comercial Ltda; (ii) merger approved on the same date, of total net assets of subsidiary Barcelona Comercio Varejista a Atacadista S.A. into Sendas Distribuidora S.A.; Barcelona was consequently liquidated; and (iii) splitting of part of the net assets of Sendas Distribuidora S.A., also approved on the same date at this subsidiary. The purpose of this reorganization is to simplify the corporate structure, and will be effective with the balances of these entities at April 30, 2016. The reorganization did not have any effects on this subsidiary's consolidated half-yearly information.

Revolving trench disbursement

A disbursement in amount of $100,000 was made in April 2016, as part of the revolving trench under the peso credit contract executed in July 2015.

Termination of a shareholders' agreement

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

Appointment of the Statutory Auditor

On March 30, 2016, the Parent's General Meeting of Shareholders approved the proposal to retain Ernst & Young Audit S.A.S. as the Parent's and its Colombian subsidiaries' Statutory Auditor for the period 2016 to 2017.

Appointment of new members of the Board of Directors.

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

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

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

General Meeting of Shareholders

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

Service of notice by Comissão de Valores Mobiliários do Brasil - CVM

On February 18, 2016, subsidiary Via Varejo was serviced notice by Comissão de Valores Mobiliários do Brasil - CVM, presenting the understanding of the Company Relation Department - SEP, regarding certain accounting entries related with corporate transactions at the level of Via Varejo S.A. in 2013; in addition, Companhia Brasileira de Distribuição – CBD received notice from CVM that discloses SEP's understanding regarding an accounting entry received by Via Varejo S.A..

CVM notified its understanding, which differs from that of Via Varejo S.A. in 2013 regarding (a) the revaluation of the interest previously held in the sale of the interest of Nova PontoCom to Companhia Brasileira de Distribuição – CBD (such transaction has no effect on the consolidated financial statements); and (b) the accounting treatment of the acquisition of control of Movéis Bartira, arising from the acquisition of an additional 75% interest. Regarding Companhia Brasileira de Distribuição – CBD, the CVM notified its understanding in relation with the above-mentioned subsection (b).

Companhia Brasileira de Distribuição – CBD and its subsidiary Via Varejo S.A. intend to file an appeal before the CVM requesting a suspensive effect in the terms of Deliberation CVM 463.

Cnova class action

In January 2016, certain shareholders of Cnova N.V., some of its officers and directors, and the subscribers of its initial public offer, filed three class action lawsuits against Cnova N.V., on the grounds of alleged infringement of the U.S. Securities Act. Two cases were brought before the District Court of the United States of America, South District of New York, and one before the Supreme Court of the State of New York. The action before the courts of the State of New York was withdrawn from the District Court of the United States of America. Cnova N.V. has stated its belief that the allegations of the plaintiffs lack foundation, and intends to advocate vigorously for its rights.

Such claims undergo preliminary stages and as of the date of this report the outcome cannot be reliably measured. Cnova N.V. has stated its belief that the allegations of the plaintiffs lack foundation, and intends to advocate vigorously for its rights, with the support of specialized American law firms. Neither Companhia Brasileira de Distribuição - CBD nor Vía Varejo S.A. are parties to these claims.

Request for arbitration filed by Morzan

On January 27, 2016, the International Court of Arbitration - ICA issued an addendum to its decision wherein it (i) declared that the request filed by Companhia Brasileira de Distribuição – CBD and Wilkes is inadmissible; (ii) partially accepted the request filed by CBD and Wilkes to correct the estimation of fees and expenses payable to Morzan, with a reduction of USD 225,000; and (iii) partially accepted the request filed by Morzan to correct the estimation of fees and expenses payable to Morzan, with an increase of USD 30,000.

The amount initially recognized for this lawsuit was $156,805, taken to current liabilities at the closing of December 31, 2015, under the line item "other accounts payable". On April 1, 2016, the liability updated by the indexes defined by the ICC was $194,990, including legal expenses, and was fully paid on that date.

Investigation against Cnova N.V.

As announced by Companhia Brasileira de Distribuição – CBD and its subsidiary Cnova N.V, on November 18, 2015 certain law firms opened an investigation on the grounds of inventory management practices. Other matters have been included in the investigation, related with accounting topics as timely announced to the market.

During the first half of 2016 and as part of the investigation, other topics were included related with accounting issues regarding "suppliers" and "other accounts receivable", which were announced to the market on January 12, 2016.

With the support of a firm of lawyers, Cnova N.V. management conducted a physical count of inventories at December 31, 2015, including the seven distribution centers located in Brazil. The results of the physical count did not show significant discrepancies in the expected number of new products in stock. However, inconsistencies were identified regarding the appraisal of damaged and/or returned products, which resulted in recognition of a further defective product provision. Also, some inconsistencies were identified mainly related with accounts payable. Likewise, an overestimation of net sales and accounts receivable was identified during the review of net sales, regarding unrecorded returns of goods sold. All financial information for 2015 was adjusted retrospectively, regarding the effects of the investigation.

These adjustments are under review to be included in the current purchase price allocation process relevant to this transaction.

Revolving trench disbursement

A disbursement in amount of $400,000 was made on January 5, 2016, as part of the revolving trench under the peso contract executed in July 2015.

At December 31, 2015

Merger of subsidiaries

a. Sé Supermercado Ltda.

   The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Sé Supermercados Ltda. into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits.

   Since it is the merger of a globally consolidated subsidiary, there is no effect on the consolidated financial statements.

b. Nova Holding

   The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Nova Holding into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits and in the optimization of the structure of the entrepreneurial group.

   Since it is the merger of a globally consolidated subsidiary, there is no effect on the consolidated financial statements.

Investigation on Cnova N.V.

As announced by Companhia Brasileira de Distribuição – CBD and its subsidiary Cnova N.V, on November 18, 2015, certain law firms opened an investigation on the grounds of inventory management practices. Other matters have been included in the investigation, related with accounting topics as timely announced to the market.

The effects of the investigation related to prior years represent 45% of the total effect registered in 2015; they have been assessed and defined as immaterial by the management of Companhia Brasileira de Distribuição – CBD taking into consideration the effect on each item of the financial statements, as well as on the overall financial statements. Such conclusion was reached by the Management of Companhia Brasileira de Distribuição – CBD after analyzing quantitative and qualitative aspects of the subject matter.

In preparing the financial statements for the period ended December 31, 2015, Companhia Brasileira de Distribuição – CBD takes all information available into consideration and does not believe that the new information on the investigation by law firms will have a significant effect or lead to a change in the adjustments recognized.

In allocating the purchase price of the interest in Companhia Brasileira de Distribuição – CBD, the Group recognized in equity the amount of $114,640 as an adjustment of the measurement period.

Action seeking protection of fundamental rights ("acción de tutela") arising from the investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

Notice of the final decision for the Parent, under the appeal of the acción de tutela proceedings brought by a Parent's minority shareholder was served on December 10, 2015. The appeal court found that there was no violation of the fundamental rights of said shareholder.

Request for arbitration filed by Morzan

On August 14, 2015, Companhia Brasileira de Distribuição – CBD and its controlling shareholder Wilkes were ordered by the International Court of Arbitration - ICA to jointly pay an indemnification to Morzan Empreendimentos e Participações Ltda. ("Morzan") on the grounds that both companies failed to comply with the terms of the purchase-sale agreement executed by subsidiary Mandala Empreendimentos e Participações SA on June 8, 2009 (the "Agreement") for the acquisition of 86,962,965 nominative ordinary shares, with no par value, representing at that time 70.2421% of the total and voting capital of Globex Utilidades SA (currently Via Varejo SA).

On November 17, 2015, Companhia Brasileira de Distribuição – CBD filed a request before the Paris Appeal Court to demand suspension of the arbitration award. Companhia Brasileira de Distribuição – CBD has a term until April 2016 to submit the reasons supporting its request.

Changes in administrative structure

On September 1, 2015, the Parent's Board appointed Mr. Carlos Mario Díez Gómez, who occupied the position of Retail Vice-President, as Chief Operating Officer of the Retail operation in Colombia; the creation of the International Business Vice-President position, to be occupied by Mr. José Gabriel Loaiza Herrera, who was formerly the Commercial and Supply Vice-President; and finally, appointed the following Vice-Presidents: Jacky Yanovich Mizrachi, as Sales and Operations Vice-President, Carlos Ariel Gómez Gutierrez, as Commercial Vice-President-, Martín Nova, as Marketing Vice-President and Camilo Gallego as Service Vice-President.

Investments in Companhia Brasileira de Distribuição - CBD, and Libertad S.A.

In compliance with the share sale-purchase agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição - CBD, a company with domicile in Brazil, in amount of USD 1,536, and 100% of the shares of Libertad S.A., a company domiciled in Argentina, at a value of USD 293 million.

Funding of investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

a. Peso credit facility agreement.

A peso credit facility agreement was entered into on July 29, 2015, by means of which certain Colombian financial institutions granted the Parent a credit facility for up to $3,500,000 (three trillion five hundred billion Colombian pesos). Fiduciaria Bancolombia S.A. was appointed as general partner to the contract.

An amendment to said agreement was executed on December 21, 2015, including the main following changes to borrowing terms and conditions:

(i) Amendment to borrowing amounts as per the following detail:

	Total contract value	**Amount disbursed under initial conditions**	**Amount disbursed under current conditions**
10-year long-term loan in millions of pesos	$2,000,000	$1,850,000	$1,850,000
18-month short-term loan in millions of pesos	$1,000,000	$1,000,000	-
5-year medium-term loan in millions of pesos	-	-	$838,000
Revolving credit in millions of pesos with a term of 12 months, renewable	$500,000	$400,000	$400,000
Total	**$3,500,000**	**$3,250,000**	**$3,088,000**
Bridge loan in millions of US Dollars (18 months)	USD400	USD400	-
Syndicated loan in millions of US Dollars (3 years)	-	-	USD450
Total in USD	**USD400**	**USD400**	**USD450**

(ii) The extension of the weighted average term of repayment from 3.4 to 4.3 years, resulting from:

- Partial payment of the 18-month Short-Term Trench of the Peso Credit Facility agreement.
- The extension of the remaining Short-Term Trench of the Peso Credit Facility, from 18 months to 5 years (now the "Medium-Term Trench").

Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Parent in favor of creditors.

b. US Dollar credit facility agreement

A US Dollar credit facility agreement was entered into with Citibank N.A. on July 29, 2015 granting a credit facility available in amount of USD 400,000,000, which was fully disbursed on August 20, 2015.

The bridge loan was repaid and the agreement terminated on December 21, 2015, and instead a three-year syndicated credit facility agreement in US Dollars was entered into with Citigroup Global Markets INC., Banco Santander S.A., BNP Paribas Securities Corp., Credit Agricole Corporate and Investment Bank, J.P. Morgan Securities LLC., The Bank of Nova Scotia, and The Bank of Tokio-Mitsuibishi UFJ, LTD., granting a credit facility available in amount of USD 450,000,000, which was fully disbursed. Citibank N.A. was appointed as general partner to the contract.

Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Parent in favor of creditors.

Approval of the acquisition of shares of Compañía de Financiamiento Tuya S.A.

On July 1, 2015, the Parent and its subsidiary Almacenes Éxito Inversiones S.A.S. entered into a share sales-purchase agreement with Bancolombia S.A., Fundación Bancolombia and Fondo de Empleados del Grupo Bancolombia, by means of which they will acquire 50% of the outstanding shares of Compañía de Financiamiento Tuya S.A. ("Tuya"), company through which an alliance has been developed over a decade between Bancolombia and the Parent for the promotion of consumer lending on products such as Éxito Credit Card, among others.

Formalization of the contract was conditional, among others, upon the approval by the Colombian Financial Superintendence, which was granted on December 30, 2015. Once all other authorizations required are obtained and paperwork is finalized, the parties will proceed to fulfil their obligations.

Damage to Almacén Éxito Las Flores in Valledupar.

As a consequence of an act of nature, on June 23, 2015 the premises of Almacén Éxito Las Flores in Valledupar were damaged and technical studies concluded that it was necessary to rebuild the store.

At present, the Parent is in the process of providing the insurance company with supporting evidence of damages.

This store is expected to reopen during the first half of 2016.

Appointment of new members of the Board of Directors.

Due to the death of Mr. Nicanor Restrepo Santamaría, the Board of Directors and the CEO of the Parent called an extraordinary General Meeting of Shareholders to appoint the new members of the Board for the remaining of the period until 2016.

On June 11, 2015, the Parent's General Meeting of Shareholders confirmed the appointment of 8 of the 9 members of the Parent's Board elected during the ordinary meeting held in March 2014, and as new member appointed Luis Fernando Alarcón Mantilla, who was also appointed as Chairman.

Acquisition of control of Grupo Disco del Uruguay S.A. through Spice Investments Mercosur S.A.

On April 27, 2015, the Parent entered into a Shareholders Agreement relevant to Grupo Disco Uruguay S.A. (GDU), with a two-year term, which granted to it the voting rights of more than 75% of such company and involved the effective control and global consolidation of the financial statements.

Previously, in September 2011, the Parent had acquired a share interest of 62.49% in this company under a situation of joint control arising from the capital structure and the various types of shares, which was accounted for using the equity method until December 31, 2014.

The valuation method used to measure the fair value of the previous interest in GDU was based on the discounted cash flow method.

The Company recognized a profit of $29,681 arising from the measurement at fair value of the 62.49% interest held in GDU prior to the business combination, for the period ended December 31, 2015.

The non-controlling interest in GDU was measured at fair value.

Purchase option on establishments under the Super Inter banner.

On April 15, 2015, the Parent exercised the option to acquire 29 trade establishment under the Súper Inter banner and the intellectual property rights associated to the Súper Inter trademark, title to which was vested in Comercializadora Giraldo Gómez ("Comercializadora"), pursuant to the purchase option agreement executed on February 8, 2014.

The Parent thus acquired ownership of the trade establishments it had been operating since October 2014 under an operation agreement, as well as the trade name, trademarks, slogans and other intellectual property elements associated to the Súper Inter trademark, which right to use had been obtained under a license agreement. Consequently, the operation agreement and the license agreement were terminated, including obligations imposed by such agreements on each of the parties.

Such transaction is completed upon compliance with the requirements of the Superintendence of Industry and Trade to carry out the integration operation, which included the obligation to sell to a competitor 4 out of the 50 trade establishments originally included in the transaction, that is, the sale of 2 out of 19 establishments that were the purpose of the sale-purchase agreement and of 2 of 31 establishments that were the purpose of the operation agreement.

Acquisition of 100% of Lanin S.A.

On February 26, 2015 Larenco S.A., a subsidiary domiciled in Uruguay, acquired an additional share interest of 3.18% represented in 98,287 shares of Lanin S.A., owner of Devoto stores in that country.

Such acquisition resulted from the exercise of seller shareholders' right to sell, and consolidated the Parent's 100% interest in Lanin S.A., through Spice Investment Mercosur S.A., owner of 7.37% and Larenco S.A. that consolidates a 92.63% interest.

Agreement on the sale of trade establishments entered into by and between Almacenes Éxito S.A. and Caja de Compensación Familiar - CAFAM

On February 23, 2015, the Parent entered into a trade establishments sales agreement with Caja de Compensación Familiar - CAFAM, which main purpose was: (i) the sale by Cafam to the Parent of the stores owned by Cafam and operated by the Parent; (ii) the sale by the Parent to Cafam of the drugstores owned by the Parent and operated by Cafam; (iii) the sale by the Parent to Cafam of Carulla drugstores owned by the Parent, and (vi) the termination of the Cooperation Agreement executed on September 23, 2010 setting out each of the parties' obligation to pay to the other a share of the monthly net sales of the stores and drugstores.

Note 49. Events subsequent to the reporting period

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

Free Translation

Separated financial statements

at December 31, 2016 and 2015

FREE TRANSLATION

Almacenes Éxito S.A.

Separate financial statements

At December 31, 2016 and 2015

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Statutory Auditor's Report

To the Shareholders of:
Almacenes Exito S.A.

Report on the Financial Statements

I have audited the accompanying financial statements of Almacenes Exito S.A., which comprise the statement of financial position at December 31, 2016 and the corresponding statements of Income, comprehensive income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes.

Management Responsibilities in Regard to the Financial Statements

The Company's management is responsible for the preparation and fair presentation of the financial statements, in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia; of designing, implementing, and maintaining the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; of selecting and applying appropriate accounting policies; and of establishing accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have performed my audit in accordance with international auditing standards accepted in Colombia. These standards require that an audit comply ethical requirements, planed and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes developing procedures to obtain audit evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment including the assessment of the risk of material misstatements in the financial statements. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not in order to express an opinion on the effectiveness of the company's internal control. An audit also includes an evaluation of the accounting policies adopted and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained provides a reasonable basis to issue my audit opinion.

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Opinion

In my opinion, the accompanying financial statements, taken from the accounting records, present fairly, in all material respects, the Company's financial position at December 31, 2016, the results of its operations and the cash flows for the year then ended, in conformity with the Accounting and Financial Information Standards accepted in Colombia.

Other Matters

The financial statements in accordance with the Accounting and Financial Information Standards (NCIF) accepted in Colombia of Almacenes Exito S.A. for the year ended December 31, 2015, which are a part of the comparative information, were audited by me, in accordance with international auditing standards accepted in Colombia, I issued unqualified opinion on February 29, 2016.

Other Legal and Regulatory Requirements

Based on the scope of my audit, I am not aware of situations indicating that the Company has not complied with the following obligations: 1) kept minute books, partners' register and the accounting records in accordance with legal requirements and accounting technique; 2) carried out its operations in accordance with the by-laws and the decisions of the Partners' Board, and the rules related with the integral social security system; 3) retained correspondence and the accounting vouchers; and, 4) adopted internal control measures for the maintenance and custody of the Company's assets and those of third parties held by it. Additionally, there is agreement between the accompanying financial statements and the accounting information included in the management report prepared by the Company's administration, which includes Management representation on the free circulation of invoices with endorsement issued by vendors or suppliers.

My recommendations on internal control and other matters have been communicated to management in a separate report.

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Designated by Ernst & Young Audit S.A.S. TR-530

Medellín, Colombia
February 27, 2017

Almacenes Éxito S.A.
Certification by the Company's Legal Representative and Head Accountant

Envigado, February 27, 2017

To the Shareholders of
Almacenes Éxito S.A.

We, the undersigned legal representative and head accountant of Almacenes Éxito S.A., each of us duly empowered, do hereby certify that the separate financial statements of the Company, at December 31, 2016 and at December 31, 2015, have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the Company's separate financial statements do exist and all transactions included in such separate financial statements have been carried out during the years ended on such dates.

2. All economic events achieved by the Company during the years ended December 31, 2016 and December 3, 2015, have been recognized in the financial statements.

3. Assets represent likely future economic benefits (rights) and liabilities represent likely future economic sacrifice (obligations) obtained by or in charge of the Company at December 31, 2016 and December 31, 2015.

4. All items have been recognized at proper values.

5. All economic events having an impact on the Company have been properly classified, described and disclosed in the separate financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned legal representative of Almacenes Éxito S.A., does hereby certify that the separate financial statements and the operations of the Company at December 31, 2016 and December 31, 2015, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

I do certify the above assertion pursuant to section 46 of Law 964 of 2005.

Original signed

Carlos Mario Giraldo Moreno
Legal Representative

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.
Separate statements of financial position
At December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2016	December 31, 2015 (1)
Current assets			
Cash and cash equivalents	6	1,098,825	810,647
Trade receivables and other accounts receivable	7	223,766	217,742
Prepaid expenses	8	16,728	18,008
Accounts receivable from related parties	9	74,589	71,887
Inventories	10	1,077,659	1,144,117
Tax assets	22	191,457	133,373
Other financial assets	11	12,252	67,027
Total current assets		**2,695,276**	**2,462,801**
Non-current assets			
Property, plant and equipment, net	12	2,706,058	2,961,052
Investment property, net	13	103,005	96,442
Goodwill	14	1,453,077	1,453,077
Intangible assets other than goodwill, net	15	174,413	140,115
Investments accounted for using the equity method, net	16	8,207,810	7,900,651
Trade receivables and other accounts receivable	7	21,546	19,709
Prepaid expenses	8	12,638	12,996
Accounts receivable from related parties	9	2,045	-
Other financial assets	11	73,842	138,177
Other non-financial assets		398	398
Total non-current assets		**12,754,832**	**12,722,617**
Total assets		**15,450,108**	**15,185,418**
Current liabilities			
Financial liabilities	18	469,362	529,710
Employee benefit provisions	19	3,267	4,103
Other provisions	20	23,801	71,503
Trade payables and other accounts payable	21	2,968,222	2,504,879
Accounts payable to related parties	9	182,987	157,619
Tax liabilities	22	44,302	48,988
Other financial liabilities	23	87,457	48,091
Other non-financial liabilities	24	151,277	99,255
Total current liabilities		**3,930,675**	**3,464,148**
Non-current liabilities			
Financial liabilities	18	3,499,454	3,911,747
Employee benefit provisions	19	26,762	32,257
Other provisions	20	23,093	8,520
Deferred tax liabilities	22	201,049	190,776
Other non-financial liabilities	24	47,388	49,488
Total non-current liabilities		**3,797,746**	**4,192,788**
Total liabilities		**7,728,421**	**7,656,936**
Shareholders' equity, see attached statement		**7,721,687**	**7,528,482**
Total liabilities and shareholders' equity		**15,450,108**	**15,185,418**

(1) Some minor amounts in accounts payable, other provisions, other financial liabilities, other non-financial liabilities and inventories have been reclassified in these financial statements for comparison with 2016.

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

Original signed
Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Original signed
Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed
Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 27, 2017)

Almacenes Éxito S.A.
Separate statements of income
For the years ended December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	Notes	December 31, 2016	December 31, 2015 (1)
Continuing operations			
Revenue from ordinary activities	27	11,266,801	10,535,419
Cost of sales	10	(8,557,793)	(7,996,657)
Gross profit		**2,709,008**	**2,538,762**
Distribution expenses	28	(1,162,314)	(1,070,597)
Administration and sales expenses	28	(155,050)	(147,378)
Employee benefit expenses	29	(891,550)	(785,763)
Other operating revenue	30	29,130	64,344
Other operating expenses	30	(67,549)	(121,973)
Other profits, net	30	7,791	58,544
Profit from operating activities		**469,466**	**535,939**
Financial revenue	31	243,993	916,625
Financial expenses	31	(703,703)	(793,402)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method	32	106,441	144,415
Profit before income tax from continuing operations		**116,197**	**803,577**
Tax expense	22	(72,669)	(230,082)
Net period earnings from continuing operations		**43,528**	**573,495**
Earnings per share (*)			
Earnings per basic share (*):			
Earnings per basic share from continuing operations	33	97.25	1,281.26
Earnings per diluted share (*):			
Diluted earnings per share from continuing operations	33	97.25	1,281.26

(1) Certain minor reclassifications were included in these financial statements for comparison to 2016.

(*) Amounts expressed in Colombian pesos.

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

Original signed
Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Original signed
Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed
Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 27, 2017)

Almacenes Éxito S.A.
Separate statements of comprehensive income
For the years ended December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	December 31, 2016	December 31, 2015
Net period profit	**43,528**	**573,495**
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results, net of taxes		
Gain (loss) from new measurements of defined benefit plans	(2,107)	835
Total other comprehensive income that will not be reclassified to period net of taxes	**(2,107)**	**835**
Components of other comprehensive income that will be reclassified to period results, net of taxes		
Gain (loss) from translation exchange differences	510,769	(448,498)
(Loss) gain from investment hedging in foreign businesses	(169)	169
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results.	15,113	(3,972)
Total other comprehensive income that will be reclassified to period results, net of taxes	**525,713**	**(452,301)**
Total other comprehensive income	**523,606**	**(451,466)**
Total comprehensive income	**567,134**	**122,029**
Earnings per share (*)		
Earnings per basic share (*):		
Earnings per basic share from continuing operations	1,267.04	272.63
Earnings per diluted share (*):		
Diluted earnings per share from continuing operations	1,267.04	272.63

(*) Amounts expressed in Colombian pesos.

Original signed

Carlos Mario Giraldo Moreno
Legal Representative
(See attached certificate)

Original signed

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T
(See attached certificate)

Original signed

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See report attached, dated February 27, 2017)

Almacenes Éxito S.A.
Separate statements of cash flows
For the years ended December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	December 31, 2016	December 31, 2015
Cash flows from operating activities		
Net period profit	**43,528**	**573,495**
Period profit reconciliation adjustments		
Income tax	72,669	230,082
Financial costs	361,784	117,789
Financial revenue	(13,221)	(39,642)
Decrease in inventories	64,147	11,291
(Increase) in trade receivables	(9,490)	(561)
(Increase) in other accounts receivable from operating activities	(8,578)	(58,709)
Decrease in prepaid expenses	1,354	3,562
(Decrease) increase in trade payables	(362,802)	3,305
Increase in other accounts payable from operating activities	995,417	170,180
Depreciation and amortization of fixed assets and intangible assets	230,677	209,442
Provisions	(32,522)	(13,520)
(Gain) from net unrealized exchange difference	(7,709)	(146,533)
(Gain) from reappraisal at fair value	-	(29,681)
Undistributed (profit) from the application of the equity method	(106,441)	(144,416)
Other adjustment from items other than cash	2,132	5,727
(Gain) from the disposal of non-current assets	(30,088)	(78,153)
Total period profit reconciliation adjustments	**1,157,329**	**240,163**
Net cash flows from operating activities	**1,200,857**	**813,658**
Income tax paid	(196,066)	(204,619)
Net cash flows from operating activities	**1,004,791**	**609,039**
Cash flows from investment activities		
Cash flows used to gain control of subsidiaries or other joint ventures	(47,282)	(5,553,759)
Revenue from the reimbursement of contributions in investments with equity method	145,000	-
Proceeds from the sale of property, plant and equipment	93,267	45,878
Acquisition of property, plant and equipment	(508,501)	(480,122)
Proceeds from the sale of intangible assets	-	97,499
Acquisition of intangible assets	(46,883)	(440,585)
Acquisition of other long-term assets	(9,500)	-
Proceeds from the sale of other long-term assets	184,589	-
Dividends received	213,400	123,036
Interest received	13,428	39,181
Net cash flows provided by (used in) investment activities	**37,518**	**(6,168,872)**
Cash flows from financing activities		
Borrowings	555,000	4,944,363
Loan repayments	(652,495)	(924,652)
Payment of finance lease liabilities	(3,877)	(956)
Dividends paid	(291,680)	(254,297)
Interest paid	(361,641)	(98,383)
Net cash flows (used in) provided by financing activities	**(754,693)**	**3,666,075**
Net (decrease) increase in cash and cash equivalents, before the effect of changes in exchange rates	**287,616**	**(1,893,758)**
Effects of the variation in the exchange rates on cash and cash equivalents	562	(1,705)
Net increase (decrease) in cash and cash equivalents	**288,178**	**(1,895,463)**
Cash and cash equivalents at the beginning of period	**810,647**	**2,706,110**
Cash and cash equivalents at the end of period	**1,098,825**	**810,647**

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Almacenes Éxito S.A.
Separate statements of changes in shareholders' equity
For the years ended December 31, 2016 and December 31, 2015
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Donations reserve	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total shareholders' equity**
	(Note 25)	(Note 25)	(Note 25)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)			
Balance at December 31, 2014	**4,482**	**4,843,466**	**(2,734)**	7,857	1,189,296	22,000	1,419	-	-	**1,220,572**	**63,486**	**1,576,747**	**(1,012)**	**7,705,007**
Cash dividend declared	-	-	-	-	-	-	-	-	-	-	-	(260,022)	-	(260,022)
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	573,495	-	573,495
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(451,466)	-	-	(451,466)
Appropriation for reserves	-	-	-	-	168,844	-	30,000	-	-	198,844	-	(198,844)	-	-
Adjustment from business combinations	-	-	-	-	-	-	-	-	-	-	2,677	(2,119)	-	558
Decrease from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	19	(40,004)	(39,985)
Increase from share-based payments	-	-	-	-	-	-	-	-	-	-	-	895	-	895
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	-	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	-	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**
Cash dividend declared (Note 39)	-	-	-	-	-	-	(15,709)	-	-	(15,709)	-	(286,748)	-	(302,457)
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	43,528	-	43,528
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	523,606	-	-	523,606
Appropriation for reserves	-	-	-	-	279,937	-	-	6,810	-	286,747	-	(286,747)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	-	-	-	-	5,672	5,672	-	(15,468)	(61,676)	(71,472)
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**

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

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Note 1. General information

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

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

The Company's Board of Directors authorized the issuance of the Company's financial statements for the periods ended December 31, 2016 and 2015, as reflected in the Minutes of such corporate body dated February 27, 2017.

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

The Company's ultimate controlling entity is Casino Guichard Perrachon S.A. (France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At December 31, 2016, the controlling entity had a 55.30% (2015 - 54.77%) interest in the share capital of the Company.

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

Note 2. Basis for preparation

The financial statements for the years ended December 31, 2016 and December 314, 2015 have been prepared in accordance with accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 as a translation of the International Financial Reporting Standards (IFRS) authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 2131. The Company did not apply any of the exceptions to the IFRS contained in such decrees.

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

Financial statements herein presented

These separate financial statements include the financial statements of the Company and are comprised of the statements of financial position and statements of changes in shareholders' equity at December 31, 2016 and December 31, 2015, as well as the statements of income, the statements of comprehensive income and the statements of cash flows for the years ended on December 31, 2016 and December 31, 2015.

These financial statements are prepared and include all reporting disclosures required for annual financial statements under IAS 1.

Statement of accountability

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

Estimates and accounting judgment

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

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

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

Distinction between current and non-current items

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

Functional currency

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

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

Foreign currency transactions

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

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

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

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

Accounting accrual basis

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

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

Fair value measurement

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

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used in determining measurements:

- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Company's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Significant accounting policies

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

The most significant accounting policies applied in the preparation of the attached financial statements are the following:

Investments in subsidiaries, associates and joint arrangements

Subsidiaries are entities under Company's control.

An associate is an entity over which the parent is in a position of exercising significant influence, but not control or joint control, through the power of participating in the decisions on the operating and financial policies thereof.

In general, significant influence is alleged in those cases where the Company has an ownership interest higher than 20%, even though such influence, as well as the control, must be assessed.

A joint arrangement is an agreement by means of which two or more parties maintain joint control. Joint arrangements can be joint businesses or joint ventures. There is joint control only when decisions on significant activities require the unanimous consent of the parties sharing control. Acquisitions of such arrangements are recorded using the principles applicable to business combinations set out by IFRS 3.

A joint venture is a joint agreement by which the parties having joint control over the arrangement are entitled to the net assets of the arrangement.

A joint operation is a joint arrangement by means of which the parties having joint control over the arrangement are entitled to the assets and liability-related obligations associated with the arrangement.

Investments in subsidiaries, associates or joint ventures are recognized using the equity method.

Under the equity method, upon initial recognition the investment in subsidiaries, associates or joint ventures is recorded at cost and subsequently the book value is increased or decreased to recognize the Company's participation in the invested company's comprehensive results, which will be recognized in period results or in other comprehensive results, as the case may be. Profit distributions or dividends received from the invested company are deducted from the book value of the investment.

Wherever the Company's share of the losses of a subsidiary, associate or joint venture equals or exceeds its interest therein, the Company ceases to recognize its share of further losses. Once the Company's interest comes to zero, a provision is recognized, only in as much as the Company has incurred legal or implicit liabilities.

Unrealized gains or losses from transactions between the Company and subsidiaries, associates or joint ventures are eliminated in the proportion of the Company's interest in such entities upon application of the equity method.

Once the equity method has been applied, the Company decides whether there is need to recognize impairment losses related with its interest in the invested company.

Transactions involving a significant loss of influence over the associate or joint venture are booked recognizing any ownership interest retained at its fair value, and the gain or loss arising from the transaction is recognized in period results, including the relevant items of other comprehensive income.

Regarding transactions not involving a significant loss of control over subsidiaries or a significant loss of influence over associates or joint ventures, the equity method continues being applied and the portion of the gain or loss recognized in other comprehensive income relevant to the decrease in the ownership interest is reclassified to income.

Related parties

All transfers of resources, services and obligations between the Company and its related parties are deemed to be related party transaction.

The Company has defined as related parties: its parent; its subsidiaries, associates and joint ventures; those entities having joint control or significant influence over the Company; key senior management, including Board directors, CEOs and senior officers, with the capacity of directing, planning and controlling Company activities; companies over which key senior management can exercise control or joint control; and the immediate family of the key senior management with ability to influence the Company.

No transaction contains special terms and conditions; transactions carried out are similar to those carried out with third parties, and do not involve market price differences for similar transactions; sales and purchases are conducted under conditions that are equivalent to those existing for transactions with independent parties.

Business combinations and goodwill

Business combinations are booked using the acquisition method; this involves the identification of the acquirer, the definition of the acquisition date, the recognition and measurement of identifiable assets acquired, liabilities taken on and the recognition and measurement of goodwill.

If at the closing of the accounting period during which a business combination takes place the initial booking is incomplete, the Company will inform in its financial statements the provisional amounts of assets and liabilities whose booking is incomplete, and within 12 months of the measurement period, the Company will retroactively adjust such provisional amounts recognized to reflect the new information obtained from the Purchase Price Allocation (PPA) survey.

The measurement period will end as soon as the Company has received information on the purchase price allocation survey or concludes that no further information can be obtained, but in any event one year after the acquisition date at the latest.

The consideration transferred in a business combination is measured at its fair value, which is the aggregate of the fair values of the assets transferred by the acquirer, the liabilities taken on by the acquirer facing the former owners of the acquiree and the ownership interests in the equity issued by the acquirer.

Any contingent consideration is included in the consideration transferred at its fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration, arising from events and circumstances existing on the date of acquisition, are booked by adjusting the goodwill if occurring during the measurement period, or directly to period results if arising after the measurement period, unless the liability is settled using variable-income instruments, in which event the contingent consideration is not remeasured.

The Company recognizes acquired identifiable assets and liabilities taken from a business combination, regardless of whether they have been recognized in the financial statements of the business acquired prior to the acquisition. Identifiable assets acquired and liabilities taken on are booked on the date of acquisition at fair values. Excess consideration transferred and the fair value of identifiable assets acquired (including intangible assets not previously recognized) and liabilities taken on (including contingent liabilities) are recognized as goodwill.

In the event of a business combination achieved in stages, the previous ownership interest in the acquiree is remeasured at its fair value on the date control is gained. The difference between the fair value and the book value of such ownership interest is directly taken to period results.

Disbursements related to a business combination, other than those related to the issue of debt, are booked as expenses in the periods they are incurred.

On the date of acquisition, goodwill is measured at fair value and subsequently monitored at the level of the cash-generating unit or groups of cash-generating units benefited from the business combination. Goodwill is not amortized, and is subject to impairment testing within one year or earlier, should there be indications of impairment. Impairment losses applied to goodwill are booked to period results and the effect thereof is not reverted.

The method applied by the Company to test for impairment is described in the asset impairment policy. Negative goodwill arising from a business combination is directly recognized in period results, upon recognition and measurement of identifiable assets, liabilities taken on and potential contingencies.

Put options *granted to the holders of non-controlling ownership interests*

The Company recognizes *put option* agreements entered into with the holders of non-controlling ownership interests in subsidiaries pursuant to IAS 32 "Financial Instruments: Presentation". Liabilities arising from these agreements, related to subsidiaries consolidated under the global integration method, are recognized as financial liabilities at its fair value.

Intangible assets

They refer to non-monetary assets, without physical substance, controlled by the Company as a result of past events and from which future economic benefit may be expected.

An intangible asset is recognized as such wherever the item is identifiable, severable and will bring future economic benefit. It is identifiable wherever the asset is severable or arises from rights.

Intangible assets acquired under a business combination are recognized as goodwill wherever they do not meet these criteria.

Intangible assets acquired separately are initially recognized at cost, and intangible assets acquired under a business combination are recognized at fair value.

Internally-generated trademarks are not recognized in the statement of financial position.

The cost of intangible assets includes acquisition cost, import duties, indirect not-recoverable taxes and costs directly incurred to bring the asset to the place and use conditions foreseen by Management, after trade discounts and rebates, if any.

Intangible assets having indefinite useful lives are not amortized, but are subject to impairment testing, on an annual basis or wherever there is indication that value thereof has been impaired.

Intangible assets having a defined useful life are amortized using the straight-line method over their estimated useful lives. The most significant useful lives are:

Acquired software	Between 3 and 5 years
ERP-like acquired software	Between 5 and 8 years

Intangible assets are subsequently measured using the cost model, and amortization as a function of the estimated useful lives and impairment losses are deducted from the amount initially recognized. The effects of amortization and potential impairment are taken to income for the period, unless amortization has been booked as a higher value in the construction or production of a new asset.

An intangible asset is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is recognized in period results.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

Research and development costs

Research costs are recognized as expenses as they are incurred. Disbursements for development of individual projects are recognized as intangible assets wherever the Company is in the capacity of demonstrating:
- The technical feasibility of completing the intangible asset to have it available for use or sale;
- Its intention of completing the asset and its ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;
- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

Development costs not complying with these criteria for capitalization are taken to period results. Development costs recognized as intangible assets are subsequently measured using the cost model.

Property, plant and equipment

The name property, plant and equipment is given to all of Company's tangible assets held for use in production or in the provision of goods and services, or for administration purposes, and which are further expected to be used over one period, that is to say, more than one year, and that meet the following conditions:
- It is probable that the Company will obtain future economic benefit from the asset;
- The cost may be accurately measured;
- The Company has taken the risks and benefits arising from the use or possession of the asset, and
- They are assets whose individual acquisition cost exceeds 50 UVT (Tax-Value Units), except for those assets defined by Company management as related to the core business purpose and there is an interest in controlling them given that the Company procures them frequently and in significant amounts.

Property, plant and equipment are initially measured at cost; subsequently they are measured at cost less accumulated depreciation and accumulated impairment loss.

The cost of property, plant and equipment elements includes acquisition cost, import duties, non-recoverable indirect taxes, future dismantling costs, if any, costs from loans directly attributable to the acquisition of a suitable asset and the costs individually attributable to place an asset on the site and usage conditions foreseen by Company management, net of trade discounts and rebates.

Costs incurred for expansion, modernization, improvements that increase productivity, capacity or efficiency, or an increase in the useful lives thereof, are carried as a higher value of the asset. Maintenance and repair costs from which no future benefit is foreseen are taken to period results.

Land and buildings are deemed to be individual assets, wherever they are significant and physical separation is feasible, even if they have been jointly acquired.

Constructions in progress are transferred to operating assets upon completion of the construction or commencement of operation, and depreciated as of that moment.

The useful life of land is unlimited and consequently it is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, considering nil residual value. The groups of property, plant and equipment and relevant useful lives are as follows:

Low-value assets	3 years
Computers	5 years
Vehicles	5 years
Machinery and equipment	From 10 to 20 years
Furniture and fixtures	From 10 to 12 years
Other transportation equipment	From 5 to 20 years
Surveillance team armament	10 years
Buildings	From 40 to 50 years
Improvements to third party properties	40 years or the term of the lease agreement or the remaining of the lease term (*), whichever is less.

(*) Urban improvements related to the construction or delivery of environmental resources and/or related to the visual or architectural improvement of the zone affected by the construction or work under the responsibility of the Company, are recognized in period results.

The Company estimates depreciation by components, which means applying individual depreciation to the components of an asset with useful lives that are different from the asset as a whole and has a material cost in relation to the entire fixed asset. Cost is deemed material when the component exceeds 50% of the total asset value, or if it can be individually identified, based on an individual cost of the component of 32 SMMLV (Minimum legal monthly wages in force.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

An item of property, plant and equipment is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is recognized in period results.

Investment property

Is property held to obtain revenue or capital gains and not for use in the production or supply of goods or services, or for administrative use or sale in the normal course of business. This category includes the shopping malls and other real estate property owned by the Company.

Investment properties are initially measured at cost, including transaction costs. Following initial recognition, they are valued at historic cost less accumulated depreciation and accumulated impairment loss.

Investment properties are depreciated using the straight-line method over their estimated useful lives, regardless their residual value. The useful life estimated to depreciate buildings classified as investment property is from 40 to 50 years.

Transfers are made from investment properties to other assets and from other assets to investment properties only wherever there is a change in the use of the asset. For transfers from investment property to property, plant and equipment, the cost taken into consideration for subsequent accounting is the book value on the date the use is changed. If a property, plant and equipment item would become investment property, it will be recorded at book value on the date it changes.

Situations that can lead to transfer are:
- The Company occupies an asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The Company starts a development on investment property or property, plant and equipment towards its sale, provided there is a significant advance in the development of tangible assets or in the project to be sold as a whole. In these events, the asset is reclassified to inventories,
- The Company enters into an operating lease agreement with a third party on a property, plant and equipment item. In this event, the asset is reclassified to investment property.

An investment property is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof.

The gain or loss from derecognition of investment properties is estimated as the difference between the net proceeds of sale and the book value of the asset. The effect is taken to income during the period where the asset was derecognized.

The fair values of investment property are updated on an annual basis for the purposes of disclosure in the financial statements.

Non-current assets held for trading and discontinued operations

Non-current assets and the groups of assets for disposal are classified as held for trading if their book value will be recovered via a sale instead of continued use thereof and do not meet the conditions to be classified as real estate inventory. Such condition is met wherever an asset or group of assets are available for immediate sale, under current condition, and the sale is highly probable to occur. In order for the sale be highly probable, management must be committed to a plan to sell the asset (or group for disposition) and the sale is expected within the year following the classification date.

Non-current assets and groups of assets for disposition are valued at the lower of book value or fair value, less costs of sale, and are not depreciated or amortized as from the date they are classified as held for trading. Such assets or groups of assets are shown under current assets.

The revenue, costs and expenses from a discontinued operation are presented separately from those from continued activities, in one single line item after income tax, in the statement of income for the current period and the comparative period for the preceding year, even if a non-controlling interest in the discontinued operation after the sale is kept. An operation is deemed to be discontinued wherever it meets the definition of non-current assets held for trading and represents a business line or geographical area of operations that are significant to the Company, or a subsidiary acquired with trading purposes. It is part of a single coordinated plan to dispose of a business line or a geographical area of the operation that is significant and that may be deemed separate.

Leases

Lease agreements are classified as finance lease and operating lease. Lease agreements that transfer substantially all risks and benefits arising from the title to the assets are classified as finance lease, otherwise they are classified as operating lease. Some of the criteria to be taken into consideration to reach conclusion of whether substantial risks and benefits have been transferred include (i) where the term of the lease is equal to or higher than 75% of the economic life of the asset and/or (ii) where the present value of minimum payments under the lease agreement is equal to or higher than 90% of the fair value of the asset.

Contingent instalments of the lease are estimated based on the cause that results in the instalment variance for reasons other than the passage of time.

Finance leases

a. If the Company acts as the lessee

   Wherever the Company acts as the lessee of an asset under finance lease, the leased asset is shown in the statement of financial position as an asset, according to the nature of the asset pursuant to the lease agreement, and at the same time, a liability in the same value is recorded in the statement of financial position, estimated as the lower of the fair value of the leased asset or the present value of minimum instalments payable to the lessor, plus, as applicable, the price of the purchase option.

   Such assets are depreciated or amortized with the same criteria applied to the property, plant and equipment elements, or intangible assets for own use, regarding useful life, provided the property of the asset is transferred to the Company at the end of the contract, via purchase option or else; otherwise, the useful life is set as the term of the agreement or the useful life of the property, plant and equipment element, whichever is less. Lease instalments are split between interest and the decrease of the principal. Financial expenses are recognized in the statement of income for the period.

b. If the Company acts as the lessor

   Wherever the Company acts as the lessor of an asset under finance lease, the leased asset is not shown as property, plant and equipment given that the risks associated to the property have been transferred to the lessee; instead, a financial asset is recognized for the present value of the minimum lease instalments receivable plus the unsecured residual value.

   Lease instalments received are split between interest and the decrease of the principal. Interest-related financial revenue is recognized in the statement of income for the period.

Operating leases

Are lease agreements under which title to the leased asset and all substantial risks and benefits attached thereto remain with the lessor. The Company has assets received and delivered under operating lease agreements.

Payments or collections on account of operating lease are recognized as expenses or revenue in the statement of income on a linear basis over the term of the lease agreement. Contingent payments or collections are recognized during the period they are incurred.

Wherever the Company makes or receives advance payments on account of lease agreements, related to the usage of assets, such payments are booked as expenses paid in advance and collections are booked as revenue received in advance, and both are amortized over the term of the lease agreement.

Loan costs

Loan costs directly attributable to the acquisition, construction or manufacturing of a qualifying asset, in other words an asset that necessarily takes a substantial period of time (generally more than six months) to become ready for its intended use or sale, are capitalized as part of the cost of the respective assets. All other loan costs are accounted for as expenses during the period they are incurred. Loan costs are made of interest and other costs incurred for securing the loan.

Impairment of non-financial assets

At the closing of each annual period, the Company assesses whether there is indication that the value of an asset may be impaired. Assets with a defined useful life are subject to impairment testing, provided there is objective evidence that, as result of one or more events subsequent to initial recognition, the book value thereof cannot be recovered, in full or in part.

Intangible assets with an indefinite useful life not subject to amortization are tested for impairment at the closing of each year, except for those intangible assets attached to a business combination still undergoing a measuring period where the purchase price allocation (PPA) survey has not been completed.

Impairment indicators as defined by the Company, in addition to external data sources (economic environment and the market value of the assets, among other), are based on the nature of assets:

- Movable assets attached to a cash-generating unit: ratio between the net book value of the assets related to each store and sales value (VAT included). Should this proportion be higher than the percentage defined for each format, then there is indication of impairment;
- Real estate: comparison of the net book value of assets to the market value thereof.

In order to assess value impairment losses, assets are grouped at the level of cash-generating unit or groups of cash-generating units as applicable, and estimation is made of the recoverable value thereof. The Company has defined each store or each shop as an individual cash-generating unit; regarding capital gains, the generating units are grouped based on the brand, which represents the lowest value at which capital gains are monitored.

The recoverable value is the higher of the fair value less costs of sale of the cash-generating unit or groups of cash-generating units and the value in use. This recoverable value is estimated for an individual asset unless such asset does not generate any cash flows independent of the cash inflows obtained by other assets or groups of assets.

Impairment losses are recognized with charge to period results in amount of the excess of book value of the asset over recoverable value thereof, first reducing the book value of the capital gains allocated to the cash-generating unit or group of cash-generating units; should there be a remaining balance, to all other assets of the cash-generating unit or group of units as a function of the book value of each asset until such book value reaches zero.

To determine the fair value less the costs of sale, a pricing model is used in accordance with the cash-generating unit or groups of cash-generating units, if it can be established.

To assess the value in use:
- Estimation is made of future cash flows of the cash-generating unit or groups of cash-generating units over a period not to exceed five years. Cash flows beyond the forecasted period are estimated by applying a steady or declining growth rate.
- The terminal value is estimated by applying a perpetual growth rate, according to the forecasted cash flow at the end of the explicit period.
- The cash flows and terminal value are discounted at present value, using a discount rate before taxes that corresponds to outstanding market rates reflecting the value of money over time and the particular risks attached to the cash-generating unit or groups of cash-generating units.

The Company and its subsidiaries assess whether the impairment losses previously recognized no longer exist or have decreased; in such events, the book value of the cash-generating unit or groups of cash-generating units is increased to the revised estimation of the recoverable value, without exceeding the book value that would have been determined if no previous impairment had been recognized. Such reversal is recognized as a revenue in period results, except for goodwill whose impairment is not reverted.

Inventories

Inventories include goods acquired with the purpose of being sold in the ordinary course of business, goods in process of manufacturing or construction with a view to such sale, and goods to be consumed in the process of production or provision of services.

Inventories in transit are recognized upon receipt of all substantial risks and benefits attached to the asset, according to procurement conditions.

Inventories include real estate where an urban development or project on the property has started with a view of selling it.

Inventories are valued using the first-in-first-out (FIFO) method, and initial recognition cost includes the costs of purchase, costs of transformation and other costs incurred in bringing the inventories to their present location and condition, that is to say, upon completion of the production process or receipt at the store. Logistics costs and supplier discounts are capitalized as part of the inventories and recognized in the cost of goods sold upon sale thereof.

Inventories are valued at period closing at the lower of cost and net realization value.

The Company assesses whether the impairment losses previously recognized in the inventory no longer exist or have decreased; in these events, the book value of inventories is the lower of cost and net realizable value. This reversal is recognized as a decrease in the cost arising from impairment.

The Company makes an estimation of obsolescence and physical losses of inventory, based on the age of inventories, changes in manufacturing and sale conditions, trade regulations, probability of loss and other variables affecting the recoverable value.

Financial assets

Financial assets are recognized in the statement of financial position when the Company becomes a party pursuant to the contract terms and conditions. Financial assets are classified in the following categories:
- Financial assets at fair value with changes in income;
- Financial assets measured at amortized cost, and
- Financial assets at fair value with changes in other comprehensive income.

The classification depends on the business model used to manage financial assets and on the characteristics of the financial asset's contract cash flows; such classification is defined upon initial recognition. Financial assets are classified as current assets, if they mature in less than one year; otherwise they are classified as non-current assets.

a. Financial assets measured at fair value through income

   Includes financial assets incurred mainly seeking to manage liquidity through frequent sales of the instrument. These instruments are measured at fair value and the variations in value are taken to income upon their occurrence.

b. Financial assets measured at amortized cost

These are non-derivative financial assets with known payments and fixed maturity dates, for which there is an intention and capability of collecting the instrument's cash inflows under the contract.

These instruments are valued at their amortized cost using the effective interest method. The amortized cost is estimated by adding or deducting any premium or discount, revenue or incremental cost, during the remaining life of the instrument. Gains and losses are recognized in the statement of income by the amortization or if there were objective evidence of impairment.

These financial assets are included as non-current assets, exception made of those maturing in less than 12 months following the date of the statement of financial position.

c. Financial assets at fair value through other comprehensive income

They represent variable-income investments not held for trading nor are they an acquirer's contingent consideration in a business combination. Regarding these investments, upon initial recognition irrevocable decision was made of presenting the gains or losses based on a subsequent measurement at fair value in other comprehensive income.

The gains and losses arising from the new measurement at fair value are recognized in other comprehensive income until they are written off in asset accounts. In this event, the gains and losses previously recognized in equity are reclassified to retained earnings.

These financial assets are included as non-current assets, unless the Company intends to dispose of the investment within 12 months following the date of the statement of financial position.

d. Derecognition

A financial asset, or a portion thereof, is written off in the accounts upon its sale, transfer, expiry or loss of control over contract rights or over the instrument's cash flows. When substantially all risks and benefits of ownership are retained by the Company, the financial asset continues being recognized in the statement of financial position at its full value.

e. Effective interest method

Is the method to estimate the amortized cost of a financial asset and of the allocation of interest revenue during the entire relevant period. The effective interest rate is the rate that exactly discounts the estimated net future cash flows receivable (including all charges and revenue received that are an integral part of the effective interest rate, transaction costs and other rewards or discounts), during the expected life of the financial asset.

f. Impairment of financial assets

Given that trade accounts receivable and other accounts receivable are deemed to be short-term receivables of less than 12 months from the date of issue and not containing a significant financial component, the impairment thereof is estimated from initial recognition and on each presentation date as the expected loss for the following 12 months.

For financial assets other than those measured at fair value, the expected losses are measured over the life of the relevant asset. For this purpose, determination is made of whether the credit risk arising from the asset assessed on an individual basis has significantly increased, by comparing the risk of default on the date of presentation against that on the date of initial recognition; if so, an impairment loss is recognized in period results in the amount of the credit losses expected over the following 12 months.

g. Loans and accounts receivable

Loans and accounts receivable are financial assets issued or acquired in exchange for cash, goods or services delivered to a debtor.

Accounts receivable from sales transactions are measured at invoice values less accrued impairment losses. These accounts receivable are recognized when all risks and benefits have been transferred to a third party.

Long-term loans (more than one year of issuance date) are valued at its amortized cost using the effective interest method wherever the amounts involved are material. Impairment losses are recognized in the statement of income.

These instruments are included as current assets, except for those maturing after 12 months following the date of the statement of financial position, which are classified as non-current assets. Accounts receivable whose collection is expected over a period of more than 12 months and include payments during the first 12 months, is allotted to current portion and non-current portion.

h. Cash and cash equivalents

Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, an investment should meet the following criteria:

- Short-term investments, in other words, less than three months following date of acquisition;
- High-liquidity investments;
- Readily converted into cash, and
- Subject to a low risk of change in value.

In the statement of financial position, the accounting accounts showing actual overdrafts with financial institutions are classified as financial liabilities. In the statement of cash flows such overdrafts are shown as a component of cash and cash equivalents, provided they are an integral part of the Company's cash management system.

Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Company becomes a party pursuant to the contractual terms and conditions governing an instrument. Financial liabilities are classified as financial liabilities at fair value through income and financial liabilities measured at amortized cost.

a. Financial liabilities measured at fair value through income

   Are classified under this category when held for trading or designated at fair value through income from initial recognition.

b. Financial liabilities measured at amortized cost

   Include loans received and bonds issued, which are initially recognized by the cash received, net of transaction costs. They are subsequently measured at the amortized cost using the effective interest method and recognizing interest expenses on the basis of effective return.

c. Derecognition

   A financial liability or a part thereof is derecognized upon settlement or expiry of the contract obligation.

d. Effective interest method

   The effective interest method is the method to calculate the amortized cost of a financial liability and the allocation of interest expenses over the relevant period. The effective interest rate is the rate that accurately discounts estimated future cash flows payable during the expected life of a financial liability, or, as appropriate, a shorter period wherever a prepayment option is associated to the liability and it is likely to be exercised.

Embedded derivatives

The Company has implemented a procedure that enables assessing the existence of embedded derivatives in financial and non-financial agreements. Should an embedded derivative exist, and if the main agreement is not accounted for at fair value, the procedure defines whether or not the characteristics and risks thereof are not closely related with the core agreement, in which event separate booking is required.

Derivative financial instruments

Derivative financial instruments are recognized, both initially and subsequently, at fair values. Derivative instruments are recognized as financial assets when its fair value involves a right, and as financial liabilities when its fair value involves an obligation.

The fair value of these instruments is estimated on the closing date of presentation of the financial statements.

The gains or losses arising from changes in the fair value of derivative instruments are directly recognized in the statement of income, except those maintained under hedge accounting and deemed to be cash flow hedges or net investment hedges abroad.

Derivative transactions involve *"forwards" and "swaps"*, aimed at reducing the market risk of assets and liabilities by using the best hedging structures available in the market, being able to stabilize debt service cash flows.

By using such hedging structures, regarding *"forwards"* the intention is to manage the foreign exchange risk, and regarding *"swaps"* additionally to manage the interest rate risk in foreign currency. The effects of both, derivative financial instruments and elements under the line item of net financial results, are recognized in the statement of income.

Even if it is true that the Company does not use derivative financial instruments for speculative purposes, in these financial statements such derivatives have not been deemed hedge instruments given that they do not meet the requirements of International Financial Reporting Standards adopted in Colombia.

"Forwards" and "swaps" that meet hedge accounting requirements are recognized pursuant to the hedge accounting policy.

Financial derivatives are measured at fair value using financial valuation techniques based on discounted cash flows. The variables used for valuation are exchange rates in force on the valuation date applicable to the currencies agreed upon in the instrument and the interest rates associated thereto.

Hedge accounting

The Company carries out hedge transactions under future-performance "*forward"* contracts and "swap" contracts, to cover the risks associated with changes in the exchange rates applicable to its investments and in the exchange rates and interests rates applicable to its liabilities.

Hedge instruments are measured at its fair value and hedge accounting shall only be used if:
- The hedge relationship has been clearly defined and documented initially, and
- The efficacy of the hedge may be evidenced initially and throughout its life.

Documents include the identification of the hedge instrument, the item or transaction hedged, the nature of the risk being hedged and the manner in which the efficacy of the hedge instrument will be measured when offsetting the exposure to changes in the fair value of the item hedged or to changes in the cash flows attributable to the hedged risk.

Hedges are deemed to be efficient when there is an economic relationship between the item hedged and the hedge instrument, the effects of the credit risk do not prevail over the value changes arising from such economic relationship, and the hedge ratio is the same as that arising from the item hedged and the amount of the hedge instrument used.

Hedge instruments are recognized initially at fair value, on the date of execution of the derivative contract, and subsequently measured at fair value. They are shown as non-current assets or non-current liabilities wherever the remaining maturity of the item hedged goes beyond 12 months, and, failing that, as current assets and current liabilities if the maturity of the item hedged does not exceed 12 months.

Hedges are classified and booked as follows, upon compliance with strict hedge accounting criteria:

- Cash flow hedges: this category includes hedges covering the exposure to the variation in cash flows arising from a particular risk associated to a recognized asset or liability or to a foreseen transaction whose occurrence is highly probable and may have an impact on period results.

The effective portion of the changes in the fair value of derivative instruments defined as cash flow hedge instruments is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of income.

Values recognized in other comprehensive income are reclassified to the statement of income wherever the hedged transaction has an impact on the results, on the same line item of the statement of income where the hedged item was recognized. However, when the foreseen transaction that is hedged results in recognition of a non-financial asset or a non-financial liability, the gains or losses previously recognized in other comprehensive income are reclassified at the initial value of such asset or liability.

Hedge accounting is discontinued upon voiding of the hedge relation, when the hedge instrument matures or is sold, expires, or is exercised, or no longer qualifies for hedge accounting. In those events, any gain or loss recognized in other comprehensive income is maintained in shareholders' equity and is recognized when the foreseen transaction actually has an impact on period results. When it is no longer expected that a foreseen transaction would occur, then the accrued gain or loss recognized in other comprehensive income is immediately recognized in the statement of income.

- Fair-value hedges: this category includes hedges covering the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

A change in the fair value of a derivative that is a fair-value hedging instrument is recognized in the statement of income as financial expense or revenue. A change in the fair value of a hedged item attributable to the hedged risk is booked as part of the book value of the hedged item, and is also recognized in the statement of income as financial expense or revenue.

Wherever an unrecognized firm commitment is identified as a hedged item, the subsequent accrued change in the fair value of the firm commitment attributable to the hedged risk will be recognized as an asset or liability and the relevant gain or loss will be recognized in period results.

- Net investment hedges abroad: this category includes hedges covering exposure to the variation in exchange rates arising from the translation of foreign businesses to the Company's presentation currency.

The effective portion of the changes in the fair value of derivative instruments defined as instruments to hedge a net investment abroad is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of income.

If the Company would dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of income.

Employee benefits

a. Defined contribution plans

   Post-employment benefit plans under which there is an obligation to make certain predetermined contributions into a separate entity (a retirement fund or insurance company) and there is no further legal or constructive obligation to pay additional contributions. Such contributions are recognized as expenses in the statement of income, to the extent that the relevant contributions are enforceable.

b. Defined post-employment benefit plans

   Post-employment benefit plans are those under which there is an obligation to directly provide retirement pension payments and retroactive severance pay, pursuant to Colombian legal requirements. The Company has no specific assets intended for guaranteeing the defined benefit plans.

   Defined post-employment benefit plan liabilities are estimated severally for each plan, with the support of independent third parties, applying the projected credit unit's actuarial valuation method, using actuarial assumptions on the date of the period reported, such as: salary increase expectations, average time of employment, life expectancy and personnel turnover. For 2016, and for the Parent and its Colombian subsidiaries, information on actuarial assumptions is taken as a reference to Regulatory Decree 2131 of December 22, 2016 (for 2015, to Regulatory Decree 2496 of December 23, 2015). Actuarial gains or losses are recognized in other comprehensive income. Interest expense on defined post-employment benefits, as well as settlements and plan reductions, are recognized in period results as financial costs

c. Long-term employee benefits

These are benefits not expected to be fully settled within twelve months following the closing date of the statement of financial position regarding which employees render their services. These benefits relate to time-of-service bonuses and similar benefits. The Company has no specific assets intended for guaranteeing the long-term benefits.

The liability for long-term benefits is determined separately for each plan with the support of independent third parties, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. The cost of current service, cost of past service, cost for interest, actuarial gains and losses, as well as settlements or reductions in the plan are immediately recognized in the statement of income.

d. Short-term employee benefits

These are benefits expected to be fully settled within twelve months and after the closing date of the statement of financial position regarding which the employees render their services. Such benefits include a share of profits payable to employees based on performance. Short-term benefit liabilities are measured based on the best estimation of disbursements required to settle the obligations on the closing date of the reporting period.

e. Employee termination benefits

The Company pays to employees certain benefits upon termination, wherever it decides to terminate a labor contract earlier than on the ordinary retirement date, or wherever an employee accepts a benefits offer in exchange for termination of his labor contract.

Termination benefits are classified as short-term employee benefits and are recognized in period results when they are expected to be fully settled within 12 months of the closing of the reporting period; and are classified as long-term employee benefits when they are expected to be settled after 12 months of the closing of the reporting period.

Provisions, contingent assets and liabilities

The Company recognizes as provisions all liabilities outstanding on the date of the statement of financial position, resulting from past events, which may be accurately measured and settlement thereof may require an outflow of resources incorporating economic benefits and which timing and/or amount are uncertain.

Provisions are recognized at the present value of the best estimation of cash outflows required to settle the liability. In those cases where there is expectation that the provision will be reimbursed, in full or in part, the reimbursement is recognized as an independent asset with a revenue to income as balancing entry, only when such reimbursement is virtually certain.

The provisions are revised periodically, and quantified based on the best information available on the date of the statement of financial position.

Current obligations under contracts for consideration are recognized as provisions wherever unavoidable costs to be incurred in performing under the contract exceed the economic benefits expected to be received thereunder.

A business reorganization provision is recognized wherever there is a constructive obligation to conduct a reorganization, that is to say, when a formal and detailed plan of reorganization has been prepared and has raised a valid expectation in those affected because its overall conditions were announced prior to the closing of the reporting period.

Contingent liabilities are obligations arising from past events, which existence is subject to the occurrence or non-occurrence of future events not entirely under the control of the Company; or current obligations arising from past events, from which the amount of the obligation cannot be accurately estimated or it is not probable that an outflow of resources will occur for settlement of the obligation. Contingent liabilities are not included in the financial statements; instead they are disclosed in notes to the financial statements, except for those individually included in the purchase pricing report under a business combination, which fair value may be accurately established.

A contingent asset is a possible asset that arises from past events, which existence will be confirmed only by the occurrence or non-occurrence of future events not entirely under the control of the Company. Contingent assets are not recognized in the statement of financial position until revenue realization is virtually true; instead, they are disclosed in the notes to the financial statements.

Taxes

Taxes include liabilities payable to Government by the Company, estimated on the basis of private assessments made during the relevant taxable periods, and include, among other: income tax, income tax for equality -CREE-, national excise tax, tax on wealth and tax standardization, real estate tax, and industry and trade tax.

<u>Current income tax</u>

The income tax for the Company is assessed on the higher of the presumptive income and the taxable net income at the official rate applicable annually on each closing of presentation of financial statements. In addition to the income tax, there is the tax for equality CREE, and for the years 2015 and 2017 a CREE surtax, assessed on the same base as the income tax with certain additional clearance items. The income tax expense is recognized with charge to income.

Current tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right, they have been incurred with the same tax authority and the intention is to settle them at the net value, or realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income taxes arise from temporary differences and other events that give rise to differences between the accounting base and the taxable base of assets and liabilities. The deferred income tax is recognized at the non-discounted value that the Company expects to recover from or pay to tax authorities, assessed at expected tax rates to be applied during the period when the asset will be realized or the liability will be settled.

Deferred income tax assets are only recognized in as much as it is probable that in future there will have taxable income against which such deductible temporary differences may be offset. Deferred income tax liabilities are always recognized. Deferred tax assets and liabilities arising from a business combinations have an impact on goodwill.

The effects of deferred taxes are recognized in period results or in other comprehensive income depending on where the originating profits or losses were booked and they are shown in the statement of financial position as non-current items.

Deferred tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right and they have been incurred with the same tax authority.

No deferred income tax liabilities are carried for the total of the differences that may arise between the accounting balances and the tax balances of investments in subsidiaries, associates and joint ventures, since the exception contained in IAS 12 is applied when recording such deferred tax liabilities.

Share capital

Contributed capital is made of common shares.

Incremental costs directly attributable to the issue of new shares or options are shown under shareholders' equity as a deduction from the amount received, net of taxes.

Ordinary revenue

Net operating revenue includes the sales of goods at the stores, the provision of services, the sale of real estate inventory and complementary businesses such as insurance, travel and financing, among other.

Revenue is measured at the fair value of the consideration received or to be received, net of trade rebates, cash discounts and volume discounts; value added tax is excluded.

Revenue from the sale of goods is recognized when significant risks and benefits attached to the ownership of goods are transferred to purchaser, in most cases upon transfer of legal title, such revenue can be accurately measured and there is a probability that economic benefits from the transaction will be received.

Revenue from services is recognized in the period during which services are rendered. Wherever the provision of a service is subject to compliance with a number of commitments, analysis is made of the proper timing for recognition. Consequently, revenues or sales of goods can either be recognized immediately (when the service is deemed rendered) or be deferred over the period during which the service is provided or the commitment is fulfilled.

When goods are sold along with customer loyalty incentives, the revenue is allotted between the sale of goods and the sale of incentives, at fair values. Deferred revenues from the sale of incentives are recognized in the statement of income upon customer redemption of products, or upon expiry.

Intermediation contracts are analyzed on the grounds of specific criteria to determine when the Company acts as principal and when as a commission agent.

Revenue from dividends is recognized when the right to receive payment for investments classified as financial instruments arise; dividends received from investments in subsidiaries, associates and joint ventures are recognized as lower value of the investment.

Revenue from royalties is recognized upon fulfilment of the conditions set out in the agreements.

Revenue from operating leases on investment properties is recognized on a linear basis over the term of the agreement.

Revenue from interest is recognized using the effective interest method.

Barter revenues are recognized: (i) upon actual bartering, assets are recognized at the fair value of the consideration received on the date of exchange; (ii) or at the fair value of goods delivered.

Loyalty programs

Under its loyalty program, the Company awards its customers points on their purchases, which may be exchanged in future for benefits such as: prizes or goods available at the stores, means of payment or discounts, redemption with allies and continuity programs, among other. Points are measured at fair value, which is the value of each point received by the customer, taking the various redemption strategies into consideration. The fair value of each point is estimated at the end of each accounting period.

The obligation of awarding such points is recorded as a deferred revenue that represents the portion of unredeemed benefits at fair value, considering for such effect the estimated portion of points expected not to be redeemed by the customers.

Costs and expenses

Costs and expenses are recognized in period results upon a decrease in economic benefits, associated with a decrease in assets or an increase in liabilities, and the value thereof may be accurately measured.

Costs and expenses include all cash outflows necessary to complete the sales as well as the expenses required to provide the services, such as depreciation of property, plant and equipment, personnel expenses, payments under service agreements, repairs and maintenance, operating costs, insurance, fees and lease expenses, among other.

Earnings per share

The basic profit per share is calculated dividing the net profit for the period attributable to the Company, not including the average number of company shares held by any subsidiary, if any, by the weighted average of common shares outstanding during the period, excluding, if any, common shares acquired by the Company and held as Treasury shares.

The diluted profit per share is calculated dividing the net profit for the period attributable to the Company, by the weighted average of common shares that would be issued should all potential common shares be converted with dilutive effect. The net profit for the period, if any, is adjusted by the amount of dividends and interest related to convertible bonds and subordinated debt instruments.

The Company has not carried out any transaction having a potential dilutive effect leading to earnings per share on a diluted basis other than the basic earnings per share.

Note 4. New and modified standards and interpretations

Note 4.1. Standards not yet in force, issued during the year ended December 31, 2016

No Regulatory Decrees enabling the application of the new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the year ended December 31, 2016.

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following standards and amendments, which are not in force at December 31, 2016:
- IFRS 16 - Leases, in force as of January 2019.
- Amendment to IAS 12, in force as of January 2017.
- Amendment to IAS 7, in force as of January 2017.
- Amendment to IFRS 2, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.
- Amendment to IAS 40, in force as of January 2018.
- IFRIC 22 - Foreign currency transactions and advance consideration, in force as of January 2018.

IFRS 16 - Leases (January 2016)

The standard sets out the principles for recognition, measurement, presentation and disclosure of leases, applicable to lessors and lessees. It deletes the dual accounting model for lessees, which makes a distinction between finance lease agreements that are carried in the balance sheet and operating leases for which recognition of future lease instalments is not required. Instead, a single model is developed, in the balance sheet, similar to the current finance lease.

IFRS 16 supersedes IAS 17 "Leases" and relevant interpretations, and is applicable to periods commencing on or after January 1, 2019; earlier application is permitted, if IFRS 15 "Revenue from contracts with customers" has been applied.

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

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

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

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

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

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

The amendments will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted.

Amendment to IFRS 2 "Share-based payments" (June 2016)

The amendment relates to the following aspects:
- Addresses the effects of vesting and non-vesting consolidation conditions on the measurement of the fair value of liabilities incurred from cash-settled share-based payments.

- Classifies share-based payment transactions that include net settlement features for tax purposes.
- Defines the accounting of share-based payments when the transaction changes from cash-settled to equity-settled.

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

Amendment to IFRS 4 "Insurance contracts" (September 2016).

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

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

Amendment to IAS 40 "Investment property" (December 2016).

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

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

IFRIC 22 - Foreign currency transactions and advance consideration (December 2016).

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

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

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

Note 4.2. Standards not yet in force, issued as at December 31, 2015

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

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

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

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

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

The standard will become effective for periods commencing on or after January 1, 2017. Management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set out by the standard.

The Company does not consider early application since Decree 2496 of December 23, 2015 expressly forbids early application thereof during the current year.

Note 4.3. Standards adopted earlier during the year ended December 31, 2016

During the year ended December 31, 2016, and based on section 4.1, the Company has not applied any Standards earlier.

Note 4.4. Standards adopted earlier as at December 31, 2015

IFRIC 21 - Levies (May 2013)

The interpretation includes the recognition of outflows of resources mandated by the Government (government agencies and similar bodies), pursuant to the laws and/or regulations, other than the income tax, fines and penalties for breaches of the legislation and amounts gathered by the entities on behalf of governments.

It sets out that the triggering event of the liability is the activity that results in payment of the levy, and mentions that the payment date does not affect the time when the liability is recognized.

The Company started to apply this interpretation as of January 1, 2014. The impact of application thereof during 2015 on the separate statement of income, line item other operating revenue and expenses and other gains, amounted to $57,772 from the recognition of the expense related with the tax on equity enacted by the National Government through Law 1739 of December 23, 2014.

Also, this interpretation was applied to the recognition of the real estate tax in force in Colombia, with an impact on interim periods but not on the period ended December 31, 2015.

Amendment to IAS 27 "Equity Method in Separate Financial Statements" (August 2014)

The amendment gives entities the option of recognizing their investments in subsidiaries, joint ventures and associates at cost, pursuant to IFRS 9 "Financial Instruments" or using the equity method as described in IAS 28 "Investments in Associates and Joint Ventures".

The Company elected the earlier application of this amendment, incorporating its effects from the preparation of its opening statement of financial position on January 1, 2014. Revenue under the equity method recognized on investments, associates and joint ventures for the period ended 2016 amounted to $101,925 (2015 - $144,416).

IFRS 9 - "Financial Instruments" (July 2014)

IFRS 9 introduced new requirements for the classification, measurement and derecognition of financial assets and liabilities, as well as new requirements for hedge accounting and impairment of financial assets.

The Company started to apply this standard as of January 1, 2014, without significant effects from implementation thereof.

Amendment to IAS 36 - Information to be disclosed on the recoverable value of non-financial assets (May 2013).

This amendment includes the requirements of information to be disclosed on the recoverable value of non-monetary assets for which an impairment loss had been recorded or reversed. In these events there is a requirement to disclose whether the recoverable value of assets was estimated from its fair value less costs of disposal or its value in use. Should fair values be used, it is required to disclose the value hierarchy used as set out in IFRS 13 - Fair Value Measurement.

The Company started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 11 Joint Arrangements - Accounting for the acquisition of an interest in a Joint Operation (May 2014)

The amendment sets out that a joint operator should account for the acquisition of an interest in a joint operation, where the activity associated to the joint operation constitutes a business, using the principles related to business combinations contained in IFRS 3 "Business combinations" and other standards.

The Company started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IAS 16 and IAS 38 Acceptable methods of depreciation and amortization (May 2014)

The amendments clarify that revenue-based amortization methods are unacceptable since they do not reflect the expected consumption pattern of future economic benefits embodied in an asset. Such general rule might be refuted for intangible assets if the intangible asset is expressed as a function of revenue and it can be proved that the revenue and consumption of the economic benefits embodied in intangible assets are closely correlated.

The Company started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 10 and IAS 28 and IAS 27 Sales or contribution of assets between an investor and its Associate or Joint Venture and application of the equity method in separate financial statements (September 2014)

The amendments refer to a well-known inconsistency between the requirements under IFRS 10 and IAS 28 (2011), in the treatment of sales or contribution of assets between an investor and its associate or joint venture.

The Company started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Annual improvement to IFRS 2012-2014 Cycle (September 2014)

Annual improvements to IFRS for the 2012-2014 cycle include:

- IFRS 5 "Non-current assets held for trading and discontinued operations", wherein it is made clear that wherever an asset (or group for disposal) is reclassified from "held for trading" to "held for distribution", or vice versa, this situation does not represent a change to the sales or distribution plan. This means that an asset (or group for disposal) does not need to be reinstated as if it had never been classified as "held for trading" or "held for distribution".
- IFRS 7 - "Financial instruments: Disclosures", includes two amendments for the purpose of analyzing disclosure requirements regarding financial instruments: (a) Provides guidance to help Company management to determine whether the terms of a certain arrangement to provide financial asset management services make a continuing involvement and (b) Makes it clear that additional information to be disclosed on the offsetting of financial assets and financial liabilities is not specific for all interim periods.
- IAS 19 "Employee benefits" clarifies that to determine the discount rate for liabilities arising from post-employment benefits, what matters is the currency of liabilities and not the country where they are triggered. Likewise, where there is no broad market for high-quality corporate bonds in such currency, government bonds are to be used in the relevant currency.
- IAS 34 "Interim financial reporting" requires cross-reference of interim financial statements to the location of such information.

The Company started to apply this interpretation as of January 1, 2014, without significant effects from implementation thereof.

Amendment to IFRS 10, IFRS 12 and IAS 28 Consolidation exception for investment entities and its subsidiaries (December 2014)

The amendments to IFRS 10 clarify that an investment entity should consolidate a subsidiary that is not an investment entity and that supports the entity's investment activities, in such a way that it acts as an extension of the investment entity.

The Company started to apply this amendment as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Note 5. Business combinations

Note 5.1. Business combinations achieved during the year ended December 31, 2016

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

Note 5.2. Business combinations achieved during the year ended December 31, 2015

Agreement between the Company and Caja de Compensación Familiar - CAFAM

During September 2010, the Company entered into an agreement with Caja de Compensación Familiar - CAFAM, which enabled it to operate the stores owned by Cafam, and enabled Cafam to operate the drugstores owned by the Company.

On February 23, 2015, the parties executed an agreement which main purpose was:

- The acquisition by the Company of the stores owned by Cafam, which it had been operating since September 2010, date on which the inventories in amount of $33,506 and property, plant and equipment associated to such stores in amount of $21,200 were purchased.
- Since it is deemed a business combination completed in various stages, the consideration transferred of $127,267 includes $5,048 on account of the measurement at fair value on the date of the business combination, of property, plant and equipment previously acquired by the Company. The amount recognized as goodwill amounts to $122,219, based on the purchase price allocation survey, which is expected to be tax-deductible.
- The sale to Cafam of the drugstores owned by the Company, some of which had been operated by Cafam since September 2010, resulted in a net gain of $74,515, recognized in period results as "Other revenue";
- The termination of the cooperation agreement executed by and between the parties in September 2010.

The conditions precedent under the agreement, including approval by the relevant authorities, were completed on May 27, 2015.

Expenses associated with the acquisition of these stores were not material.

Exercise of the purchase option to acquire Super Inter stores.

On April 15, 2015, the Company exercised the purchase option with Comercializadora Giraldo y Cía. S.A. granted on the acquisition of 29 trade establishments, which had been operated since October 2014, and on the Super Inter trademark. Previously, the Company had acquired the inventories associated with such establishments in amount of $29,833 under a separate transaction.

The price of acquisition amounted to $343,920, out of which $284,173 were disbursed at the closing of December 31, 2015.

Below is a summary of the fair values of identifiable assets and liabilities of the business acquired, as of the date of acquisition and at the closing of the measurement period, based on the purchase price allocation survey:

	Provisional fair values at April 1, 2015	Measurement period adjustments (1)	Final fair values at April 1, 2015
Super Inter Trademark	95,121	(31,417)	63,704
Property, plant and equipment	18,169	-	18,169
Total identifiable assets	**113,290**	**(31,417)**	**81,873**
Net assets measured at fair value	**113,290**	**(31,417)**	**81,873**

Goodwill arising from the operation amounts to:

	Provisional fair values at April 1, 2015	Measurement period adjustments (1)	Final fair values at April 1, 2015
Consideration transferred	343,920	-	343,920
Less fair value of identifiable net assets	(113,290)	31,417	(81,873)
Goodwill from the acquisition	**230,630**	**31,417**	**262,047**

(1) Relates to the fair value measurement adjustment of the Super Inter trademark, resulting from the review of the variables applied during the initial provisional appraisal.

Goodwill in amount of $262,047 is attributable to economies of scale expected from the integration of the operations of the stores acquired and Company stores, which is expected to be tax-deductible.

Expenses associated with the acquisition of these stores were not material.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	December 31, 2016	December 31, 2015
Local currency		
Cash in hand	431,691	301,286
Banks	599,376	467,112
Fiduciary rights (1)	31,995	35,636
Total local currency	**1,063,062**	**804,034**
Foreign currency		
Banks	35,658	5,602
Cash in hand	105	1,011
Total foreign currency	**35,763**	**6,613**
Total cash and cash equivalents	**1,098,825**	**810,647**

(1) For 2015, the Company showed a restricted cash equivalent in local currency in amount of $3,907, registered under the fiduciary rights account, related to the profits from the film "Colombia Magia Salvaje", with the specific destination of a donation to Fundación Éxito.
On May 4, 2016, the Company donated $4,032 to Fundación Éxito as approved by the General Meeting of Shareholders held on March 30, 2016.

The Company recorded yields from cash in hand and in banks, and from cash equivalents, in amount of $6,540 (2015 - $37,964). Note 31.

At December 31, 2016, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof. At December 31, 2016, exception made of resources aimed at Fundación Éxito recorded in the fiduciary rights account, there were no restrictions or liens that would limit the availability of cash and cash equivalents.

Note 7. Trade receivables and other accounts receivable

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

	December 31, 2016	December 31, 2015
Trade accounts receivable (7.1)	125,563	103,178
Other accounts receivable (7.2)	119,749	134,273
Total trade receivables and other receivables	**245,312**	**237,451**
Current (7.3)	**223,766**	**217,742**
Non-current (7.3)	**21,546**	**19,709**

Note 7.1. Trade accounts receivable

The balance of trade receivables is as follows:

	December 31, 2016	December 31, 2015
Domestic customers	79,862	82,218
Compañía de Financiamiento Tuya S.A. (1)	40,601	19,212
Rentals and dealers	9,482	8,362
Employee funds	3,903	4,777
Impairment loss (2)	(8,285)	(11,391)
Total trade receivables	**125,563**	**103,178**

(1) Includes items related with the operation of Tarjeta Éxito, such as royalties and reimbursement of shared expenses and collections from recovery of coupons, to be paid in the short term.

(2) The impairment of receivables is calculated on an individual basis based on receivables with due dates beyond the behavior of historic payments. Impairment is recognized as expense in period results. However, even if impaired, the Company is of the opinion that these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings, when they are available in credit databases recognized in the market. The net effect of the impairment of receivables on the statement of income at December 31, 2016 relates to revenue from recovery in amount of \$3,106 (At December 31, 2016 related to an expense in amount of \$1,295).

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

At 31 December 2014	**10,096**
Impairment loss recognized during the period	12,760
Reversal of impairment losses	(9,377)
Receivables written-off	(2,088)
At December 31, 2015	**11,391**
Impairment loss recognized during the period	6,987
Reversal of impairment losses	(6,240)
Receivables written-off	(3,853)
At December 31, 2016	**8,285**

Note 42, Policies on financial risk management, includes the considerations on the credit risk for trade debtors.

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	December 31, 2016	December 31, 2015
Employee funds	58,787	47,939
Business agreements	38,791	44,436
Sale of fixed assets, intangible assets and others	13,357	246
Money transfers	3,026	6,283
Tax claims	1,405	2,442
Money transfer services	1,227	26,587
Other	3,156	6,340
Total other accounts receivable	**119,749**	**134,273**

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

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

	December 31, 2016	December 31, 2015
Current		
Domestic customers	79,862	82,218
Employee funds	42,407	34,214
Compañía de Financiamiento Tuya S.A.	40,601	19,212
Business agreements	38,791	44,436
Sale of fixed assets, intangible assets and others	13,357	246
Rentals and dealers	9,482	8,362
Money transfers	3,026	6,283
Tax claims	1,405	2,442
Money transfer services	1,227	26,587
Other	1,893	5,133
Impairment loss	(8,285)	(11,391)
Total current accounts receivable	**223,766**	**217,742**
Non-current		
Employee funds	20,283	18,502
Other	1,263	1,207
Total non-current accounts receivable	**21,546**	**19,709**

Note 7.4. Trade receivables and other accounts receivable by age

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

			Overdue			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
December 31, 2016	253,597	52,530	143,545	36,726	927	19,869
December 31, 2015	248,842	140,380	38,820	2,799	15,966	50,877

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	December 31, 2016	December 31, 2015
Leases (1)	13,232	13,562
Insurance (2)	10,309	12,245
Maintenance	4,877	3,390
Advertising	-	1,335
Other	948	472
Total prepaid expenses	**29,366**	**31,004**
Current	**16,728**	**18,008**
Non-current	**12,638**	**12,996**

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

(2) The insurance program covering certain policies that used to be renewed and paid at the beginning of December each year was changed for 2016; as of this year, renewal and payment periods are at the beginning of January.

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

Transactions with related parties represent sales of goods, loans and purchase of goods for sale and provision of services. The balance of accounts receivable from and accounts payable to related parties is as follows:

	Accounts receivable		Accounts payable	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Controlling entity (1)	3,606	204	52,988	61,477
Subsidiaries (2)	53,770	66,665	124,789	89,441
Joint ventures (3)	15,973	-	-	
Key management personnel (4)	29	78	-	-
Members of the Board	-	-	93	1
Grupo Casino companies (5)	3,256	4,842	4,881	4,839
Other related parties (6)	-	98	236	1,861
Total	**76,634**	**71,887**	**182,987**	**157,619**
Current	**74,589**	**71,887**	**182,987**	**157,619**
Non-current	**2,045**	**-**	**-**	**-**

(1) (1)Accounts payable to the controlling entity arise from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. It also includes accounts payable relevant to dividends, in amount of $41,818 (2015 - $50,398).

Accounts receivable relate to a strategic direction service agreement entered into with Casino Guichard-Perrachon S.A.

(2) The balance of accounts receivable from subsidiaries relates to: direct operations of Almacenes Éxito Inversiones S.A.S where Almacenes Éxito S.A acts as payer to third parties under a mandate agreement in amount of $9,941 (2015 - $25,319); collection of profits declared receivable from Stand-Alone Trust Funds $22, 926 (2015 - $12,406); sale of goods and loans to Gemex O&W S.A.S $12,096 (2015 - $8,147); transfer of the put option contract to Spice Investments Mercosur S.A. $3,460 (2015 - $0); strategic direction services to Libertad S.A. $2,726 (2015 - $0); other collections from all other subsidiaries in amount of $2,621 (2015 - $1,786) and sale of goods to Cdiscount Colombia S.A.S. (2015 - $19,007).

Accounts payable to subsidiaries include the following items: purchase of goods and rental of premises to Distribuidora de Textiles y Confecciones S.A., $96,907 (2015 - $71,462); reimbursement of expenses to Gemex O&W S.A.S., $7 (2015 - $0); mobile phone corporate plans and recharges Almacenes Éxito Inversiones S.A.S. (2015 - $7,046); dividends advance payment received from Carulla Vivero Holding Inc., $4,575 (2015 - $4,778); transportation services received from Logística, Transporte y Servicios Asociados S.A.S, $4,511 (2015 - $3,178); purchase of goods from Patrimonio Autónomo Centro Comercial, $196 (2015 - $0); rental instalments and withholding at the source for profits declared by Patrimonios Autónomos,$7,898 (2015 - $1,452); collections, purchase of tourism packages and redemption of points with Éxito Viajes y Turismo S.A.S.,$1,981 (2015 - $0) and purchase of inventories and balance pending capitalization payable to Cdiscount Colombia S.A.S., $8,714 (2015 – rental instalments $1,525).

(3) The balance of accounts receivable from joint ventures relates to a subscription of shares in Compañía de Financiamiento Tuya S.A. dated December 27, 2016. Given that Compañía de Financiamiento Tuya S.A. did not receive authorization from the Colombian Financial Superintendence to register a capital increase before December 31, 2016, the amount disbursed by the Company was recorded as account receivable until such authorization is received, which is expected during the first quarter of 2017.

(4) Transactions between Almacenes Éxito S.A. and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered into between the parties. Key management personnel includes the CEO, Vice-presidents, business corporate managers, directors, and members of their families.

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

(6) Costs and expenses with other related parties relate to transactions with companies where the shareholders are the beneficial owners of 10% or more of total outstanding shares, members of the Board, legal representatives and/or administrators having a direct or indirect interest equal to or higher than 10% of outstanding shares.

Note 10. Inventories and cost of sales

The balance of inventories is as follows:

	December 31, 2016	December 31, 2015
Inventories available for trading	1,058,160	1,120,201
Inventories in transit	31,004	24,266
Materials, small spares, accessories and packaging material	12,596	14,736
Product in process	2,604	2,832
Raw materials	2,313	3,281
Inventories of property under construction (1)	1,897	1,897
Inventory impairment (2)	(30,915)	(23,096)
Total inventories	**1,077,659**	**1,144,117**

(1) Relates to real estate projects currently under construction, for trading purposes. It also includes real estate projects Hotel Cota and Univalledupar, which since 2015 are in the construction restructuring stage.

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

Balance at December 31, 2014	**15,419**
Period loss expense	7,677
Balance at December 31, 2015	**23,096**
Period loss expense	1,400
Reclassifications	6,419
Balance at December 31, 2016	**30,915**

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

Pursuant to Company's policy, inventories are valued at cost or fair value less selling costs, whichever is less. The adjustments to this valuation are included in the costs of sale for the period. No impairment has been reversed regarding these inventories.

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

	December 31, 2016	December 31, 2015
Cost of goods sold (1)	9,360,823	8,667,105
Trade discounts and rebates on purchases	(1,201,618)	(1,062,430)
Logistics costs (2)	257,359	236,946
Damage and unknown reduction	139,829	147,359
Impairment loss recognized during the period	1,400	7,677
Total cost of goods sold	**8,557,793**	**7,996,657**

As of 2016, impairment losses for goods owned by the Company in "*VMI*" custody are recorded to the other provisions account. Note 20.

(1) Includes $2,627 of depreciation and amortization cost (2015 - $2,700).
Includes $28 allowance for trade receivables (2015 - $10).

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

Description	December 31, 2016	December 31, 2015
Services	115,356	108,736
Employee benefits	54,993	50,040
Leases	53,730	48,322
Depreciation and amortization	12,907	12,718
Maintenance and repairs	8,326	6,208
Packaging and marking materials	3,659	3,667
Truck security guard	1,411	-
Allowance for trade receivables	225	-
Other minor	6,752	7,255
Total	**257,359**	**236,946**

Note 11. Other financial assets

The balance of other financial assets is as follows:

	December 31, 2016	December 31, 2015
Financial assets measured at amortized cost (1)	75,157	136,166
Derivative financial instruments (2)	9,547	67,027
Financial assets measured at fair value through income (3)	1,142	965
Financial assets measured at fair value through other comprehensive income (4)	248	1,046
Total other financial assets	**86,094**	**205,204**
Current	**12,252**	**67,027**
Non-current	**73,842**	**138,177**

(1) Financial assets measured at amortized cost are investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Company has the intention and capability of maintaining until maturity. These investments are part of Tarjeta Éxito corporate collaboration agreement, with nominal value of $74,500, a term of between 1 and 10 years and a yield of CPI + 6%. Shares of Compañía de Financiamiento Tuya S.A. were subscribed in October 2016, gaining 50% of the equity in such company; bonds amounting to $69,500 were used to pay for such subscription.

(2) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Company measures derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2015 and December 31, 2016 relates to the increase in the valuation of closing rates for forwards and swaps, above the average of the rates agreed upon with various financial players, giving rise to a right (asset) but not to an obligation (liability).

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

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

The detail of maturities of these instruments at December 31, 2015 is as follows:

	Less than 1 month	From 1 to 3 months	From 6 to 12 months	Total
Forward	31,068	32,238	2,965	66,271
Swap	756	-	-	756
	31,824	**32,238**	**2,965**	**67,027**

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

(4) Financial assets measured at fair value through other comprehensive income are equity investments not held for trading. The fair value on each reporting date is:

	December 31, 2016	December 31, 2015
Fogansa S.A. (in process of being liquidated) (1)	-	798
Other minor equity investments	248	248
Total	**248**	**1,046**

(1) At the closing of 2016, the Company decided to eliminate this investment from the financial statements given the high probability of non-recovery.

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

	December 31, 2016	December 31, 2015
Current		
Financial assets measured at amortized cost	7,452	-
Derivative financial instruments	4,800	67,027
Total current	**12,252**	**67,027**
Non-current		
Financial assets measured at amortized cost	67,705	136,166
Derivative financial instruments	4,747	-
Financial assets measured at fair value through income	1,142	965
Financial assets measured at fair value through other comprehensive income	248	1,046
Total non-current	**73,842**	**138,177**

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

Note 12. Property, plant and equipment, net

The net balance of property, plant and equipment is as follows:

	December 31, 2016	December 31, 2015
Land	643,398	830,245
Buildings	1,074,898	1,151,186
Machinery and equipment	603,994	508,451
Furniture and fixtures	352,391	300,164
Assets under construction	152,295	168,934
Improvements to third party properties	253,951	222,654
Vehicles and transportation equipment	5,280	4,524
Computers	127,182	109,774
Other	16,050	16,050
Total cost of property, plant and equipment	**3,229,439**	**3,311,982**
Accumulated depreciation	(523,381)	(350,930)
Total net property, plant and equipment	**2,706,058**	**2,961,052**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Transportation equipment	Computers	Other	Total
Balance at December 31, 2015	**830,245**	**1,151,186**	**508,451**	**300,164**	**168,934**	**222,654**	**4,524**	**109,774**	**16,050**	**3,311,982**
Additions	8,482	1,845	43,791	14,683	408,499	517	757	9,350	-	487,924
Capitalization of loan costs (1)	-	1,299	-	-	6,077	-	-	-	-	7,376
(Decrease) from transfers (to) investment property (Note 13).	(45,722)	(6,342)	-	-	-	-	-	-	-	(52,064)
Increase (decrease) from movements between property, plant and equipment accounts.	(55)	144,859	56,541	39,642	(52,215)	181,734	-	8,494	-	-
(Decrease) from transfers (to) other balance sheet accounts (2)	(131,649)	(178,768)	(3,199)	(180)	-	(129,953)	-	(1)	-	(443,750)
Disposal of property, plant and equipment	(12,887)	(36,417)	(46)	(4)	-	(10,469)	-	-	-	(59,823)
Derecognition of property, plant and equipment	-	-	(1,401)	(1,921)	-	(10,532)	(1)	(402)	-	(14,257)
Other changes (3)	(5,016)	(2,764)	(143)	7	-	-	-	(33)	-	(7,949)
Balance at December 31, 2016	**643,398**	**1,074,898**	**603,994**	**352,391**	**152,295**	**253,951**	**5,280**	**127,182**	**16,050**	**3,229,439**
Accumulated depreciation										
Balance at December 31, 2015	**-**	**68,715**	**111,945**	**69,997**	**-**	**62,368**	**1,772**	**35,276**	**857**	**350,930**
Depreciation expense/cost	-	33,217	66,220	40,500	-	33,117	741	24,688	788	199,271
(Decrease) from transfers (to) other balance sheet accounts (2)	-	(12,708)	(201)	(11)	-	-	-	-	-	(12,920)
(Decrease) from transfers (to) investment property (Note 13)	-	(351)	-	-	-	-	-	-	-	(351)
Disposal of property, plant and equipment	-	(3,171)	(9)	(4)	-	-	-	-	-	(3,184)
Depreciation reversals	-	-	(1,298)	(1,920)	-	(6,843)	(1)	(401)	-	(10,463)
Other changes	-	9	168	50	-	(134)	-	5	-	98
Balance at December 31, 2016	**-**	**85,711**	**176,825**	**108,612**	**-**	**88,508**	**2,512**	**59,568**	**1,645**	**523,381**

(1) The rate used to determine the amount of loan costs capitalized was 6.389%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of 2016.

(2) Mainly represents:
- i) Contribution of land to Patrimonio Autónomo Viva Malls in amount of $131,649;
- ii) Contribution of constructions to Patrimonio Autónomo Viva Malls for a net book value of $166,060;
- iii) Contribution of improvements to third party properties to Patrimonio Autónomo Viva Malls and Patrimonio Autónomo Viva Barranquilla, for a net book value of $35,728 and $94,225, respectively;
- iv) Contribution of machinery and equipment to Patrimonio Autónomo Viva Malls for a net book value of $2,998;
- v) Contribution of other furniture to Patrimonio Autónomo Viva Malls for a net book value of $170.

(3) Includes transfer of land and buildings of "Éxito Itagüí" premises in amount of $7,609 to the real estate project inventories account, which were subsequently sold.

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

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

	December 31, 2016	December 31, 2015
Machinery and equipment	620	707
Other property, plant and equipment	14,119	14,907
Total assets under finance lease	**14,739**	**15,614**

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

Except for the Envigado property, which is in the construction stage and will be contributed to Patrimonio Autónomo Viva Malls in 2018, no restrictions or liens are levied on property, plant and equipment that limit realization or tradability thereof. For the periods reported, the Company has no commitments to acquire, construct or develop property, plant and equipment.

During the year ended December 31, 2016, the Company received $6,588 (2015 - $13,163) as compensation for assets damaged.

During the periods reported in these financial statements no impairment of property, plant and equipment was recognized. Information about the methodology applied to test for impairment is disclosed in Note 35.

Note 13. Investment property, net

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

	December 31, 2016	December 31, 2015
Land	65,370	32,996
Buildings	40,608	66,850
Total cost of investment property	**105,978**	**99,846**
Accumulated depreciation	(2,973)	(3,404)
Total investment property, net	**103,005**	**96,442**

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

Cost	**Land**	**Buildings**	**Total**
Balance at December 31, 2015	**32,996**	**66,850**	**99,846**
(Decrease) from transfers (to) other balance sheet accounts (1)	(13,943)	(32,534)	(46,477)
Transfers from property, plant and equipment (Note 12) (2)	45,722	6,342	52,064
Other changes	595	(50)	545
Balance at December 31, 2016	**65,370**	**40,608**	**105,978**

Accumulated depreciation	**Buildings**
Balance at December 31, 2015	**3,404**
Depreciation expense	1,614
(Decrease) from transfers (to) other balance sheet accounts (1)	(2,396)
Transfers from property, plant and equipment (Note 12)	351
Balance at December 31, 2016	**2,973**

(1) Relate to the contribution of land and buildings to Patrimonio Autónomo Viva Malls in amount of $13,943 and $32,534, net book value, respectively.

(2) Includes the transfer of properties, namely Marbella manzana 1 plot of land, Éxito Occidente plot of land, Marbella manzana 6, 7 and 8 plot of land, Carulla City Plaza warehouse, Cúcuta Super Inter warehouse and Office located at Central Mayorista premise 42 shed 17.

There are no limitations or liens imposed on investment property that restrict realization or tradability thereof. For the reporting periods included in these financial statements, the Company has no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties. The Parent has not received compensations from third parties arising from the damage or loss of investment properties. It has not recognized impairment losses. Information about the methodology applied to test for impairment is disclosed in Note 35.

Note 36 discloses the fair values of investment properties, based on the appraisal carried out by an independent third party.

Income generated by the Company from the use of investment property during the reporting periods is as follows:

	December 31, 2016	December 31, 2015
Revenue from leases	6,044	10,641
Operation expenses related to revenue-generating investment properties	(2,383)	(1,750)
Operating expenses related to non-revenue-generating investment properties	(1,139)	(1,934)
Net gain from investment properties	**2,522**	**6,957**

Note 14. Goodwill

The balance of goodwill at December 31, 2016 and December 31, 2015, relates to the following business combinations:

Carulla Vivero S.A. (1)	827,420
Super Inter (2)	453,649
Cafam (3)	122,219
Other (4)	49,789
Total	**1,453,077**

(1) Refers to the business combination carried out in 2007 with the merger of Carulla Vivero S.A. The value represents the cost attributed in the opening balance sheet, in exercise of the exemption of not to restate business combinations.

(2) Represents the acquisition of 46 trade establishments under the banner Super Inter, of which 19 were acquired at the end of 2014 and the remaining 29 in April 2015. It also includes the acquisition of 7 trade establishments between 23 February 2015 and 24 June 2015, and the loss from the sale of two assets under condition acquired in the business combination in amount of $1,714.

(3) Refers to the agreement executed on 23 February 2015, to acquire Cafam stores that had been operated by the Company since 2010. The trade establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such capital gain was allocated as follows at 31 December 2015: $80,134 to Éxito, $29,075 to Carulla and $13,010 to Surtimax.

(4) Refers to the non-significant acquisition of trade establishments that subsequently were turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: $10,540 to Éxito, $28,566 to Surtimax and $10,683 to Súper Inter.

During the periods reported in these financial statements no impairment of property, plant and equipment was identified. Information about the methodology applied to test for impairment is contained in Note 35.

Note 15. Intangible assets other than goodwill

The balance of intangible assets other than goodwill is made as follows:

	December 31, 2016	December 31, 2015
Trademarks	81,131	81,131
Computer software	133,953	94,631
Rights	29,259	4,499
Other	1,522	1,522
Total intangible assets other than goodwill	**245,865**	**181,783**
Accumulated amortization	(71,452)	(41,668)
Total intangible assets other than goodwill, net	**174,413**	**140,115**

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

Cost	**Trademarks (1)**	**Computer software (2)**	**Rights (3)**	**Other**	**Total**
Balance at December 31, 2015	**81,131**	**94,631**	**4,499**	**1,522**	**181,783**
Additions	-	39,296	24,760	-	64,056
Transfers	-	36	-	-	36
Disposals and derecognition	-	(10)	-	-	(10)
Balance at December 31, 2016	**81,131**	**133,953**	**29,259**	**1,522**	**245,865**

Accumulated amortization	Trademarks (1)	Computer software (2)	Rights (3)	Other	Total
Balance at December 31, 2015	**-**	**35,678**	**4,499**	**1,491**	**41,668**
Amortization expense/cost	-	29,792	-	-	29,792
Transfers	-	2	-	-	2
Disposals and derecognition	-	(10)	-	-	(10)
Balance at December 31, 2016	**-**	**65,462**	**4,499**	**1,491**	**71,452**

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

(2) Includes the net value of, among other, the following software: system application and products (SAP), $17,801 (2015 - $18,981); trade information system (Sinco), $16,843 (2015 - $7,474); single customer, $4,244 (2015 - $3,035); pricing, $2,951 (2015 - $4,089); demand forecast, $2,737 (2015 - $0); databases, $2,648 (2015 - $2,384); printing, $2,281 (2015 - $ 2,458), display and space, $1,949 (2015 - $ 3,218); pos and pin pads, $1,890 (2015 - $ 2,404); exchange license, $1,862 (2015 - $143); sinemax, $1,516 (2015 - $1,946); IT security, $1,439 (2015 - $1,131); pc stations, $1,334 (2015 - $1,585), C&C licenses, $1,094 (2015 - $830); monitoring, $1,130 (2015 - $244); slotting, $1,088 (2015 - $1,098). For 2015, it also includes a finance lease with Leasing Bancolombia S.A. on the telephone plant software license, with carrying value of $424.

(3) Relates to:
- $13,238 and $11,522 from the recognition of a contract executed to acquire the rights to exploit trade premises during September and December 2016, respectively. Given the relevant usage considerations that the Company has thereon, such rights have indefinite useful life, and consequently they are not amortized.
- $4,499 recognition of the contract entered into with Comercializadora Giraldo y Cía S.A. regarding the use for no consideration of the Super Inter trademark up to April 1, 2015, date on which the business combination of 29 trade establishments and the Super Inter trademark was completed. Such intangible asset has been fully amortized

Intangible assets other than goodwill are not restricted or subject to lien that would restrict realization or tradability thereof. For the reported periods, the Company has neither commitments to acquire or develop intangible assets, nor has it recognized any impairment losses. Information about the methodology applied to test for impairment is contained in Note 35.

Note 16. Investments accounted for using the equity method

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

Company	Classification	December 31, 2016	December 31, 2015
Onper Investment 2015 S.L.	Subsidiary	5,477,557	5,031,931
Spice Investment Mercosur S.A. (1)	Subsidiary	1,789,663	2,199,763
Patrimonio Autónomo Viva Malls (2)	Subsidiary	398,227	-
Distribuidora de Textiles y Confecciones S.A.	Subsidiary	159,415	152,409
Patrimonio Autónomo Viva Villavicencio	Subsidiary	109,148	111,121
Compañía de Financiamiento Tuya S.A. (3)	Joint venture	90,171	-
Patrimonio Autónomo Centro Comercial	Subsidiary	57,294	59,403
Patrimonio Autónomo Viva Sincelejo	Subsidiary	42,531	43,857
Cdiscount Colombia S.A.S. (4)	Subsidiary	22,838	-
Patrimonio Autónomo San Pedro Etapa I	Subsidiary	17,960	18,375
Patrimonio Autónomo Centro Comercial Viva Barranquilla (5)	Subsidiary	11,086	99,857
Cnova N.V. (6)	Associate	9,222	9,222
Patrimonio Autónomo Centro Comercial Viva Riohacha (7)	Subsidiary	6,277	53,337
Carulla Vivero Holding Inc.	Subsidiary	4,464	4,685
Éxito Viajes y Turismo S.A.S.	Subsidiary	4,221	2,223
Fideicomiso Girardot plot of land	Subsidiary	3,850	3,850
Patrimonio Autónomo Iwana	Subsidiary	3,280	3,348
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	606	-
Patrimonio Autónomo Viva Laureles (8)	Subsidiary	-	93,667
Patrimonio Autónomo Viva Palmas (8)	Subsidiary	-	12,989
Patrimonio Autónomo Local 108 (Vizcaya)	Subsidiary	-	614
Total		**8,207,810**	**7,900,651**

(1) The Company was a party to the put option contract entered into with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option was based on a previously determined formula and the option could be exercised at any time. Such option was measured at fair value and amounted to $310,323. On June 30, 2016, the Company transferred this put option contract to subsidiary Spice Investments Mercosur S.A.

(2) Stand-alone trust fund created on June 15, 2016.

(3) On October 31, 2016, Almacenes Éxito S.A. directly acquired 49.98% of the shares of stock of Compañía de Financiamiento Tuya S.A. and 0.02% through its subsidiary Almacenes Éxito Inversiones S.A.S.

(4) A capitalization in amount of $24,990 was completed on April 7, 2106. Additionally, due to the reimbursement of contributions made by this subsidiary on December 30, 2016, the Company became the only shareholder.

(5) In December 2016, the Company sold to Patrimonio Autónomo Viva Malls a portion of the fiduciary rights in this stand-alone trust fund.

(6) As result of the disinvestment made in 2016 by Companhia Brasileira de Distribuição – CBD, subsidiary of Onper Investment 2015 S.L., Cnova N.V. changed from being a subsidiary to an associate.

(7) In December 2016, the property previously contributed to this stand-alone trust fund was returned to the Company.

(8) In December 2016, rights in Patrimonio Autónomo Viva Laureles and in Patrimonio Autónomo Viva Palmas were transferred to Patrimonio Autónomo Viva Malls.

Information regarding investments accounted for using the equity method

Information on ownership percentages and shares held in investments accounted for using the equity method:

Company	Country	Functional currency	Main economic activity	Ownership percentage		Number of shares	
				2016	2015	2016	2015
Onper Investment 2015 S.L.	Spain	Euro	Holding	100%	100%	3.000	3.000
Spice Investment Mercosur S.A.	Uruguay	Uruguayan peso	Holding	100%	100%	6.550.177.757	6,550,177,757
Patrimonio Autónomo Viva Malls	Colombia	Colombian peso	Real Estate	51%	-	N/A	-
Distribuidora de Textiles y Confecciones S.A.	Colombia	Colombian peso	Textile	97.75%	97.75%	7.820.000	7.820.000
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Compañía de Financiamiento Tuya S.A.	Colombia	Colombian peso	Credit	50%	-	4.124.061.485	-
Patrimonio Autónomo Centro Comercial	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Patrimonio Autónomo Centro Comercial Viva Barranquilla	Colombia	Colombian peso	Real Estate	5.18%	92.52%	N/A	N/A
Cdiscount Colombia S.A.S.	Colombia	Colombian peso	Trade	100%	49%	4.074.343	1.575.343
Cnova N.V.	Holland	Euro	Trade	0.15%	0.15%	659.383	659.383
Patrimonio Autónomo Centro Comercial Viva Riohacha	Colombia	Colombian peso	Real Estate	100%	100%	N/A	N/A
Carulla Vivero Holding Inc.	British Virgin Islands	Colombian peso	Investment	100%	100%	385.900	385.900
Éxito Viajes y Turismo S.A.S.	Colombia	Colombian peso	Services	51%	51%	2.500.000	2.500.000
Fideicomiso Girardot plot of land	Colombia	Colombian peso	Real Estate	100%	100%	N/A	N/A
Patrimonio Autónomo Iwana	Colombia	Colombian peso	Real Estate	51%	51%	N/A	N/A
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombian peso	Transport	100%	100%	4.538.000	616.000
Patrimonio Autónomo Viva Laureles	Colombia	Colombian peso	Real Estate	-	80%	-	N/A
Patrimonio Autónomo Viva Palmas	Colombia	Colombian peso	Real Estate	-	51%	-	N/A
Patrimonio Autónomo Local 108 (Vizcaya)	Colombia	Colombian peso	Real Estate	-	100%	-	N/A
Gemex O & W S.A.S.	Colombia	Colombian peso	Trade	85%	85%	345.903	345.903
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombian peso	Telephone	100%	100%	300.000	300.000

Financial information regarding investments accounted for using the equity method at December 31, 2016:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations	Total comprehensive income
Onper Investment 2015 S.L.	10,887,781	38,671,385	11,430,151	22,012,796	16,116,219	37,816,912	64,449	2,292,820
Spice Investment Mercosur S.A.	558,677	2,094,685	926,090	72,469	1,654,803	2,401,228	151,316	47,831
Compañía de Financiamiento Tuya S.A.	2,474,730	-	1,393,875	935,756	145,099	857,706	10,156	10,156
Patrimonio Autónomo Viva Malls	64,060	714,179	5,235	-	773,004	7,444	3,216	3,216
Patrimonio Autónomo Viva Villavicencio	35,989	212,002	27,351	-	220,640	32,386	21,654	21,654
Patrimonio Autónomo Centro Comercial Viva Barranquilla	9,426	212,449	7,865	-	214,010	4,309	(29)	(29)
Distribuidora de Textiles y Confecciones S.A.	138,340	107,437	60,588	13,466	171,724	291,141	6,713	6,718
Patrimonio Autónomo Centro Comercial	8,104	115,153	8,914	-	114,343	17,861	11,654	11,654
Patrimonio Autónomo Viva Sincelejo	1,558	83,493	1,656	-	83,395	11,979	6,243	6,243
Patrimonio Autónomo Centro Comercial Viva Riohacha	2,460	4,736	919	-	6,277	9,198	4,973	4,973
Patrimonio Autónomo San Pedro Etapa I	617	34,975	376	-	35,216	3,851	2,611	2,611
Patrimonio Autónomo Iwana	100	6,400	68	-	6,432	467	115	115
Carulla Vivero Holding Inc.	4,551	-	87	-	4,464	-	-	-
Éxito Viajes y Turismo S.A.S.	20,418	1,821	13,962	-	8,277	12,623	3,918	3,918
Fideicomiso Girardot plot of land	-	3,850	-	-	3,850	-	-	-
Logística, Transporte y Servicios Asociados S.A.S.	8,207	3,663	9,266	2,040	604	65,572	(1,657)	(1,665)
Gemex O & W S.A.S. (1)	8,191	849	18,799	-	(9,759)	18,556	(7,517)	(7,517)
Cdiscount Colombia S.A.S.	22,193	-	9,229	-	12,964	17,154	(19,361)	(19,361)
Almacenes Éxito Inversiones S.A.S. (2)	3,536	5,030	12,781	-	(4,215)	41,688	7,838	7,838

Financial information regarding investments accounted for using the equity method at December 31, 2015:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations	Total comprehensive income
Onper Investments 2015 S.L.	20,676,653	19,994,780	20,787,360	7,040,507	12,843,566	20,618,581	(7,416)	(558,890)
Spice Investment Mercosur S.A.	744,061	2,073,721	630,607	74,238	2,112,937	2,162,401	90,476	188,388
Patrimonio Autónomo Viva Villavicencio	28,456	215,351	19,307	-	224,500	23,380	15,209	15,209
Distribuidora de Textiles y Confecciones S.A.	102,471	105,194	29,857	12,797	165,011	146,423	1,801	1,806
Patrimonio Autónomo Centro Comercial	4,365	116,565	2,452	-	118,478	11,826	8,687	8,687
Patrimonio Autónomo Viva Laureles	2,451	116,664	2,031	-	117,084	13,689	6,967	6,967
Patrimonio Autónomo Centro Comercial Viva Barranquilla	3,893	108,501	4,464	-	107,930	150	(804)	(804)
Patrimonio Autónomo Viva Sincelejo	1,991	85,509	1,507	-	85,993	11,414	5,729	5,729
Patrimonio Autónomo Centro Comercial Viva Riohacha	1,800	52,963	1,323	-	53,440	707	191	191
Patrimonio Autónomo San Pedro Etapa I	597	35,797	364	-	36,030	3,926	2,653	2,653
Patrimonio Autónomo Viva Palmas	430	25,470	430	-	25,470	213	187	187
Patrimonio Autónomo Iwana	82	6,546	64	-	6,564	522	198	198
Carulla Vivero Holding Inc.	4,776	-	91	-	4,685	-	-	-
Éxito Viajes y Turismo S.A.S.	4,023	1,500	1,164	-	4,359	234	(502)	(502)
Fideicomiso Girardot plot of land	-	3,850	-	-	3,850	-	-	-
Cnova N.V.	3,955,329	2,062,683	5,389,525	133,429	495,058	3,032,540	(531,226)	(531,226)
Patrimonio Autónomo Local 108 (Vizcaya)	19	595	-	-	614	1	(14)	(14)
Logística, Transporte y Servicios Asociados S.A.S. (3)	3,806	1,146	6,598	7	(1,653)	21,475	(2,271)	(2,271)
Gemex O & W S.A.S. (1)	7,788	975	12,093	-	(3,330)	12,134	(1,731)	(1,731)
Cdiscount Colombia S.A.S. (4)	31,501	9,183	50,763	-	(10,079)	40,665	(25,843)	(25,843)
Almacenes Éxito Inversiones S.A.S. (2)	9,437	5,131	26,621	-	(12,053)	23,403	(1,989)	(1,989)

(1) At December 31, 2016, Gemex O & W S.A.S. accrued losses amounting to $11,254 (2015 - $3,737) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. As part of the Management commitment to take steps to overcome this situation, a business plan that would enable the Company to start generating profits was submitted to the General Meeting of Shareholders on March 18, 2016.

(2) At December 31, 2016, Almacenes Éxito Inversiones S.A.S. accrued losses amounting to $9,050 (2015 - $16,888) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. As part of the

Management commitment to take steps to overcome this situation, a business plan that would enable the Company to start generating profits was submitted to the General Meeting of Shareholders on March 18, 2016. The plan has proven positive, reason why there is a decrease in accumulated losses.

(3) At December 31, 2016, Transporte y Servicios Asociados S.A.S. accrued losses amounting to $3,926 (2015 - $2,269) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. As part of the Management commitment to take steps to overcome this situation, during the ordinary meeting held on March 10, 2016, the General Meeting of Shareholders approved a capitalization in amount of $3,922 million to increase subscribed and paid-in capital from $616 million to $4,538 million, thus overcoming the grounds for dissolution. However, as result of the accumulated losses generated during the year ended December 31, 2016, equity again decreased below 50% of the capital, and the company again is under the special grounds for dissolution. Even under this circumstance, at December 31, 2016, equity is not negative.

(4) At December 31, 2016, Cdiscount Colombia S.A.S. accrued losses amounting to $61,590 (2015 - $42,229) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. As part of Management commitment to take steps to overcome this situation, during the meeting held on March 16, 2016, the General Meeting of Shareholders approved a capitalization in amount of $51,000, to increase subscribed and paid-in capital (including a premium on the placement of shares) from $32,150 to $83,150, increasing shareholders' equity to $33,852, thus overcoming the grounds for dissolution. Under this circumstance, at December 31, 2016, equity is not negative.

As of August 31, 2015, with the business combination of the Brazil and Argentina operations through subsidiary Onper Investment 2015 S.L., control of such investment was gained and the investment was classified as a subsidiary.

There are no restrictions on the capability of the subsidiaries to transfer funds to the parent in the form of cash dividends, or loan repayments or advance payments. Additionally, the Company has no contingent liabilities incurred related to its participation therein. Embedded obligations acquired by the Company on behalf of subsidiaries, whose losses are higher than the investment therein held are described in Note 20 Other provisions.

For 2015, there are no investments in associates and joint ventures with material non-controlling interests. For 2016, the following is the joint venture that has material non-controlling interests:

Joint venture	Non-controlling interests
Compañía de Financiamiento Tuya S.A.	50%

Below is a summary of financial information on the joint venture with material non-controlling interests:

Companies	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Revenue from ordinary activities	Result from continuing operations	Total comprehensive income
Compañía de Financiamiento Tuya S.A.	2,474,730	-	1,393,875	935,756	145,099	857,706	10,156	10,156

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

Onper Investments 2015 S.L.

A company with domicile in Spain. Parent of Companhia Brasileira de Distribuição Group – CBD (Brazil) wherein it has a 18.76% share of capital and 49.97% of voting rights, and of Libertad S.A. Group (Argentina) of which it owns 100% of the capital.

The company's corporate purpose is to carry out the following activities, in Spain and abroad:

- Manage and administer securities representing the funds of non-resident entities in Spanish territory, through the organization of material and human resources. CNAE Code 66.30/64.20.
- Purchase, subscribe, hold, manage, administer, barter and sell domestic and foreign movable securities on its own without intermediation, through the organization of material and human resources. CNAE Code 66.12.
- Promote and develop all kinds of real estate, urban or soil management plans, whether for industrial, commercial or housing purposes. This shall include purchasing, holding, managing, administering, bartering and selling of all kinds of real estate assets. CNAE Code 4110 and 683.2.
- Perform all kinds of economic, financial and commercial surveys, as well as real estate-related surveys including those regarding the management, administration, merger and concentration of companies, and the provision of trade and entrepreneurial services. CNAE Code 69.20.
- Exception is made of activities reserved by Law to Collective Investments Institutions, as well as those expressly reserved by the Stock Exchange Law to stockbroking agents and/or companies.
- Should legal provisions require a certain professional title, administrative authorization or filing with public registers to perform any of the activities included in the corporate purpose, such activities shall be carried out by individuals holding such title and, as the case may be, shall not be initiated without compliance with administrative requirements.

The company may carry out the mentioned activities, in full or in part, indirectly through investments in other companies having the same or similar corporate purpose as that described above, or under any form pursuant to the Law.

Spice Investments Mercosur S.A.

Company acquired in September 2011. A Uruguayan closed stock company, with nominative share titles. Its core purpose is investing in general, pursuant to section 47 of Uruguayan law 16060, and it may develop investment activities in the country and abroad. Its main place of business is in Montevideo, at Avenida General José María Paz N° 1404.

Patrimonio Autónomo Viva Malls

It was established on July 15, 2016 by means of public deed 679 granted before the Notary 31st of Medellín as a stand-alone trust fund through Helm Fiduciaria S.A. Its main corporate purpose is to acquire, directly or indirectly, property rights, mainly related to shopping malls, development thereof and development of other real estate assets as well as the exploitation and operation thereof. The corporate purpose includes to lease the trade premises to third parties or to related parties, grant concessions on spaces that are part of the property, exploit, market and maintain the premises, raise funds and dispose of the assets, as well as perform all related activities as required to meet business goals. Its main place of business is in Bogotá, at Carrera 7 No. 27-18 14th floor.

Distribuidora de Textiles y Confecciones S.A.

It was incorporated by means of public deed 1138 granted on July 13, 1976 before the Notary 7th of Medellín. Its corporate purpose is to acquire, store, transform, manufacture and sell, and in general distribute in whatever form all kinds of locally-produced or imported textiles, and acquire, give or take under lease agreements property intended for establishing stores, shopping malls or other places suitable for the distribution of merchandise and the sale of goods or services. Its main place of business is in the municipality of Envigado, Colombia, at Carrera 48 Nº 32 Sur - 29. The life span of the company goes to July 13, 2026.

Patrimonio Autónomo Viva Villavicencio

It was established on April 1, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Villavicencio shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the Company in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Villavicencio, Colombia at Calle 7A No. 45 - 185.

Compañía de Financiamiento Tuya S.A.

A joint business, joint control over which was acquired on October 31, 2016. Is a private entity, authorized by the Colombian Financial Superintendence, incorporated by means of public deed No. 7418 granted on November 30, 1971 before the Notary First of Bogotá, having its main place of business in Medellín. The company's main corporate purpose is attracting resources using term-deposits with the primary purpose of engaging in credit active operations, to ease the trading of goods and services, without prejudice of operations and investments that it may carry out in compliance with the conditions or limitations set out by the legal regime applicable to financing companies.

Patrimonio Autónomo Centro Comercial

It was established on December 1, 2010 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Etapa II shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Neiva, Colombia, at Carrera 8 between Calles 38 and 48.

Patrimonio Autónomo Viva Sincelejo

It was established on March 8, 2013 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Sincelejo shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the Company in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Sincelejo, Colombia at Carrera 25 No. 23 - 49.

Patrimonio Autónomo San Pedro Etapa I

It was established on June 30, 2005 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate San Pedro Plaza shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions given by the trustors to the retained real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Neiva, Colombia, at Carrera 8 between Calles 38 and 48.

Patrimonio Autónomo Centro Comercial Viva Barranquilla

It was created on December 23, 2014, as a special trust deposit pursuant to the law, through Fiduciaria Bancolombia S.A. Sociedad Fiduciaria. Its business purpose is to receive and maintain legal title to the property and to other properties as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the Company in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barranquilla, Colombia at Carrera 51 B No. 87 - 50.

Cdiscount Colombia S.A.S.

It was incorporated by private document on June 26, 2014. Its corporate purpose is: (i) Launching and operating e-commerce businesses in Colombia; (ii) Entering into all kinds of agreements including, without limitation, lease, distribution, operation, association, sale-purchase, technical assistance, supply, inspection, control and service agreements, as required for the proper development of the corporate purpose; (iii) Rendering all kinds of services including, without limitation, management, advisory, consultancy, technical assistance and representation agreements, as required for the proper development of the corporate purpose; and (iv) Carrying out any lawful activity. Its main place of business is in the municipality of Envigado, Colombia, at Carrera 48 Nº 32B Sur - 139.

Cnova N.V.

Cnova N.V. was incorporated on May 30, 2014. Its corporate purpose is participating or carrying out all activities and operations related with or suitable for e-commerce and regular trade, and the provision of services in the fields of retail sales, advertising, transportation, data communications, business advisory and business funding. Its main domicile is Amsterdam, The Netherlands.

Patrimonio Autónomo Centro Comercial Viva Riohacha

It was established on November 4, 2015 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to receive and maintain legal title to the property and to other properties as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the Company in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is the municipality of Riohacha, Colombia, at Calle 15 No. 18-274.

Carulla Vivero Holding Inc.

It was incorporated on September 14, 2000 under the laws of the British Virgin Islands; its corporate purpose is carrying out businesses to invest, buy, hold, acquire at any title, sell, assign and manage any chattels or real estate not forbidden or regulated by the laws of the British Virgin Islands.

Éxito Viajes y Turismo S.A.S.

It was incorporated on May 30, 2013, under Colombian laws. Its main corporate purpose is the exploitation of tourism-related activities, as well as the representation of the tourism industry and the opening of travel agencies whatever its nature and the promotion of domestic and international tourism. Its main place of business is in the municipality of Envigado, Colombia, at Carrera 48 Nº 32B Sur - 139. The company's life span is indefinite.

Fideicomiso Girardot plot of land

It was acquired by means of assignment of fiduciary rights on February 11, 2011 through Alianza Fiduciaria S.A. Its purpose is to acquire title to the property in the name of the Company. Its main place of business is in the municipality of Girardot, Colombia, at Carrera 10 and 11 with Calle 25.

Patrimonio Autónomo Iwana

It was established on December 22, 2011 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Iwana shopping mall, including maintaining legal title to the property; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the Company in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Barrancabermeja, Colombia at Carrera 11 No. 50 - 19.

Logística, Transporte y Servicios Asociados S.A.S.

It was incorporated on May 23, 2014, under Colombian laws. Its corporate purpose is the provision of air, land, maritime, fluvial, railway and multimodal domestic and international freight services for all kinds of goods in general. Its main place of business is in the municipality of Envigado, Colombia, at Carrera 48 Nº 32B Sur - 139. The company's life span is indefinite.

Patrimonio Autónomo Viva Laureles

It was established on May 31, 2012 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to operate Viva Laureles shopping mall, including maintaining legal title to the building; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the Company in its capacity as real estate administrator; the business purpose also includes manage resources, make payments as required to administer and operate the business premises and other units that are part thereof. The main place of business of the shopping mall is in the municipality of Medellín, Colombia at Carrera 81 No. 37 - 100.

Patrimonio Autónomo Viva Palmas

It was established on April 17, 2015 as a stand-alone trust fund through Fiduciaria Bancolombia S.A. Its business purpose is to receive and maintain legal title to the property and to other properties as trustors may in future instruct or contribute; execute lease agreements and the extension, renewal, amendment and termination of such agreements in accordance with the instructions received from the Company in its capacity as real estate administrator; manage resources, make payments as required to administer and operate the business premises. Its main place of business is located in rural area of the municipality of Envigado, Colombia.

Patrimonio Autónomo Local 108 (Vizcaya)

It was acquired by means of assignment of fiduciary rights on August 3, 2012 through Alianza Fiduciaria S.A. Its business purpose is to receive and maintain legal title to the property; execute binding promises to sell-purchase as the promising seller or buyer; grant the use and enjoyment of the property under lease agreements to whom it be instructed; allocate the proceeds from lease instalments and comply with payment instructions. The main place of business is in the municipality of Medellín, Colombia at Calle 10 No. 32 - 115.

Gemex O & W S.A.S.

It was incorporated on March 12, 2008. Its corporate purpose is the trading of all kinds of goods and services through alternative sales channels, such as, without limitation, direct sales or mail sales, web sites or e-commerce, through vending machines, and in general using all technology-based channels or special methods to trade goods and services. Its main place of business is in the municipality of Envigado, Colombia, at Carrera 43 Nº 31- 166.

Almacenes Éxito Inversiones S.A.S.

It was incorporated by private document on September 27, 2010. Its corporate purpose is mainly (i) incorporate, finance, promote, invest, individually or jointly with other individuals or legal entities, in the incorporation of companies o businesses whose purpose is the manufacturing or trading of goods, objects, merchandise, articles or elements or the provision of services related with the exploitation of trade establishments and link with such companies as associate, by contributing cash, goods or services; and (ii) promote, invest, individually or jointly with other individuals or legal entities, in the provision of networks, services and telecommunications added value, particularly all activities permitted in Colombia or abroad related with telecommunications, mobile phone and added value services. Its main place of business is in the municipality of Envigado, Colombia, at Carrera 48 Nº 32B Sur - 139. The company's life span is indefinite.

Note 17. Changes in the classification of financial assets

During the year ended December 31, 2016, there were no changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 18. Financial liabilities

The balance of financial liabilities is as follows:

	December 31, 2016	December 31, 2015
Local currency		
Current		
Bank loans (1)	432,048	216,197
Finance leases	237	41
Total current financial liabilities in local currency	**432,285**	**216,238**
Non-current		
Bank loans (1)	2,174,968	2,486,352
Finance leases	73	1,149
Total non-current financial liabilities in local currency	**2,175,041**	**2,487,501**
Total financial liabilities in local currency	**2,607,326**	**2,703,739**
Foreign currency		
Current		
Bank loans (1)	33,652	949
Finance leases	3,425	2,200
Put option (2)	-	310,323
Total current financial liabilities in foreign currency	**37,077**	**313,472**
Non-current		
Bank loans (1)	1,309,530	1,404,190
Finance leases	14,883	20,056
Total non-current financial liabilities in foreign currency	**1,324,413**	**1,424,246**
Total financial liabilities in foreign currency	**1,361,490**	**1,737,718**
Total financial liabilities	**3,968,816**	**4,441,457**
Current	**469,362**	**529,710**
Non-current	**3,499,454**	**3,911,747**

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

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

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

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

(2) The Company was a party to the put option contract entered into with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option was based on a previously determined formula and the option could be exercised at any time. Such option was measured at fair value and amounted to $310,323. On June 30, 2016, the Company transferred the put option contract to subsidiary Spice Investments Mercosur S.A. This transaction generated a revenue of $3,460 (USD $1.2 million), recorded under other non-operating revenue (Note 30).

Below is a detail of annual maturities of non-current bank loans and finance leases for the period ended December 31, 2016 discounted at present value:

Year	Total
2018	1,857,957
2019	538,357
2020	450,840
>2021	652,300
	3,499,454

Note 18.1. Commitments undertaken under credit contracts (financial liabilities)

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

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

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

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

c. Prepayments under bridge loan contract: Wherever the Company intends to prepay any bank credit in foreign currency, the Company will prepay the short-term trench in proportion to the amount prepaid to the bank credit in foreign currency, and in proportion to each creditor.

Note 18.2. Obligations undertaken under credit contracts (financial liabilities)

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

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

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

Note 19. Employee benefit provisions

The balance of employee benefit provisions is:

	December 31, 2016	December 31, 2015
Defined benefit plans (19.1)	28,135	25,259
Long-term benefits (19.2)	1,894	11,101
Total	**30,029**	**36,360**
Current	**3,267**	**4,103**
Non-current	**26,762**	**32,257**

Note 19.1. Defined benefit plans and defined contribution plans

The Company has defined the following benefit plans:

a. Retirement pension plan

Under the plan, an employee will receive, upon retirement, a certain annuity paid monthly as pension, pension adjustments pursuant to legal regulations, survivor's pension, assistance with funeral expenses and June and December bonuses established by law. Such amounts depend on factors such as: employee age, time of service and salary. The Company is responsible for the payment of retirement pensions to employees who meet the following requirements: employees who at 1 January 1967 had served more than 20 years (full liability), and employees and former employees who at 1 January 1967 had served more than 10 years but less than 20 years (partial liability).

b. Retroactive severance pay plan

Under the plan, employees will be paid upon retirement a retroactive amount as severance pay, after deduction of advance payments. Retroactivity of severance pay is estimated for those employees to whom labor laws applicable are those prior to Law 50 of 1990, and who did not move to the new system. This social benefit is calculated over the entire time of service, based on the latest salary earned.

c. Retirement bonus upon meeting the requirements to obtain an old-age pension

Under the plan, wherever an employee of the Company meet the age and contribution requirements to obtain a retirement pension under the average defined benefit system, he is granted a single $1 cash bonus upon the employee's completion of his time of service.

Until 2015, under the plan, wherever an employee meet the age and contribution requirements to obtain a retirement pension under the average defined benefit system, he was granted a cash bonus in accordance with the following range:

- Less than 10 years of service at the Company: $1,5.
- From 10 to less than 20 years of service at the Company: $2.
- From 20 to less than 30 years of service at the Company: $3.
- 30 or more years of service at the Company: $4.

d. Retirement bonus upon meeting the requirements to obtain a disability pension

Under the plan, wherever an employee is granted a disability pension by the relevant pension administration entity, he will be granted a single retirement bonus in amount of $4 (2015 - $1), provided a loss of 50% or more of capacity for work was qualified during the term of the labor relation with the Company.

The old-age pension or disability pension bonus is granted under a collective bargain agreement.

Such benefits are estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Below is a reconciliation of developments in defined benefit plans:

	Retirement pensions	Retroactive severance pay	Retroactive severance pay and old-age pension and disability retirement bonus	Total
Balance at December 31, 2015	**17,999**	**1,036**	**6,224**	**25,259**
Cost of present service	-	32	375	407
Interest expense	1,320	71	448	1,839
Actuarial (gain) loss from changes in experience	2,210	35	(62)	2,183
Actuarial (gain) from demographic changes	-	(1)	(278)	(279)
Actuarial (gain) loss from financial assumptions	1,388	25	(164)	1,249
Benefits directly paid by the Company	(2,241)	(118)	(164)	(2,523)
Balance at December 31, 2016	**20,676**	**1,080**	**6,379**	**28,135**

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	2016				2015	
	Retirement pensions (1)	Retirement pensions (2)	Old-age pension and disability retirement bonus	Retroactive severance pay	Retroactive severance pay and old-age and disability retirement bonus	Retirement pensions
Discount rate	7.50%	9.96%	7.60%	7.20%	7.30%	7.82%
Annual salary increase rate	3.50%	4.93%	3.50%	3.50%	3.25%	2.88%
Future annuity increase rate	3.50%	4.93%	-	-	-	2.88%
Annual inflation rate	3.50%	3.50%	3.50%	3.50%	3.25%	2.88%
Death rate - men (years)	60-62	60-62	60-62	60-62	60-62	60-62
Death rate - women (years)	55-57	55-57	55-57	55-57	55-57	55-57
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%

(1) Relates to rates applied pursuant to Regulatory Decree 2131 of December 22, 2016, based on which the pension plan liability for 2016 was calculated.

(2) Relates to rates applied pursuant to Regulatory Decree 2496 of December 23, 2015, based on which the pension plan liability for 2015 was calculated.

Employee turnover, disabilities and early retirement rates:

	Rates	
Years of service	**2016**	**2015**
From 0 to less than 5	34.26%	29.98%
From 5 to less than 10	16.68%	14.60%
From 10 to less than 15	9.82%	8.59%
From 15 to less than 20	7.32%	6.41%
From 20 to less than 25	5.62%	4.92%
25 and more	4.24%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the defined benefit net liability:

	2016				2015		
Variation expressed in basis points	Retirement pensions (1)	Retirement pensions (2)	Retroactive severance pay	Old-age pension and disability retirement bonus	Retirement pensions	Retroactive severance pay	Old-age pension and disability retirement bonus
Discount rate + 25	(359)	(315)	(11)	(123)	(307)	(12)	(135)
Discount rate - 25	371	325	11	127	317	12	139
Discount rate + 50	(706)	(621)	(22)	(242)	(604)	(24)	(265)
Discount rate - 50	754	660	23	258	644	25	284
Discount rate + 100	(1,368)	(1,205)	(43)	(468)	(1,107)	(47)	(512)
Discount rate - 100	1,560	1,363	47	534	1,332	51	589
Annual salary increase rate + 25	N/A	N/A	21	N/A	N/A	23	N/A
Annual salary increase rate - 25	N/A	N/A	(20)	N/A	N/A	(23)	N/A
Annual salary increase rate + 50	N/A	N/A	41	N/A	N/A	47	N/A
Annual salary increase rate - 50	N/A	N/A	(40)	N/A	N/A	(45)	N/A
Annual salary increase rate + 100	N/A	N/A	84	N/A	N/A	94	N/A
Annual salary increase rate - 100	N/A	N/A	(79)	N/A	N/A	(89)	N/A

(1) Relates to the sensitivity analysis completed using the rates set out in Regulatory Decree 2131 of December 22, 2016, based on which the pension plan liability for 2016 was calculated.

(2 Relates to the sensitivity analysis completed using the rates set out in Regulatory Decree 2496 of December 23, 2015, based on which the pension plan liability for 2015 was calculated.

Contributions for the next years funded with Company's own resources are foreseen as follows:

	Retirement pensions			Retroactive severance pay		Old-age pension and disability retirement bonus	
Year	**2016 (1)**	**2016 (2)**	**2015**	**2016**	**2015**	**2016**	**2015**
2016	-	-	2,113	-	87	-	322
2017	2,338	2,375	2,071	140	96	527	370
2018	2,268	2,335	2,047	109	128	363	467
2019	2,277	2,376	2,038	160	169	462	551
>2019	39,317	48,686	32,960	1,114	1,059	12,281	12,027
Total	**46,200**	**55,772**	**41,229**	**1,523**	**1,539**	**13,633**	**13,737**

(1) Relates to the amount of foreseen contributions calculated using the rates set out by Regulatory Decree 2131 of December 22, 2016, based on which the pension plan liability for 2016 was calculated.

(2) Relates to the amount of foreseen contributions calculated using the rates set out by Regulatory Decree 2496 of December 23, 2015, based on which the pension plan liability for 2015 was calculated.

The average duration of the liability for defined benefit plans at December 31, 2016 is 7.9 years (2015 - 8 years).

The Company has no specific assets intended for guaranteeing the defined benefit plans.

The defined contribution plan expense at December 31, 2016 amounted to $68,910 (2015 - $60,837).

Note 19.2. Long-term benefits

The long-term benefit plan involves a time-of-service bonus payable to employees.

Such benefits are estimated on an annual basis or wherever there are material changes, using the forecasted credit unit. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Agreement was reached during 2015 and 2016 with several employees who voluntarily decided to replace the time-of-service bonus with a single one-time bonus.

Below is a reconciliation of the development of long-term benefit plans:

Balance at December 31, 2015	**11,101**
Cost of present service	338
Interest expense	488
Actuarial loss from changes in experience	516
Actuarial (gain) from demographic changes	(61)
Actuarial loss from financial assumptions	27
(Gain) from settlements	(9,827)
Benefits paid directly by the Company	(688)
Balance at December 31, 2016	**1,894**

Discount rates, salary increase rates, inflation rates and death dates are as follows:

	December 31, 2016	**December 31, 2015**
Discount rate	7.30%	7.30%
Annual salary increase rate	3.50%	3.25%
Future annuity increase rate	-	-
Annual inflation rate	3.50%	3.25%
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%

Employee turnover, disabilities and early retirement rates:

	Rates	
Years of service	**December 31, 2016**	**December 31, 2015**
From 0 to less than 5	34.26%	29.98%
From 5 to less than 10	16.68%	14.60%
From 10 to less than 15	9.82%	8.59%
From 15 to less than 20	7.32%	6.41%
From 20 to less than 25	5.62%	4.92%
25 and more	4.24%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the long-term benefit net liability:

Variation expressed in basis points	December 31, 2016	December 31, 2015
Discount rate + 25	(25)	(144)
Discount rate - 25	25	148
Discount rate + 50	(49)	(285)
Discount rate - 50	51	299
Discount rate + 100	(95)	(556)
Discount rate - 100	105	614
Annual salary increase rate + 25	26	153
Annual salary increase rate - 25	(26)	(150)
Annual salary increase rate + 50	53	310
Annual salary increase rate - 50	(51)	(297)
Annual salary increase rate + 100	108	634
Annual salary increase rate - 100	(99)	(583)

Contributions for the next years funded with Company's own resources are foreseen as follows:

Year	December 31, 2016	December 31, 2015
2016	-	1,581
2017	225	1,605
2018	237	1,362
2019	338	1,367
> 2019	2,203	11,704
Total	**3,003**	**17,619**

The average duration of the liability for long-term benefits at December 31, 2016 is 5.6 years (2015 - 5.6 years).

The Company has not devoted specific assets to guarantee payment of the time-of-service bonus.

Note 20. Other provisions

The balance of other provisions is made as follows:

	December 31, 2016	December 31, 2015
Legal proceedings (1)	15,570	26,853
Taxes other than income tax (2)	11,091	8,812
Restructuring (3)	3,141	8,295
Other (4)	17,092	36,063
Total other provisions	**46,894**	**80,023**
Current Note 20.1	**23,801**	**71,503**
Non-current Note 20.1	**23,093**	**8,520**

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

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from labor and civil lawsuits brought against the Company, assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of $10,155 (2015 - $19,211) for labor lawsuits and $5,415 (2015 - $7,642) for civil lawsuits.

(2) Provisions for taxes other than income tax relate to the Industry and Trade tax in amount of $4,986 (2015 - $3,256), tax on real estate in amount of $5,571 (2015 - $5,556)and value added tax in amount of $534 (2015 - $0).

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

(4) The balance of other provision relates to:

	December 31, 2016	December 31, 2015
Provision for losses in subsidiaries (a)	11,493	20,460
Other provisions (b)	5,599	15,603
Total	**17,092**	**36,063**

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

	December 31, 2016	December 31, 2015
Gemex O & W S.A.S.	7,278	1,813
Almacenes Éxito Inversiones S.A.S.	4,215	12,055
Cdiscount Colombia S.A.S.	-	4,939
Logística, Transporte y Servicios Asociados S.A.S.	-	1,653
Total	**11,493**	**20,460**

(b) Other provisions:

	December 31, 2016	December 31, 2015
Provision to protect against the loss of merchandise "*VMI*"	5,599	2,311
Transaction costs related to business combinations	-	5,827
Donation related to the film "Colombia Magia Salvaje" (*)	-	3,907
Income tax provision	-	2,203
Other	-	1,355
Total	**5,599**	**15,603**

(*) On March 30, 2016, the General Meeting of Shareholders approved a payment to Fundación Éxito in amount of $4,001 as donation of the profits obtained from the film "Colombia Magia Salvaje". A provision had been recognized at December 31, 2015 in amount of $3,907. Note 6

The development of provisions during the period is as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2015	**26,853**	**8,812**	**8,295**	**36,063**	**80,023**
Increase	6,105	38	8,891	17,189	32,223
Uses	-	-	-	(204)	(204)
Payments	(4,313)	-	(14,045)	(16,025)	(34,383)
Reversals (not used)	(13,091)	-	-	(19,412)	(32,503)
Reclassifications	-	2,241	-	(534)	1,707
Other changes	16	-	-	15	31
Balance at December 31, 2016	**15,570**	**11,091**	**3,141**	**17,092**	**46,894**

Note 20.1. Other provisions classified as current and non-current

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

	December 31, 2016	December 31, 2015
Current		
Restructuring	3,141	8,295
Legal proceedings	3,568	18,333
Taxes other than income tax	-	8,812
Other	17,092	36,063
Total other current provisions	**23,801**	**71,503**
Non-current		
Legal proceedings	12,002	8,520
Taxes other than income tax	11,091	-
Total other non-current provisions	**23,093**	**8,520**
Total other provisions	**46,894**	**80,023**

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at 31 December 2016 will be:

	Legal proceedings	Taxes other than income tax Gains	Restructuring	Other	Total
Less than 12 months	3,568	-	3,141	17,092	23,801
More than 1 year	12,002	11,091	-	-	23,093
Total estimated payments	**15,570**	**11,091**	**3,141**	**17,092**	**46,894**

Note 21. Trade payables and other accounts payable

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

	December 31, 2016	December 31, 2015
Domestic suppliers	2,140,641	1,786,963
Costs and expenses payable (1)	416,988	327,484
Foreign suppliers	163,650	189,001
Employee benefits	113,383	90,330
Dividends payable	35,134	15,777
Other (1)	98,426	95,324
Total	**2,968,222**	**2,504,879**

(1) Certain minor reclassifications were made to costs and expenses payable and other accounts payable for comparison to 2016.

Note 22. Income tax

Tax regulations applicable to the Company set out that:

a. As of 2013 and until 2016 the applicable income tax rate is 25% and the income tax for equality CREE rate is 9%; also, as of 2015 there is a surcharge on the income tax for equality CREE of between 5% and 9%. For 2016 the rate is 6% (2015 - 5%).

b. The taxable base to assess the income tax and the income tax for equality CREE cannot be less than 3% of the net equity held on the last day of the preceding taxable period.

c. The annual adjustment applicable for 2016 to movable assets and real estate deemed fixed assets is 7.08% (2015 - 5.21%).

d. Comprehensive inflation adjustments were eliminated for tax purposes from 2007 onwards, and the tax on occasional gains was reinstated at a current rate of 10%, payable by legal entities on total occasional gains obtained during the taxable year.

e. As of 2007 and until taxable 2009, the deduction of effective investments made in productive fixed assets is 40%, and application thereof does not give rise to taxable profits for partners or shareholders.

Taxpayers who acquire productive fixed assets capable of being depreciated as of January 1, 2007 and use such deduction, are only allowed to depreciate such assets under the straight-line method and will not be entitled to the audit benefit, even if they meet the requirements to claim such benefit pursuant to tax regulations. Prior t1 January 1, 2007 the same deduction applied to investments in productive fixed assets without the obligation of depreciating such assets using the straight-line method. Wherever the assets on which the above-mentioned deduction benefit was applied cease to be used in an income-producing activity, or wherever they are sold, the proportion of such deduction equivalent to the remaining useful life at the time of abandonment or sale, becomes income taxable at applicable rates.

Law 1370 of 2009 reduced from 40% to 30% the deduction rate arising from effective investments in productive fixed assets for 2010; Law 1430 of December 29, 2010 eliminated the special deduction from investment in productive fixed asset as of taxable 2011. However, the possibility of stabilizing such regulation for a maximum term of three years is authorized to investors who prior to November 1, 2010 filed a request to be part to a legal stability agreement.

Legal stability

Up to 2017, the Company may request in its income tax return 40% of said investments, given that section 158-3 of the Tax Code is an integral part of the Legal Stability Contract EJ-03, under Law 963 of July 2005, entered into with the Colombian government for ten years as of August 2007.

Tax credits

At December 31, 2016, the Company has accrued excess presumptive income over net income in amount of $159,370 (2015 - $0) and excess presumptive income over income tax for equality CREE in amount of $132,649 (2015 - $0).

At December 31, 2016, the Company has accrued tax losses amounting to $16,315 (2015 - $0)

Based on the new formula applicable to estimate tax losses and excess presumptive income capable of offsetting in future years pursuant to Law 1819 of December 29, 2016, the Company has $152,296 excess presumptive income and $11,998 tax losses to be offset in future.

Pursuant to tax regulations in force, as of taxable 2007 companies may offset tax losses adjusted for tax purposes against ordinary net income without prejudice to the presumptive income for the period, with no limitation as to percentage and at any time. Excess presumptive income over ordinary income obtained as of 2007 may be offset against ordinary net income assessed within the following five (5) years adjusted for tax purposes. Company losses are not transferrable to shareholders. In no event tax losses arising from revenue other than income and occasional gains, and from costs and deductions not directly related with the generation of taxable income will be offset against the taxpayer's net income.

Pursuant to sections 188 and 189 of the Tax Code, for 2016 the Company estimated its income tax liability using the presumptive income system and for 2015 using the ordinary income system: and it estimated its income tax for equality CREE liability using the net income system for both years.

The income tax return for 2011 (offsetting of 2008 taxable loss) is open to review during 5 years as of filing date; income tax returns and income tax for equality CREE returns for taxable 2014 and 2015 are open to review during 2 years as of filing date. Tax advisors and management of the Company are of the opinion that no additional taxes will be assessed, other than those for which a provision has been recorded at 31 December 2016.

Transfer pricing

Company transactions with the parent, subsidiaries and/or foreign related parties have been carried out in accordance with the arm's length principle as if they were independent parties, as required by Transfer Pricing provisions set forth by domestic tax regulations. Independent advisors are updating the transfer pricing survey as required by tax regulations, aimed at demonstrating that transactions with foreign related parties were carried out at market values during 2016. For this purpose, the Company will file an information statement and will make the mentioned survey available by mid-June 2017.

Tax reform Law 1819 of December 29, 2016

On December 29, 2016, the Congress of the Republic approved the Tax Reform, which mainly enacts the following amendments related with the income tax, to be in force of 2017:

a. Income tax

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

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

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

b. Tax on dividends

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

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

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

   The above will apply to earnings obtained as of 2017.

c. IFRS base for tax purposes

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

d. Presumptive income

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

e. Foreign controlled entities

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

f. Tax losses and closing of tax returns

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

g. Entities under the special tax regime

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

h. Tax on financial transactions

The tax on financial transactions becomes a permanent tax.

Note 22.1. Current tax assets and liabilities

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

Current tax assets

	December 31, 2016	**December 31, 2015**
Income tax balance receivable (1)	129,715	103,751
Income tax for equality - CREE balance receivable (2)	26,626	-
Income tax for equality - CREE paid in advance	22,701	18,817
Industry and trade tax paid in advance and tax withholdings.	12,250	10,640
Receivable value added tax from imports	165	165
Total current tax assets	**191,457**	**133,373**

(1) The balance is comprised of:

	December 31, 2016	**December 31, 2015**
Income tax withholdings	148,384	132,254
Tax discount to be requested	19,376	7,654
Subtotal	**167,760**	**139,908**
Less income tax expense	(38,045)	(36,157)
Total income tax balance receivable	**129,715**	**103,751**

(2) The balance is made as follows:

	December 31, 2016	**December 31, 2015**
Income tax for equality CREE withholdings	48,212	-
Less income tax for equality CREE expense	(21,586)	-
Total income tax for equality - CREE balance receivable	**26,626**	**-**

Current tax assets

	December 31, 2016	December 31, 2015
Industry and trade tax payable	43,920	42,167
Other taxes payable	382	221
Income tax for equality CREE payable (1)	-	6,600
Total current tax liabilities	**44,302**	**48,988**

(1) The balance is comprised of:

	December 31, 2016	December 31, 2015
Income tax for equality - CREE expense	-	49,895
Less income tax for equality - CREE withholdings	-	(43,295)
Income tax for equality - CREE payable	**-**	**6,600**

Note 22.2. Income tax

The following is the reconciliation of accounting income to taxable income, and the estimation of tax expense:

	December 31, 2016	December 31, 2015
Earnings before income tax	**116,197**	**803,577**
Add:		
(Recovery) receivables written-off	(5,423)	18,016
Accrued unpaid industry and trade tax expense	2,313	13,725
Non-deductible expenses	13,690	2,236
Non-deductible taxes	19	22
Taxes taken on and revaluation	6,488	11,658
Fines, penalties and litigation expenses	3,144	3,163
Net income - recovery of depreciation of fixed assets sold	21,356	-
Reimbursement of deduction from income-generating fixed assets arising from the sale thereof.	90,404	163
Tax on financial transactions	8,230	6,901
Tax on equity	51,083	57,772
Selling price of fixed assets held less than two years	195,058	16,482
Less:		
Goodwill tax deduction, in addition to the accounting deduction	(18,362)	(217,173)
40% deduction of investment in income-generating assets	(128,076)	(125,962)
Derecognition of gain on sale of fixed assets reported as occasional gain	(72,984)	(92,868)
IFRS adjustments with no tax effects	(101,642)	(244,766)
Recovery of provisions	(1,941)	(8,231)
Disabled employee deduction	(811)	(556)
Allowance for doubtful accounts	-	(5,916)
Cost of fixed assets held less than two years	(195,058)	(14,475)
Net income (loss)	**(16,315)**	**223,768**
Current year presumptive income	**159,371**	**156,606**
Net taxable income	**159,371**	**223,768**
Income tax rate	25%	25%
Subtotal income tax	**39.843**	**55,942**
Occasional gains tax	1,988	6,602
Tax discounts	(3,786)	(26,387)
Total income tax	**38,045**	**36,157**
Income tax for equality - CREE expense	**12,072**	**32,101**
Income tax for equality - CREE surcharge expense	**9,514**	**17,794**
Expense (recovery) of prior year's tax	**1,714**	**(1,631)**
Total current income tax	**61,345**	**84,421**

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

	December 31, 2016	December 31, 2015
Current income tax (expense)	(61,345)	(84,421)
Deferred income tax (expense) (Note 22.3)	(11,324)	(145,661)
Total income tax (expense)	**(72,669)**	**(230,082)**

The reconciliation of the average effective tax rate to the applicable tax rate is as follows:

	2016	Tax rate	2015	Tax rate
Accounting income	**116,197**		**803,577**	
Total tax expense at applicable tax rate	46,479	40%	313,395	39%
Tax effect of non-deductible expenses to determine taxable income	141,668	122%	48,649	6%
Effect of tax rates levied abroad	(6,058)	-5%	(26,386)	-3%
Tax effect of excess presumptive income	63,819	57%	-	-
Other tax effects from the reconciliation of accounting income to tax expense	(173,239)	-149%	(105,576)	-13%
Total tax expense / tax rate	**72,669**	**65%**	**230,082**	**28%**

Presumptive income was determined as follows:

	December 31, 2016	December 31, 2015
Net shareholders' equity	5,360,305	5,289,808
Less net shareholders' equity to be excluded	(47,962)	(69,609)
Shareholders' equity base	**5,312,343**	**5,220,199**
Presumptive income	**159,371**	**156,606**

Note 22.3. Deferred tax

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

Deferred taxes recognized in the statement of financial position relate to the following items:

	December 31, 2016	December 31, 2015
Investments at amortized cost	(2)	(75)
Equity investments	(74,214)	(50,065)
Accounts receivable	3,065	(19,307)
Inventories	26,030	38,569
Real estate for trading	(83)	-
Land	(39,031)	(38,704)
Tax consolidation and readjustment	19,407	19,926
Buildings	(89,253)	(98,570)
Non-operating real estate property	103	40
Investment property	(2,966)	(8,261)
Construction in progress	(22,641)	(16,940)
Other fixed assets	(26,851)	(21,415)
Intangible assets	(51,167)	(52,625)
Deferred charges	8,849	12,089
Excess presumptive income and taxable losses	54,217	-
Financial liabilities	2,019	2,664
Other liabilities	(8,531)	41,898
Total net deferred tax (liabilities)	**(201,049)**	**(190,776)**

Deferred tax assets and liabilities are made as follows:

	December 31, 2016	December 31, 2015
Deferred tax assets	1,208,494	1,729,704
Deferred tax (liabilities)	(1,409,543)	(1,920,480)
Total net deferred tax (liabilities)	**(201,049)**	**(190,776)**

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

	December 31, 2016	December 31, 2015
Deferred income tax 25%	(19,711)	(98,519)
Deferred CREE tax 9%	-	(44,586)
Deferred CREE tax surcharge 5%	-	5,308
Deferred occasional gains tax 10%	4,315	(3,736)
Retained earnings Uruguay and Brazil	4,072	(4,128)
Total deferred tax (expense)	**(11,324)**	**(145,661)**

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

	December 31, 2016	December 31, 2015
Gain (loss) from actuarial gains (losses) from defined benefit plans	676	(375)

The Company does not recognize in its financial statements deferred tax assets generated by its subsidiaries, or other minor investments resulted in losses during the current or prior periods. The amount of losses is as follows:

	December 31, 2016	December 31, 2015
Subsidiaries domiciled in Colombia	(112,723)	(35,869)
Subsidiaries domiciled abroad	-	(817)
Other	(8,340)	(7)
Total	**(121,063)**	**(36,693)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized amounted to $164,538 at December 31, 2016 (2015 - $83,061).

Note 23. Other financial liabilities

The balance of other financial liabilities is as follows:

	December 31, 2016	December 31, 2015
Derivative financial instruments (1)	17,608	2,351
Collections received on behalf of third parties (2)	69,849	45,740
Total	**87,457**	**48,091**

(1) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Company measures derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2016 and December 31, 2015, relates to the reduction of closing valuation rates for forwards and swaps, which reached values under the average rates agreed upon with the various financial players.

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

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

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

The detail of maturities of these instruments at December 31, 2015 is as follows:

	Less than 3 months	From 3 to 6 months	Total
Forward	2,154	197	2,351
	2,154	**197**	**2,351**

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

	December 31, 2016	December 31, 2015 (1)
Non-banking correspondent	34,376	23,777
Éxito Card collections	27,812	17,390
Direct trading (Market Place)	3,967	762
Money transfer services	1,364	925
Other collections	2,330	2,886
Total	**69,849**	**45,740**

(1) Certain minor reclassifications were included in these accounts for comparison to 2016.

Note 24. Other non-financial liabilities

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

	December 31, 2016	December 31, 2015
Current		
Revenue received in advance (1)	57,862	60,239
Customer loyalty programs (2)	37,334	35,617
Instalments received under "plan resérvalo"	1,266	1,381
Advance payments under lease agreements and other projects (3)	54,766	1,759
Repurchase coupon	49	259
Total other current non-financial liabilities	**151,277**	**99,255**
Non-current		
Advance payments on lease agreements and other projects	47,388	49,488
Total other non-current non-financial liabilities	**47,388**	**49,488**
Total other non-financial liabilities	**198,665**	**148,743**

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

	December 31, 2016	December 31, 2015
Gift card	43,264	43,951
Cafam comprehensive card	9,035	10,823
Exchange card	3,326	3,506
Fuel card	932	877
Other	1,305	1,082
Total	**57,862**	**60,239**

(2) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At December 31, 2016, the effect of the valuation, issue, redemption and expiry of points related with these programs, in Company results, was a lower value of sales revenue in amount of $1,718 (2015 - $4,577).

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

Note 25. Share capital, repurchased shares and premium on the issue of shares

The Company's authorized capital is represented in 530,000,000 ordinary shares with par value of $10 (*) each; subscribed and paid-in capital amounts to $4,482 at December 31, 2016 and December 31, 2015. The number of outstanding shares is 447,604,316 and the number of repurchased shares is 635,835 with value of $2,735 on the same reporting dates.

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

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to $4,843,466 at December 31, 2016 and December 31, 2015. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in Colombian pesos.

Note 26. Reserves, retained earnings and other comprehensive income

Reserves

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

Retained earnings

Retained earnings include the effect on shareholders' equity of the convergence to IFRS in amount of $1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 2131.

Other accumulated comprehensive income

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

	2016			2015		
	Gross value	**Tax effect**	**Net value**	**Gross value**	**Tax effect**	**Net value**
Measurement of financial assets at fair value through other comprehensive income (1)	(2,976)	-	(2,976)	(2,976)	-	(2,976)
Measurement of defined benefit plans (2)	(2,083)	676	(1,407)	1,075	(375)	700
Translation exchange differences (3)	131,545	-	131,545	(379,224)	-	(379,224)
Gain from net investment hedging of foreign businesses, net of taxes (4)	-	-	-	169	-	169
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	11,141	-	11,141	(3,972)	-	(3,972)
Total other accumulated comprehensive income	**137,627**	**676**	**138,303**	**(384,928)**	**(375)**	**(385,303)**

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

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

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

(4) Represents the accumulated value of gains or losses from instruments designated in a net investment hedge in a foreign business of subsidiaries under the equity method. The accumulated value of the gains or losses is reclassified to period results upon disposition of the operation abroad. During the year amounted to $169.

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

Note 27. Revenue from ordinary activities

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

	December 31, 2016	**December 31, 2015**
Total retail sales (1)	10,972,460	10,271,382
Other ordinary revenue (2)	294,341	264,037
Revenue from ordinary activities	**11,266,801**	**10,535,419**

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

	December 31, 2016	December 31, 2015
Sale of goods, net of sales returns and rebates	10,942,937	10,242,326
Revenue from the sale of real estate projects (a)	29,523	29,056
Total retail sales	**10,972,460**	**10,271,382**

(a) For 2016, relates to revenue obtained from the sale of Éxito Itagüí real estate project.
For 2015, relates to revenue from the sale of real estate projects, namely Éxito La Caracas (Avenida Chile) in Bogotá in amount of $18,000; Carulla Paseo Real in Bogotá in amount of $8,266 and Calle 77 plot of land in Barranquilla in amount of $2,790.

(2) The balance of other revenue relates to:

	December 31, 2016	December 31, 2015
Service revenue (a)	178,628	153,257
Royalty revenue	71,684	91,886
Other revenue (b)	44,029	18,894
Total other ordinary revenue	**294,341**	**264,037**

(a) Mainly relates to revenue from the lease of premises and physical spaces at the stores (traders) and to revenue as non-banking correspondent.

(b) Relates to:

	December 31, 2016	December 31, 2015
Other revenue from Latam strategic direction	9,965	-
Revenue from use of goods	8,807	4,034
Recovery of revenue arising from commissions as "non-banking correspondent"	7,933	-
Other operating revenue (i)	4,415	6,113
Revenue from expiry of own cards	1,637	1,493
Sundries (ii)	11,272	7,254
Total other revenue	**44,029**	**18,894**

(i) For 2016, includes revenue from reimbursement of lease instalments, recognition of restitution of the CEDI Pereira building (prior to expiry of the lease agreement) and reimbursement of subsidiary travel expenses, among other items. For 2015, in addition to 2016 items, includes revenue from participation in sales contracts with third parties and revenue from modifications to properties.

(ii) For 2016, includes $7,740 (2015 - $6,387) charges to third parties related to advertisement in events and campaigns carried out by the Company.

Note 28. Distribution expenses and administration and sales expenses

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

	December 31, 2016	December 31, 2015
Leases	234,577	205,779
Depreciation and amortization	173,609	167,098
Fuels and power	169,717	151,771
Taxes other than income tax	154,986	147,738
Advertising	119,092	117,364
Repairs and maintenance	83,819	66,909
Administration of trade premises	31,930	28,242
Packaging materials and marking expenses	28,424	28,330
Debit and credit card commissions	28,173	25,757
Transport	24,165	25,222
Fees	19,807	20,921
Insurance	18,539	17,719
Cleaning and cafeteria	13,421	12,664
Travel expenses	5,827	4,548
Legal expenses	2,973	3,155
Allowance for trade receivables	1,722	4,414
Contributions and affiliations	1,212	1,089
Other	50,321	41,877
Total distribution expenses	**1,162,314**	**1,070,597**

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

	December 31, 2016	December 31, 2015
Depreciation and amortization	41,534	26,926
Fees	41,480	36,414
Taxes other than income tax	18,953	21,401
Travel expenses	7,278	5,800
Repairs and maintenance	6,769	3,405
Allowance for trade receivables	5,012	8,336
External personnel	3,084	2,329
Insurance	2,789	2,324
Transport	2,763	2,585
Telephone	2,671	2,643
Donations	2,576	2,808
Commissions	2,447	1,818
Fuels and power	2,361	2,293
Fines, penalties and litigation expenses	2,035	2,255
Leases	1,696	1,750
Contributions and affiliations	1,385	1,202
Legal expenses	492	252
Other (1)	9,725	22,837
Total administration and sales expenses	**155,050**	**147,378**

(1) For 2015, includes labor proceeding expenses in amount of $8,068; armored transportation in amount of $1,559; miscellaneous entertainment in amount of $1,045 and stationery in amount of $1,133, among other.

Note 29. Employee benefit expense

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

Types of employee benefit expenses	December 31, 2016	December 31, 2015
Wages and salaries (1)	756,981	665,890
Contributions to the social security system	10,303	9,289
Other short-term employee benefits	46,536	42,383
Total short-term employee benefit expenses	**813,820**	**717,562**
Post-employment benefit expenses, defined contribution plans	68,910	60,837
Post-employment benefit expenses, defined benefit plans	428	5,225
Total post-employment benefit expenses	**69,338**	**66,062**
Termination benefit expenses	2,811	3,912
Other long-term employee benefits (2)	(9,223)	(14,841)
Other personnel expenses	14,804	13,068
Total employee benefit expenses	**891,550**	**785,763**

(1) At December 31, 2016, the wages and salaries line item includes the expense relevant to the new organizational structure of which the administration and management of companies located in Brazil, Argentina and Uruguay are part. In addition, period expense includes the average 6.96% general salary increase (2015 - 4.61%), and a 5% key management average salary increase during July 2016 (2015 3% as of April), which had a directly proportional effect on the contributions to the social security system, other short-term employee benefits, post-employment benefit expenses and defined contribution plans.

(2) Since 2015 the Company and some employees agreed to the elimination of the time-of-service bonus, and to receiving instead a single and special bonus; such agreement gave rise to a significant change in the long-term benefit plan, the outcome of which was a saving of $9,223 (2015 - $14,841).

Note 30. Other operating revenue, other operating expenses and other net gains

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

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

	December 31, 2016	December 31, 2015
Other operating revenue		
Recovery of allowance for trade receivables	6,240	9,377
Recovery of other provisions related to labor legal proceedings (1)	5,775	741
Recovery of other provisions related to civil lawsuits	2,227	534
Reimbursement of ICA-related costs and expenses	1,864	233
Compensation from insurance companies (2)	1,143	8,548
Reimbursement of property tax-related costs and other expenses	1,050	209
Other recurring operating revenue(*)	**18,299**	**19,642**
Compensation from insurance companies (3)	6,588	13,163
Other revenue (4)	4,243	1,858
Revenue from the measurement at fair value of interest in companies (5)	-	29,681
Other non-recurring operating revenue	**10,831**	**44,702**
Total other operating revenue	**29,130**	**64,344**
Other operating expenses		
Tax on wealth expense (6)	(51,083)	(57,772)
Restructuring expenses (7)	(8,891)	(10,384)
Other expenses (8)	(7,575)	(53,817)
Total other operating expenses	**(67,549)**	**(121,973)**
Other gains, net		
Gain from the sale of property, plant and equipment (9)	12,690	3,189
Gain from the sale of intangible assets (10)	-	75,397
Derecognition of property, plant and equipment (11)	(3,791)	(20,042)
Expenses from the disposition of assets (12)	(1,108)	-
Total other gains, net	**7,791**	**58,544**

(*) Other recurring operating revenue relates to revenue that used to be classified as other ordinary revenue. As of June 30, 2016, they are classified as other operating revenue. For comparison purposes, this new classification was made retrospective to January 1, 2015.

(1) For 2016, includes revenue arising from the recovery of labor legal proceedings accrued during the previous year in amount of $5,113.

(2) For 2016 and 2015, represents revenue received from Compañía de Seguros Generales Suramericana S.A. as compensation for the loss of profits, inventories and other extraordinary expenses, resulting from the Éxito Valledupar Las Flores casualty.

(3) For 2016 and 2015, represents revenue received from Seguros Generales Suramericana S.A. as compensation for the actual loss of property, plant and equipment, resulting from the Éxito Valledupar Las Flores casualty.

(4) For 2016, includes $3,460 equivalent to the price charged to Spice Investment Mercosur S.A. upon the assignment of the put option contract to which the Company was a party, as mentioned in Note 18.

(5) Refers to the gain arising from the measurement at fair value of the 62.49% Company's interest held in Grupo Disco Uruguay prior to the business combination on January 1, 2015.

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

(7) For 2016, refers to expenses from the Company's restructuring plan, which include the purchase of time-of-service bonuses and operating excellence plan. For 2015, includes the purchase of time-of-services bonus.

(8) For 2016, relates to corporate indemnification expenses in amount of $2,200; expenses incurred in the creation of real estate vehicles in amount of $2,075; expenses from the closing of stores in amount of $1,777, and other minor expenses in amount of $1,523.

For 2015, represents transaction costs related with the acquisition of operations in Brazil and Argentina in amount of $50,333; transaction costs from the business combination related with the acquisition of trade establishment under the Super Inter banner in amount of $2,135, and expenses incurred upon acquisition of Cafam establishments in amount of $1,349.

(9) For 2016, includes a gain from the sale of the Éxito Belén building in amount of $3,222; from the sale of Éxito Fusagasugá building in amount of $1,580; from the sale of the Éxito Avenida Quinta building in amount of $2,969; from the sale of Éxito Panorama Calle 30 building in amount of $3,571, and from the sale of the Éxito Popayán building in amount of $1,285.

For 2015, includes a revenue of $3,124 from the sale of Paseo Real building.

(10) For 2015, the balance includes gains in amount of $74,515 arising from the sale to Cafam of the drugstores owned by the Company, some of which had been operated by Cafam since September 2010, and $882 from the sale of the right to use in construction of Patrimonio Autónomo Villavicencio.

(11) For 2016, the balance relates to a loss in amount of $3,791 from the derecognition of improvements to third party properties, relevant to the stores closed during 2016, including Éxito Lisboa, Carulla Express Avenida 15, Éxito Express Malecón, Éxito Express Kennedy, Surtimax Plaza de Florez, Éxito Express Avenida del Ferrocarril, Éxito Tecno Oviedo, Surtimax Paraíso, Éxito Express Colores Cl 53, Surtimax Plaza Envigado, Éxito Express Exposiciones, Bodega Surtimax Calatrava and Éxito Express Universidad Nacional.

For 2015, includes a loss in amount of $3,742 from the contribution of the premises of Éxito Barranquilla to the Patrimonio Autónomo Barranquilla; a loss in amount of $12,349 of property, plant and equipment and furniture arising from the casualty at the Éxito Valledupar Las Flores, and a loss in amount of $3,827 arising from the settlement of Fideicomiso del Este.

(12) For 2016, includes $798 from derecognition in the financial statements of the investment in Fogansa S.A. (under liquidation proceedings).

Note 31. Financial revenue and expenses

The balance of financial revenue and expense is as follows:

	December 31, 2016	December 31, 2015
Gain from exchange difference (1)	185,303	424,947
Other financial revenue	22,460	20,525
Gain from derivative financial instruments (1)	29,690	433,189
Revenue from interest, cash and cash equivalents (Note 6)	6,540	37,964
Total financial revenue	**243,993**	**916,625**
Interest, borrowings and finance lease expenses	(345,670)	(106,938)
Loss from derivative financial instruments (1)	(193,259)	(39,010)
Loss from exchange difference (1)	(126,044)	(611,758)
Other financial expenses	(20,438)	(24,294)
Interest expense on supplier factoring transactions	(15,704)	(3,353)
Commission expense	(2,588)	(2,453)
Interest expense, bonds	-	(5,596)
Total financial expenses	**(703,703)**	**(793,402)**

(1) The valuation of debt, hedge instruments and assets and liabilities in foreign currency shows a variance as compared to 2015, mainly from changes in the devaluation curve and from variations in exchange rates during 2016.

Note 32. Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method

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

	December 31, 2016	December 31, 2015
Spice Investments Mercosur S.A.	110,649	90,321
Compañía de Financiamiento Tuya S.A.	11,154	-
Patrimonio Autónomo Viva Villavicencio	11,039	7,757
Almacenes Éxito Inversiones S.A.S.	7,838	(1,989)
Distribuidora de Textiles y Confecciones S.A.	7,006	1,825
Patrimonio Autónomo Centro Comercial	5,943	4,430
Patrimonio Autónomo Viva Laureles	5,304	5,573
Patrimonio Autónomo Centro Comercial Viva Riohacha	4,973	191
Patrimonio Autónomo Viva Sincelejo	3,184	2,922
Patrimonio Autónomo Viva Malls	2,354	-
Éxito Viajes y Turismo S.A.S.	1,998	(259)
Patrimonio Autónomo Fideicomiso San Pedro Etapa I	1,332	1,353
Patrimonio Autónomo Viva Palmas	859	96
Patrimonio Autónomo Centro Comercial Viva Barranquilla	224	(743)
Patrimonio Autónomo Iwana	59	101
Patrimonio Autónomo del Este	-	(2)
Patrimonio Autónomo Local 108 (Vizcaya)	(2)	(14)
Logística, Transportes y Servicios Asociados S.A.S.	(1,657)	(2,271)
Gemex O & W S.A.S.	(6,390)	(1,471)
Cdiscount Colombia S.A.S.	(9,487)	(14,005)
Onper Investments 2015 S.L.	(49,939)	50,600
Total	**106,441**	**144,415**

Note 33. Earnings per share

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

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

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

In period results:

	December 31, 2016	December 31, 2015
Net profit attributable to continuing operations	43,528	573,495
Net profit attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**43,528**	**573,495**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic and diluted earnings per share (in Colombian pesos)	97.25	1,281.26

In total comprehensive period results:

	December 31, 2016	December 31, 2015
Net profit attributable to total comprehensive income	567,134	122,029
Net profit attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**567,134**	**122,029**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic and diluted earnings per share (in Colombian pesos)	1,267.04	272.63

Note 34. Transactions with related parties

Note 34.1. Key management personnel compensation

Transactions between the Company and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered into between the parties.

Compensation to key management personnel recognized during the twelve months ended December 31, 2016 and December 31, 2015, is as follows:

	December 31, 2016	December 31, 2015
Short-term employee benefits (1)	41,117	30,403
Post-employment benefits	1,469	1,239
Termination benefits	438	24
Total	**43,024**	**31,666**

(1) A portion of short-term employee benefits is being reimbursed by Casino Guichard Perrachon S.A. and Libertad S.A. under a Latin American strategic direction service agreement entered into with these companies. Revenue from Latam strategic direction was recognized during the year in amount of $9,965 as described in Note 27.

Note 34.2. Transactions with related parties

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

	Revenue		Costs and expenses	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Controlling entity (1)	7,238	-	26,101	22,006
Subsidiaries (2)	22,180	41,286	372,681	185,577
Grupo Casino companies (3)	3,193	4,904	26,916	30,147
Joint ventures (4)	17,697	-	341	-
Members of the Board	-	-	1,261	876
Other related parties (5)	-	197	15,899	10,260
Total	**50,308**	**46,387**	**443,199**	**248,866**

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

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

Cost and expenses arising from transactions with subsidiaries mainly refer to the purchase of goods from Distribuidora de Textiles y Confecciones S.A.; transportation services provided by Logística, Transporte y Servicios Asociados S.A.S.; leases and real estate management activities with Patrimonios Autónomos; purchase of corporate plans from Almacenes Éxito Inversiones S.A.S.; purchase of goods for trading from Cdiscount Colombia S.A.S.; and services received, purchase of goods and reimbursements with other subsidiaries.

	December 31, 2016	December 31, 2015
Distribuidora de Textiles y Confecciones S.A.	277,323	140,584
Logística, Transporte y Servicios Asociados S.A.S.	58,996	21,248
Patrimonios Autónomos (Stand-alone trust funds)	18,754	13,337
Almacenes Éxito Inversiones S.A.S.	11,856	3,894
Cdiscount Colombia S.A.S.	3,851	-
Gemex O & W S.A.S.	1,674	6,470
Éxito Viajes y Turismo S.A.S.	223	1
Companhia Brasileira de Distribuição - CBD	4	-
Libertad S.A.	-	43
Total	**372,681**	**185,577**

Until August 30, 2015, Cdiscount Colombia S.A.S. was classified as investment in an associate. As of August 31, 2015, with the business combination of the Brazil and Argentina operations through subsidiary Onper Investment 2015 S.L., control of such investment was gained and the investment was classified as a subsidiary. For the periods ended December 31, 2016 and 2015, the revenue from the sale of goods to this Company is shown under the subsidiaries line item.

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

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

(5) Costs and expenses with other related parties refer to transactions with companies where the shareholders are the beneficial owners of 10% or more of total outstanding shares, members of the Board, legal representatives and/or administrators having a direct or indirect interest equal to or higher than 10% of outstanding shares. Mainly refer to leases, purchase of goods and services received.

Note 35. Asset impairment

Note 35.1. Financial assets

No significant losses arising from impairment of financial assets were recognized during the reporting periods. Note 7 contains information related to the impairment of Company's trade receivables.

Note 35.2. Non-financial assets

The Company conducted the annual impairment testing at 31 December 2016 by cash-generating units. The book value of the groups of cash-generating units is made of the balances of goodwill, property, plant and equipment, investment properties, other intangible assets other than goodwill, net working capital and related financial lease liabilities. For the purposes of impairment testing, the goodwill obtained via business combinations and trademarks with indefinite useful lives was allocated to the following groups of cash-generating units:

	Groups of cash-generating units				
	Éxito	**Carulla**	**Surtimax**	**Super Inter**	**Total**
Goodwill	90,674	856,495	41,575	464,333	**1,453,077**
Trademarks with indefinite useful life	-	-	17,427	63,704	**81,131**

The method used for testing was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by Company management over a five-year period, on the grounds of the price growth rate in Colombia (Consumer Price Index - CPI), trend analyses from historic results, expansion plans, strategic projects to increase sales and optimization plans.

Cash flows beyond the five-year period were inferred using a real growth rate of 0%. According to the Company, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might have an effect on growth.

The tax rate included in the forecast of cash flows is the rate that the Company is expected to pay as taxes during the next years. Rates applied to the estimation were 42% for 2017, 43% for 2018 and 34% for 2019, rates in force in Colombia until December 29, 2016, date of the Colombian tax reform enacted by Law 1819 of 2016, by means of which the rates in effects were set as 34% for 2017 and 33% as of 2018.

Expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the company operates; as a result, the weighted average cost of capital (WACC) used in the valuation was 8.66% for 2017, 8.63% for 2018 and 8.89% for 2019 onwards. The variation in the discount rate for 2017 to 2019 is due to the various tax rates applicable to the Company for such years as mentioned above.

No impairment of the groups of cash-generating units was identified from this analysis.

Perpetual growth rate

The estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the expected rate is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% above the general price increase in the economy.

Discount rate

The estimation of the discount rate is based on an analysis of the market indebtedness for the Company; a change is deemed reasonable if the discount rate would increase by 1.00%, in which event no impairment in the value of the groups of cash-generating units Éxito, Carulla, Surtimax and Super Inter would arise.

Note 36. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities at December 31, 2016 and December 31, 2015 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose book values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	December 31, 2016		December 31, 2015	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Loans at amortized cost	26,120	22,665	22,091	19,359
Investments in private equity funds	1,142	1,142	966	966
Equity investments	248	248	1,046	1,046
Investment in bonds	75,145	75,055	-	-
Forward contracts measured at fair value through income	4,800	4,800	66,271	66,271
Swap contracts measured at fair value through income	4,747	4,747	756	756
Non-financial assets				
Investment property	103,005	207,772	96,442	122,314

	December 31, 2016		December 31, 2015	
	Book value	Fair value	Book value	Fair value
Financial liabilities				
Financial liabilities at amortized cost	3,950,198	3,942,323	4,107,689	4,042,279
Finance leases at amortized cost	18,618	18,612	23,446	22,191
Forward contracts measured at fair value through income	16,346	16,346	2,351	2,351
Swap contracts measured at fair value through income	1,262	1,262	-	-
Put option (1)	-	-	310,323	310,323
Non-financial assets				
Customer loyalty liability	37,334	37,334	35,617	35,617

(1) The Company was a party to the put option contract entered into with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option was based on a previously determined formula and the option could be exercised at any time. The option was measured at fair value. On June 30, 2016, the Company transferred the put option contract to subsidiary Spice Investments Mercosur S.A. This transaction generated a revenue of $3,460 (USD $1.2 million), recorded under other operating revenue. *The development of the put option measurement during the period was:*

	Put option *("PUT option")*
Balance at December 31, 2015	**310,323**
Assignment of the put option	(293,329)
Changes in fair value recognized in Investments (a)	(16,994)
Balance at December 31, 2016	**-**

(a) Changes arising mainly from the variations in the US Dollar - Uruguayan peso and US Dollar - Colombian peso exchange rates between valuation dates.

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the pre-closing value for the day, divided by the total number of fund units at the closing of operations for the day. The fund administrator appraises the assets on a daily basis.	N/A
Forward contracts measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The "*forward*" rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. *Swap* LIBOR curve. Treasury Bond curve. CPI 12 months
Equity investments	Level 1	Market quote prices	The fair value of such investments is determined as reference to the prices listed in active markets if companies are listed; in all other cases, the investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants might generate costs higher than the value of benefits.	N/A
Investment in bonds	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	CPI 12 months + Basis points negotiated
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of goods from a survey of recent offers or transactions for similar goods that are comparable to the purpose of the valuation.	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Investment property	Level 3	Discounted cash flows method	This technique provides the opportunity to identify the increase in revenue over a previously defined period of investment. Property value is equivalent to the discounted value of future benefits. Such benefits represent annual cash flows (both, positive and negative) over a period, plus the net gain arising from the hypothetical sale of the property at the end of the investment period.	Weighted average cost of capital. Growth in sales lessees. Vacancy. Growth in revenue
Investment property	Level 3	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Realizable Value

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Put option	Level 3	Given formula	Measured at fair value using a given formula under an agreement entered into with non-controlling interests of Grupo Disco, using level 3 input data. Periodically, the Company applies three different formulae agreed upon by the parties under contract. The final result of the valuation is the highest value obtained from application of the three methods.	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015. 24-month consolidated EBITDA of Supermercados Disco del Uruguay S.A. Consumer price index Uruguay 6-month consolidated net financial debt of Supermercados Disco del Uruguay Contract fixed price US Dollar-Uruguayan peso exchange rate on the date of valuation. US Dollar-Colombian peso exchange rate on the date of valuation. Total shares Supermercados Disco del Uruguay S.A.
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basis points. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using the treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the net swap value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. CPI 12 months
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero coupon interest rate. The "*forward*" rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Customer loyalty liability (1)	Level 3	Market value	The customer loyalty liability is updated in accordance with the point average market value for the last 12 months and the effect of the expected redemption rate, determined on each customer transaction.	Number of points redeemed, expired and issued. Point value. Expected redemption rate

(1) Development of the measurement of loyalty liability during the period is as follows:

	Customer loyalty liability
Balance at December 31, 2015	**35,617**
Issue	117,132
Expiry	(25,792)
Redemption	(88,320)
Valuation	(1,303)
Balance at December 31, 2016	**37,334**

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

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

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

Note 37. Contingent assets and liabilities

Note 37.1. Contingent assets

The Company has no significant contingent assets at December 31, 2016.

Note 37.2. Contingent liabilities

- Proceedings seeking nullity of the resolution on changes to the Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of $11,830 (2015 - $0). The purpose of the nullity and restoration of rights action is that the Company be exempted from paying the amounts claimed by the tax authority.

- Proceedings related with the assessment of property valuation in amount of $1,163 (2015 - $1,163)

- Proceedings on the 2005 Industry and Trade Tax in amount of $1,010 (2015 - $1,010)

- Proceedings seeking nullity of resolutions on the inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (2015 - $1,088).

- Proceedings seeking nullity of the resolutions issued by the Bogotá Treasury Secretary's office regarding changes to the Industry and Trade tax returns for the bi-monthly periods 2, 3, 4, 5 and 6 of 2012 in amount of $5,000 (2015 - $0). The purpose of the nullity and restoration of rights action is that the Company be exempted from paying the amounts claimed by the tax authority.

- The guarantee in amount of $5,000 that the Company had issued to Cdiscount Colombia S.A.S. on July 13, 2015 to protect in case of default of obligations arising from the procurement of goods with one of its largest suppliers expired July 12, 2016.

Such contingent assets, which nature is that of potential assets, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

On December 18, 2015, Cdiscount Colombia S.A.S. assigned title to credits with accountability to BBVA in amount of $18,001, with the Company acting as guarantor. On April 8, 2016, Cdiscount Colombia S.A.S. paid to BBVA the invoices assigned. As a result of this payment, the contingent liability was no longer recognized at December 31, 2016.

Note 38. Offsetting of financial assets and liabilities

Below is a detail of financial assets and liabilities that are shown offset in the statement of financial position:

Year	Financial assets	Gross value of recognized financial assets	Gross value of related recognized financial liabilities	Net value of recognized financial assets
2016	Derivative financial instruments and hedging (1)	-	-	9,547
2015	Derivative financial instruments and hedging (1)	1,298,865	1,231,838	67,027

Year	Financial liabilities	Gross value of recognized financial liabilities	Gross value of related recognized financial assets	Net value of recognized financial liabilities
2016	Derivative financial instruments and hedging (1)	-	-	17,607
	Trade payables and other accounts payable (2)	2,447,861	221,922	2,225,939
2015	Derivative financial instruments and hedging (1)	55,307	52,956	2,351
	Trade payables and other accounts payable (2)	2,070,866	233,034	1,837,832

(1) The Company carries out derivative and hedge "*forward*" and "*swap*" contracts to hedge against fluctuation in exchange rates and interest rates on accounts payable and financial liabilities. These items are measured at fair value; fair values of these financial instruments are disclosed in Note 36. For 2016, the valuation of derivative financial instruments comprises intrinsic value plus temporary value, reason why right and obligation may not be individualized.

(2) The Company has entered into offsetting agreements with suppliers, arising from the procurement of inventories. Such items are included in trade payables.

The Company's statement of financial position shows no uncleared amounts related to collaterals or other financial instruments.

Note 39. Dividends declared and paid

At December 31, 2016

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

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

(*) Expressed in Colombian pesos.

At December 31, 2015

The Company's General Meeting of Shareholders held on March 17, 2015, declared a dividend of $260,022, equivalent to an annual dividend of $580.92 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2015, and January 2016.

Dividends paid during the year ended December 31, 2015 amounted to $254,297.

(*) Expressed in Colombian pesos.

Note 40. Leases

Note 40.1. Finance leases when the Company acts as the lessee

The Company has entered into finance lease agreements on property, plant and equipment (Note 12 Property, plant and equipment). Minimum instalments and present values thereof under finance lease agreements are as follows:

	December 31, 2016	December 31, 2015
Up to one year	4,207	4,493
From 1 to 5 years	13,631	18,139
More than 5 years	2,372	2,954
Total minimum instalments on finance leases	**20,210**	**25,586**
Future financing expense	(1,593)	(2,140)
Total net minimum instalments on finance leases	**18,617**	**23,446**

No contingent instalments were shown in income during the period.

At the closing of the reporting periods, there are no finance lease agreements that are material if considered separately.

Note 40.2. Operating leases when the Company acts as the lessee

The Company has entered into operating lease agreements mainly related to business premises, vehicles and machinery. Total future minimum instalments under irrevocable operating lease agreements for the reporting periods are:

	December 31, 2016	December 31, 2015
Up to one year	217,877	139,948
From 1 to 5 years	645,994	451,231
More than 5 years	689,110	537,953
Total minimum instalments on irrevocable operating leases	**1,552,981**	**1,129,132**

Operating lease agreements vary from 1 to 15 years and relate to 638 agreements on 525 leased stores. The Company made an analysis and concluded that lease agreements may not be cancelled during its term. In the event of termination, a minimum cancellation charge shall be paid, ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining of the term.

Company management considers payment of additional instalments as contingent payments that may range from 0.01% to 6% on sales. The agreements may be extended pursuant to legal regulations in force and include periodic adjustment clauses according to inflation.

Lease expenses recognized in income for the period amounted to $236,273 (2015 $207,499), including contingent installments in amount of $60,317 (2015 $61,563).

At the closing of the reporting periods, there are no operating lease agreements that are material if considered separately.

Note 40.3. Operating leases when the Company acts as the lessor

The Company has entered into operating lease agreements on investment properties. Total minimum of future charges under irrevocable operating lease agreements at the reporting date is:

	December 31, 2016	December 31, 2015
Up to one year	7,641	7,105
From 1 to 5 years	6,758	11,764
More than 5 years	31,627	5,301
Total minimum instalments on irrevocable operating leases	**46,026**	**24,170**

The Company made an analysis and concluded that operating lease agreements may not be cancelled during its term. In order to terminate, prior agreement of the parties is needed and a minimum cancellation payment shall be required ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining term.

Revenue from leases recognized in period results amounted to $34,088 (2015 - $25,369) including revenue from the lease of investment properties in amount of $6,044 (2015 - $10,641). Contingent instalments included in the revenue from leases amounted to $3,915 (2015 $3,633).

Note 41. Seasonality of transactions

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

Note 42. Financial risk management policy

The Company's financial instruments are classified according to its nature, features and the purpose for which they have been acquired or issued.

The Company maintains instruments measured at fair value through income, with the purpose of holding them for investment or risk management in the case of derivative financial instruments not classified as cash flow hedge instruments.

The Company uses derivative financial instruments just as a positive defense measure against identified risks. Total underlying assets and liabilities under financial instrument contracts are limited to the amount of actual assets and liabilities entailing an underlying risk. The only purpose of transactions with financial derivative instruments is to reduce the exposure to fluctuation of interest rates and foreign exchange rates and maintain a proper structure of the financial position.

At period closing, Company's financial instruments represented:

	December 31, 2016	December 31, 2015
Financial assets		
Cash and cash equivalents	1,098,825	810,647
Trade receivables and other accounts receivable	226,492	217,742
Related parties (1)	71,862	71,887
Other current financial assets	12,252	67,027
Other non-current financial assets	73,842	138,177
Financial liabilities		
Related parties (1)	236,100	157,619
Trade payables and other accounts payable	2,968,028	2,504,879
Financial liabilities	3,968,816	4,441,457
Other financial liabilities	87,457	48,091
Net exposure	**(5,777,128)**	**(5,846,566)**

(1) Transactions with related parties refer to transactions between the Company and its subsidiaries and other related parties, and are carried in accordance with market prices and general terms and conditions.

The fair value of other current and non-current financial assets, mentioned in the chart above, represents an approximation to book values pursuant to agreed-upon payment terms.

Other current and non-current financial assets and financial liabilities, measured at amortized cost, are disclosed in Note 11 - Other financial assets and Note 23 - Other financial liabilities, respectively.

Considerations of risk factors that might have an effect on Company business

General framework for risk management

At present, comprehensive risk management is carried out at two levels, namely a strategic level management and a tactical level management. The first level is focused on risks affecting compliance with the Company's strategic pillars, with a vision from the corporation with international scope (towards foreign subsidiaries - Latam); the second level is focused on risks affecting each of the Company's businesses.

Identification and prioritization of the trends that most influence the compliance with the Company's strategic pillars was included in this management strategic level as of 2016. Such management activity is based on international standards and is thought of both from a view point of threats and opportunities, to support decision-making towards achieving the Company's sustainable growth.

There is a comprehensive risk management policy, with defined roles and responsibilities, a centralized area to lead and support the identification, assessment, management and ongoing monitoring of risks methodology, so as to reflect the reality and changes in business conditions.

Controls have been implemented at all levels, processes and areas of the Company, through a set of defined policies, principles, regulations, procedures and verification and assessment systems.

Some of the mechanisms put in place to achieve control purposes are:
- The self-control program, which allows a self-assessment of the most critical risks and key controls, carried out half-yearly by process leaders, and a definition of corrective action plans wherever deviations are identified.
- The transparency program is supported by an Ethics Committee that receives, analyzes and decides on information gathered through whistleblower channels, such as the transparency line 018000 52 25 26, etica@grupo-exito.com and an application developed to receive reports.
- Controls and procedures for the prevention and control of money-laundering and the financing of terrorism
- Risk management annual report

Risk management and internal control system reporting bodies:
- At a strategic level: Board of Directors, Audit and Risk Committee, Presidency and Senior Management Committee.
- At a tactical level: Business responsible parties and Risk Internal Committee.
- At an operating level: Process owners through self-control.

The internal audit, in an independent and objective manner, conducted a risk-based assessment focused on compliance with business goals and on the most significant projects of the Company, including risk management, control and governance processes.

The Board of Directors, through the Audit and Risk Committee, supervised information and financial reporting processes; risk management comprehensive management; internal control system and architecture, including monitoring of Internal Audit's and Statutory Audit's activities; compliance with rules applicable to the Company and with the transparency program. Also, transactions among related parties and the resolution of conflicts of interests of senior management and the Board of Directors were submitted to the consideration of the Committee.

Financial risk management

Besides derivative instruments, the most significant of the Company's financial liabilities include debt, finance leases and interest-bearing loans, trade accounts payable and other accounts payable. The main purpose of such liabilities is to finance the Company's operations and maintain proper levels of working capital and net financial debt.

The most significant of the Company's financial assets include loans, trade debtors and other accounts receivable, as well as cash and short-term placements directly resulting from routine transactions. In addition, the Company has other investments classified as financial assets measured at fair value, which, according to the business model, have effects on period results or in other comprehensive income. Further, other rights that will be recorded as financial assets may arise from transactions with derivative instruments.

The Company has an exposure to market, credit and liquidity risks. Company management monitors the manner in which such risks are managed, through the relevant levels of the organization. The scope of the Board of Directors' activities includes a financial committee that supervises such financial risks and the financial risk management corporate framework that is most appropriate to the Company. The financial committee supports Company's management in that financial risk assumption activities fall within the approved corporate policies and procedures framework, and that such financial risks are identified, measured and managed pursuant to such corporate policies.

Financial risk management related to all transactions with derivative instruments is carried out by teams of specialists with the required capabilities and experience and who are supervised by the organizational structure. Pursuant to corporate policies, no transactions with derivative instruments may be carried out solely for speculation. Even if accounting hedge models not always are applied, derivatives are negotiated on the basis of an underlying element which in fact requires such hedging in accordance with Company analyses.

The Board of Directors reviews and agrees on the policies applicable to manage each of these risks, which are summarized below:

a. Credit risk

A credit risk is the risk that a counterpart fail to comply with his obligations taken on under a financial instrument or trade agreement, resulting in financial loss. The Company is exposed to credit risk arising from its operating activities (particularly from trade debtors) and from its financial activities, including deposits in banks and financial institutions and other financial instruments. The book value of financial assets represents the maximum exposure to credit risks.

Cash and cash equivalents

The credit risk arising from balances with banks and financial entities is managed through the Company's liquidity and capital structure guidelines, and in accordance with corporate policies defined for such purpose. Surplus funds are only invested with counterparties approved by the Board of Directors and within previously established jurisdictions. On an ongoing basis, management reviews the general financial conditions of counterparties, assessing the most significant financial ratios and market ratings.

Trade receivables and other accounts receivable

The credit risk associated with trade receivables is low given that most of the Company sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Company's exposure to risk. In addition, there are administrative collections departments that permanently monitor ratios, figures, payment behaviors and risk models by each third party. A portion of trade receivables is sold to financial entities; such sale is recognized as derecognition of trade receivables, and the credit risk, benefits and control over such assets is transferred to the mentioned entities.

There are no trade receivables that individually are equivalent to or exceed 5% of accounts receivable or sales, respectively.

Guarantees

It is the Company's policy to provide financial guarantees only to its subsidiaries. At December 31, 2016, the Company has not issued financial guarantees on behalf of any of its subsidiaries.

b. Market risk

Market risk is the risk that changes in market prices, namely changes in exchange rates, interest rates or stock prices, have a negative effect on the Company's income or on the value of the financial instruments it holds. The purpose of market risk management is to manage and control exposure to this risk within reasonable parameters while optimizing profitability.

Interest rate risk

Interest rate risk is the risk that the fair value of financial assets and liabilities, or the future cash flows of financial instruments, fluctuate due to changes in market interest rates. The Company's exposure to the interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of the Company.

Most of the Company's financial liabilities are indexed to market variable rates. To manage the risk, the Company enters into financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which it agrees on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated over an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Financial assets and liabilities by type of interest rate:

	December 31, 2016		December 31, 2015	
	Variable-income rate	Fixed-income rate	Variable-income rate	Fixed-income rate
Financial assets	1,184,909	321,952	1,015,850	309,339
Financial liabilities	3,986,422	3,273,976	4,443,808	2,708,238

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in exchange rates. The Company's exposure to exchange rate risk is attached, in the first place, to passive transactions in foreign currency associated with long-term liabilities and with the Company's operating activities (wherever revenue and expenses are denominated in a currency other than the functional currency of the Company), as well as with Company's net investments in foreign subsidiaries.

The Company manages its exchange rate risk via derivative financial instruments (namely forwards and swaps) wherever such instruments are efficient to mitigate volatility.

Wherever the nature of the hedge is not economic, the Company's policy is to negotiate the conditions of derivative instruments in such a way that they correlate with the terms of the underlying elements that are the purpose of the hedge, seeking to maximize the efficacy in the exposure to such variables. Not all financial derivatives are classified as hedging transactions; however, Company policy is not to carry out transactions solely for speculation, and consequently even if not classified as hedge accounting, derivative financial instruments are associated to an underlying element and a notional amount that expose the Company to variations in exchange rates.

At 31 December 2016 and 2015, the Company had hedged 48% and 71% of its purchases and liabilities in foreign currency, respectively.

Financial assets and liabilities in foreign currency:

	December 31, 2016	December 31, 2015
	US Dollar	US Dollar
Financial assets	20,198,706	17,382,952
Financial liabilities	528,122,634	624,639,780

Stock price risk

Share capital issued, premium on the issue or placement of shares and all other equity reserves attributable to the shareholders of the controlling entity are included for the purposes of managing the price of Company stock. The main purpose of managing the Company's share capital is to maximize the value to shareholders.

The Company manages its equity structure and makes the required adjustments as a function of changes in economic conditions and requirements of financial clauses. In order to maintain and adjust its capital structure, the Company may also modify the payment of dividends to shareholders, reimburse capital contributions or issue new shares.

c. Liquidity risk

Liquidity risk is the risk that the Company might face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. The Company's approach to manage liquidity is to ensure, in as much as possible, that it will always have the liquidity required to meet its obligations at maturity, both under ordinary and stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

The Company manages liquidity risks by monitoring its cash flows and maturities of financial assets and liabilities on a daily basis, and by maintaining proper relations with the relevant financial institutions in each country.

The purpose of the Company is to maintain a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to needs, unused credit lines available from financial institutions and finance leases, among other mechanisms. Approximately 10% of Company's debt matures in less than one year as of December 31, 2016 (2015 - 10%) taking into consideration the book value of loans included in these financial statements.

The Company has rated the concentration of liquidity risk as low with respect to the possibility of refinancing its debt. Access to financing sources is widely ensured, and debt maturing within twelve months of reporting period closing could be restructured with existing creditors without significant restriction.

The following table shows a profile of maturities of the Company's financial liabilities based on non-discounted contract payments arising from the relevant agreements.

At December 31, 2016	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Finance lease liabilities, gross	3,753	16,530	-	20,283
Other relevant contract liabilities	487,679	3,910,545	673,307	5,071,531
Total	**491,432**	**3,927,075**	**673,307**	**5,091,814**

At December 31, 2015	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Finance lease liabilities, gross	5,788	13,259	4,398	23,445
Other relevant contract liabilities	436,344	3,021,273	971,635	4,429,252
Total	**442,132**	**3,034,532**	**976,033**	**4,452,697**

Sensitivity analysis for 2016 balances

From a statistical standpoint, the Company assessed the potential changes in interest rates of financial liabilities and other significant contract liabilities.

Assuming complete normality and considering 10% variation in interest rates, three scenarios have been assessed:

- Scenario I: Latest interest rates known at the closing of 2016.
- Scenario II: An increase of 0.688% is assumed for Banking Reference Rate (BRR); an increase of 0.0716% is assumed for LIBOR at 30 days, and an increase of 0.12179% is assumed for LIBOR at 90 days. All increases on the latest published interest rate.
- Scenario III: A reduction of 0.688% is assumed for BRR; a reduction of 0.0716% is assumed for LIBOR at 30 days, and a reduction of 0.12179% is assumed for LIBOR at 90 days. All reductions on the latest published interest rate.

The sensitivity analysis did not result in significant variance among the three scenarios and consequently they are unobservable when rounding amounts to millions. Potential changes are as follows:

Operations	Risk	Balance at December 31, 2016 2016	Market forecast		
			Scenario I	Scenario II	Scenario III
Loans	Changes in interest rates	3,950,126	3,950,083	4,000,059	3,895,740
Finance leases	Changes in interest rates	18,707	18,614	18,773	18,464
Total		**3,968,833**	**3,968,697**	**4,018,832**	**3,914,204**

d. Insurance policies

At 31 December 2016, the Company has acquired the following insurance policies to mitigate the risks associated with the entire operation:

Insurance lines of coverage	Coverage limits	Coverage
All risk, damages and loss of profits	There is a liability ceiling per each policy	Losses or sudden and unforeseen damage and incidental damage sustained by covered property, directly arising from any event not expressly excluded. Covers buildings, furniture and fixtures, machinery and equipment, goods, electronic equipment, improved facilities, loss of profits and other insured's property.
Freight insurance	There is a ceiling per each coverage	Property and goods owned by the insured, including those on which it has an insurable interest.
Third party liability	There is a ceiling per each coverage	Full coverage to address claims and insurance compensation for damages to customers or third parties arising from the risks generated in the regular business operation.
Director's and officers' liability insurance	There is a ceiling per each coverage	Covers claims resulting in civil liability arising from wrongful acts or alleged wrongful acts of directors and officers acting in the exercise of their respective functions.
Deception and financial risks	There is a ceiling per each coverage	Coverage: Willful misconduct of employees Loss inside and outside of property or premises
Group life insurance and personal accident insurance	The insured amount relates to the number of wages defined by the Company	Death and total and permanent disability arising from natural or accidental death.
Vehicles	There is a ceiling per each coverage	Third party liability Total and partial loss - Damages.

Insurance lines of coverage	Coverage limits	Coverage
		Total and partial loss - Theft Earthquake Other coverages as described in the policy

e. Derivative financial instruments

As mentioned above, the Company uses derivative financial instruments to hedge risk exposure, with the main purpose of hedging Company exposure to interest rate risk and exchange rate risk, turning the financial debt into fixed interest rates and domestic exchange rates.

At December 31, 2016, the reference value of these contracts amounted to USD 252.39 million, EUR 5 million (2015 - USD 424.5 million and EUR 2.1 million). Such transactions are generally contracted under identical conditions regarding amounts, terms and transaction costs and, preferably, with the same financial institutions, always in compliance with Company limits and policies.

Pursuant to Company policies, swaps may be acquired with restriction, with prior authorization of Company management.

The Company has designed and implemented internal controls to ensure that these transactions are carried out in compliance with previously defined policies.

f. Fair value of derivative financial instruments

The fair value of derivative financial instruments is estimated under the operating cash flow forecast model, using government treasury security curves in each country and discounting them at present value, using market rates for swaps as disclosed by the relevant authorities in such countries.

Swap market values were obtained by applying efficient market exchange rates valid on the date of the interim financial information available, and the rates are forecasted by the market based on currency discount curves. A convention of 365 consecutive days was used to calculate the coupon of foreign currency indexed positions.

Note 43. Relevant facts

At December 31, 2016

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

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

Final agreement with Fondo Inmobiliario Colombia ("FIC")

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

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

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

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

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

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

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

Revolving trench disbursement

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

Reopening of Almacén Éxito Las Flores in Valledupar.

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

Termination of a shareholders' agreement

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

Appointment of the Statutory Auditor

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

Appointment of new members of the Board of Directors.

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

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

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

General Meeting of Shareholders

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

Revolving trench disbursement

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

At December 31, 2015

Action seeking protection of fundamental rights ("acción de tutela") arising from the investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

Notice of the final decision for the Company, under the appeal of the acción de tutela proceedings brought by a minority shareholder of the Company was served on December 10, 2015. The appeal court found that there was no violation of the fundamental rights of said shareholder.

Changes in administrative structure

On September 1, 2015, the Board appointed Mr. Carlos Mario Díez Gómez, who occupied the position of Retail Vice-President, as Chief Operating Officer of the Retail operation in Colombia; the creation of the International Business Vice-President position, to be occupied by Mr. José Gabriel Loaiza Herrera, who was formerly the Commercial and Supply Vice-President; and finally, appointed the following Vice-Presidents: Jacky Yanovich Mizrachi as Sales and Operations Vice-President and Carlos Ariel Gómez Gutierrez as Commercial Vice-President.

Investments in Companhia Brasileira de Distribuição - CBD, and Libertad S.A.

In compliance with the share purchase-sale agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Company acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição -CBD, a company with domicile in Brazil, in amount of USD 1,536, and 100% of the shares of Libertad S.A., a company domiciled in Argentina, in amount of USD 293.

Funding of investments in Companhia Brasileira de Distribuição - CBD and Libertad S.A.

a. Peso credit facility agreement.

    A Colombian peso credit facility agreement was executed on July 29, 2015, by means of which certain Colombian financial institutions granted the Company a credit facility for up to $3,500,000 (three trillion five hundred billion Colombian pesos). Fiduciaria Bancolombia S.A. was appointed as general partner to the contract.

    An amendment to said agreement was executed on December 21, 2015, including the main following changes to borrowing terms and conditions:

(i) Amendment to borrowing amounts as per the following detail:

	Total contract value	Amount disbursed under initial conditions	Amount disbursed under current conditions
10-year long-term loan in millions of Colombian pesos	$2,000,000	$1,850,000	$1,850,000
18-month short-term loan in millions of Colombian pesos	$1,000,000	$1,000,000	-
5-year medium-term loan in millions of Colombian pesos	-	-	$838,000
Revolving credit in millions of Colombian pesos with a term of 12 months, renewable	$500,000	$400,000	$400,000
Total	**$3,500,000**	**$3,250,000**	**$3,088,000**
Bridge loan in millions of US Dollars (18 months)	USD 400	USD 400	-
Syndicated loan in millions of US Dollars (3 years)	-	-	USD 450
Total in USD	**USD 400**	**USD 400**	**USD 450**

(ii) The extension of the weighted average term of repayment from 3.4 to 4.3 years, resulting from:

- Partial payment of the 18-month short-term trench of the peso credit facility agreement.
- The extension of the remaining short-term trench of the peso credit facility, from 18 months to 5 years (now the "medium-term trench").

Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Company in favor of creditors.

b. US Dollar credit facility agreement

A US Dollar credit facility agreement was entered into with Citibank N.A. on July 29, 2015 granting a credit facility available in amount of USD 400,000,000, which was fully disbursed on August 20, 2015.

The bridge loan was repaid and the agreement terminated on December 21, 2015, and instead a three-year syndicated credit facility agreement in US Dollars was entered into with Citigroup Global Markets INC., Banco Santander S.A., BNP Paribas Securities Corp., Credit Agricole Corporate and Investment Bank, J.P. Morgan Securities LLC., The Bank of Nova Scotia, and The Bank of Tokio-Mitsuibishi UFJ, LTD., granting a credit facility available in amount of USD 450,000,000, which was fully disbursed. Citibank N.A. was appointed as general partner to the contract.

Obligations agreed upon under these agreements include, among others, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Company in favor of creditors.

Approval of the acquisition of shares of Compañía de Financiamiento Tuya S.A.

On July 1, 2015, the Company and its subsidiary Almacenes Éxito Inversiones S.A.S. entered into a share sales-purchase agreement with Bancolombia S.A., Fundación Bancolombia and Fondo de Empleados del Grupo Bancolombia, by means of which they will acquire 50% of the outstanding shares of Compañía de Financiamiento Tuya S.A. ("Tuya"), company through which an alliance has been developed over a decade between Bancolombia and the Company for the promotion of consumer lending with products such as Éxito Credit Card, among others.

Formalization of the contract was conditional, among others, upon the approval by the Colombian Financial Superintendence, which was granted on December 30, 2015. Once all other authorizations required are obtained and paperwork is finalized, the parties will proceed to fulfil their obligations.

Damage to Almacén Éxito Las Flores in Valledupar.

As a consequence of an act of nature, on June 23, 2015 the premises of Almacén Éxito Las Flores in Valledupar were damaged and technical studies concluded that it was necessary to rebuild the store.

At present, the Company is in the process of providing the insurance company with supporting evidence of damages.

This store is expected to reopen during the first half of 2016.

Appointment of new members of the Board of Directors.

Due to the death of Mr. Nicanor Restrepo Santamaría, the Board of Directors and the CEO of the Company called an extraordinary General Meeting of Shareholders to appoint the new members of the Board for the remaining of the period until 2016.

On June 11, 2015, the Meeting of Shareholders confirmed the appointment of 8 of the 9 members of the Board elected during the ordinary meeting held in March 2014, and as new member appointed Luis Fernando Alarcón Mantilla, who was also appointed as Chairman.

Acquisition of control of Grupo Disco del Uruguay S.A. through Spice Investments Mercosur S.A.

On April 27, 2015, the Company entered into a Shareholders Agreement relevant to Grupo Disco Uruguay S.A. (GDU), with a two-year term, which granted to it the voting rights of more than 75% of such company and resulted in effective control and global consolidation of the financial statements.

Previously, in September 2011, the Company had acquired a share interest of 62.49% in this company under a situation of joint control arising from the capital structure and the various types of shares, which was recognized using the equity method until December 31, 2014.

The valuation method used to measure the fair value of the previous interest in GDU was based on the discounted cash flow method.

The Company recognized a profit of $29,681 arising from the measurement at fair value of the 62.49% participation held in GDU prior to the business combination, for the period ended December 31, 2015.

The non-controlling interest in GDU was measured at fair value.

Purchase option on establishments under the Super Inter banner.

On April 15, 2015, the Company exercised the option to acquire 29 trade establishment under the Súper Inter banner and the intellectual property rights associated to the Súper Inter trademark, title to which was vested in Comercializadora Giraldo Gómez ("Comercializadora"), pursuant to the purchase option agreement executed on February 8, 2014.

The Company thus acquired ownership of the trade establishments it had been operating since October 2014 under an operation agreement, as well as the trade name, trademarks, slogans and other intellectual property elements associated to the Súper Inter trademark, whose use had been granted to the Company under a license agreement. Consequently, the operation agreement and the license agreement were terminated, including obligations imposed by such agreements on each of the parties.

Such transaction is completed upon compliance with the requirements of the Superintendence of Industry and Trade to carry out the integration operation, which included the obligation to sell to a competitor 4 out of the 50 trade establishments originally included in the transaction, that is, the sale of 2 out of 19 establishments that were the purpose of the sale-purchase agreement and of 2 of 31 establishments that were the purpose of the operation agreement.

Acquisition of 100% of Lanin S.A.

On February 26, 2015 Larenco S.A., a subsidiary domiciled in Uruguay, acquired an additional share interest of 3.18% represented in 98,287 shares of Lanin S.A., owner of Devoto stores in that country.

Such acquisition resulted from the exercise of seller shareholders' right to sell, and consolidated the Company's 100% interest in Lanin S.A., through Spice Investment Mercosur S.A., owner of 7.37%, and Larenco S.A. that consolidates a 92.63% interest.

Agreement on the sale of trade establishments entered into by and between Almacenes Éxito S.A. and Caja de Compensación Familiar - CAFAM

On February 23, 2015, the Company entered into an agreement with Caja de Compensación Familiar - CAFAM to sell trade establishments, which main purpose was: (i) the sale by Cafam to the Company of the stores owned by Cafam and operated by the Company; (ii) the sale by the Company to Cafam of drugstores owned by the Company and operated by Cafam; (iii) the sale by the Company to Cafam of Carulla drugstores owned by the Company; and (iv) the termination of the Cooperation Agreement executed on September 23, 2010 which established, among other provisions, the obligation of each party to pay to the other party a share of the net monthly sales of stores and drugstores.

Note 44. Events subsequent to the reporting period

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