Almacenes Éxito S.A.

Interim consolidated financial statements

At June 30, 2019 and at December 31, 2018

Almacenes Éxito S.A.
Interim consolidated financial statements
At June 30, 2019 and at December 31, 2018

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

Envigado, August 14, 2019

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., Parent company, each of us duly empowered and under whose responsibility the accompanying financial statements have been prepared, do hereby certify that prior to making the consolidated financial statements of the Parent and its subsidiaries at June 30, 2019 and at December 31, 2018 available to you and to third parties, the following assertions therein contained have been verified:

1. All assets and liabilities included in the interim consolidated financial statements do exist, and all transactions included in said interim consolidated financial statements have been carried out during the six-month period ended June 30, 2019 and during the annual period ended December 31, 2018.

2. All economic events achieved by the Parent and its subsidiaries during the six-month period ended June 30, 2019 and during the annual period ended December 31, 2018, 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 June 30, 2019 and at December 31, 2018.

4. All items have been recognized at proper values.

5. All economic events affecting the Parent and its subsidiaries have been properly classified, described and disclosed in the interim 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 interim consolidated financial statements and the operations of the Parent and its subsidiaries at June 30, 2019 and at December 31, 2018, 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.

Carlos Mario Giraldo Moreno
Parent's Legal Representative

Jorge Nelson Ortiz Chica
Parent's Head Accountant
Professional Card 67018-T

Almacenes Éxito S.A.
Interim consolidated statements of financial position
At June 30, 2019 and at December 31, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Current assets				
Cash and cash equivalents	7	5,191,929	5,973,764	5,973,764
Trade receivables and other accounts receivable	8	910,060	1,000,267	1,000,298
Prepaid expenses	9	210,964	143,889	156,829
Accounts receivable from related parties	10	98,244	131,720	131,720
Inventories	11	6,525,864	6,720,396	6,720,396
Other financial assets	12	91,751	141,214	141,214
Tax assets	23	807,321	724,290	724,290
Other non-financial assets	10	3,816	-	-
Non-current assets held for trading	43	56,872	23,572,841	20,289,112
Total current assets		**13,896,821**	**38,408,381**	**35,137,623**
Non-current assets				
Trade receivables and other accounts receivable	8	202,600	135,284	135,284
Prepaid expenses	9	25,196	14,751	59,912
Accounts receivable from related parties	10	30,355	28,316	28,316
Other financial assets	12	775,642	754,065	754,065
Property, plant and equipment, net	13	12,435,528	12,317,515	12,334,581
Investment property, net	14	1,649,343	1,633,625	1,633,625
Use rights, net	15	4,986,307	5,141,400	-
Goodwill	16	5,316,943	5,436,868	5,436,868
Intangible assets other than goodwill, net	17	5,218,248	5,199,801	5,767,176
Investments accounted for using the equity method	18	758,740	804,400	814,039
Tax assets	23	2,421,701	2,302,451	2,302,451
Deferred tax assets	23	779,502	793,333	703,763
Other non-financial assets		398	398	398
Total non-current assets		**34,600,503**	**34,562,207**	**29,970,478**
Total assets		**48,497,324**	**72,970,588**	**65,108,101**
Current liabilities				
Accounts payable to related parties	10	293,010	236,698	236,698
Financial liabilities	19	2,343,498	2,291,200	2,320,284
Employee benefits	20	3,761	3,657	3,657
Other provisions	21	39,843	36,997	36,997
Trade payables and other accounts payable	22	10,227,292	13,117,074	13,226,708
Lease labilities	22	684,946	858,349	-
Tax liabilities	23	388,169	298,699	298,699
Other financial liabilities	24	1,934,761	1,037,191	1,037,191
Other non-financial liabilities	25	232,618	338,735	338,735
Non-current liabilities held for trading	43	-	19,618,293	16,458,772
Total current liabilities		**16,147,898**	**37,836,893**	**33,957,741**
Non-current liabilities				
Financial liabilities	19	4,474,760	4,633,554	4,732,106
Employee benefits	20	21,497	27,680	27,680
Other provisions	21	2,272,723	2,330,648	2,330,648
Trade payables and other accounts payable	22	65,435	40,720	40,720
Lease labilities	22	4,643,864	4,577,359	-
Deferred tax liabilities	23	1,763,373	2,069,199	2,069,442
Tax liabilities	23	352,338	397,014	397,014
Other financial liabilities	24	2,344,244	2,583,089	2,583,089
Other non-financial liabilities	25	26,028	11,963	11,963
Total non-current liabilities		**15,964,262**	**16,671,226**	**12,192,662**
Total liabilities		**32,112,160**	**54,508,119**	**46,150,403**
Shareholders' equity, see accompanying statement		**16,385,164**	**18,462,469**	**18,957,698**
Total liabilities and shareholders' equity		**48,497,324**	**72,970,588**	**65,108,101**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See accompanying certificate)

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

Ángela Jaimes Delgado
Parent's Statutory Auditor
Professional Card 62183-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See accompanying report dated August 14, 2019)

Almacenes Éxito S.A.
Interim consolidated statements of income
For the six-month and three-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018 (2)	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018 (2)
Continuing operations							
Revenue from ordinary activities under contracts with customers	28	28,739,778	26,624,378	26,624,378	14,464,569	12,880,590	12,880,590
Cost of sales	11	(22,228,321)	(19,996,369)	(20,018,326)	(11,260,859)	(9,525,792)	(9,535,761)
Gross profit		**6,511,457**	**6,628,009**	**6,606,052**	**3,203,710**	**3,354,798**	**3,344,829**
Distribution expenses	29	(2,772,097)	(2,568,381)	(2,710,334)	(1,393,958)	(1,203,372)	(1,272,580)
Administration and sales expenses	29	(422,665)	(371,970)	(378,895)	(185,150)	(162,650)	(165,933)
Employee benefit expenses	30	(2,323,440)	(2,257,599)	(2,257,599)	(1,148,089)	(1,081,736)	(1,081,736)
Other operating revenue	31	110,066	10,216	10,216	70,995	7,305	7,305
Other operating expenses	31	(122,801)	(99,228)	(99,228)	(75,331)	(32,918)	(32,918)
Other (loss) gains, net	31	(4,859)	(52,031)	(54,234)	13,662	(45,748)	(47,400)
Profit from operating activities		**975,661**	**1,289,016**	**1,115,978**	**485,839**	**835,679**	**751,567**
Financial revenue	32	346,459	172,500	172,088	135,588	7,448	7,544
Financial expenses	32	(1,052,621)	(896,929)	(616,788)	(489,085)	(372,071)	(235,733)
Share of profits in associates and joint ventures accounted for using the equity method	33	(29,508)	(22,375)	(22,428)	(12,812)	(2,342)	(4,794)
Gain from continuing operations before income tax		**239,991**	**542,212**	**648,850**	**119,530**	**468,714**	**518,584**
Tax expense	23	(89,946)	(89,435)	(118,297)	(55,476)	(73,235)	(86,828)
Net period profit from continuing operations		**150,045**	**452,777**	**530,553**	**64,054**	**395,479**	**431,756**
Net period profit from discontinued operations	43	485,152	202,389	178,332	411,545	84,976	74,460
Net income for the period		**635,197**	**655,166**	**708,885**	**475,599**	**480,455**	**506,216**
Profit is attributable to:							
(Loss) profit attributable to the shareholders of the controlling entity		**(30,552)**	**123,903**	**128,988**	**(18,211)**	**114,410**	**119,004**
Profit attributable to non-controlling interests		665,749	531,263	579,897	493,810	366,045	387,212
Earnings per share (*)							
Earnings per basic share (*):							
Earnings (loss) per basic share attributable to the shareholders of the controlling entity	34	(68.25)	276.81	288.17	(40.69)	255.61	265.87
(Loss) earnings per basic share from continuing operations attributable to the shareholders of the controlling entity	34	(68.52)	208.22	257.05	(36.56)	222.91	250.00
Earnings (loss) per basic share from discontinued operations attributable to the shareholders of the controlling entity	34	0.27	68.59	31.12	(4.13))	32.70	15.87
Earnings per diluted share (*):							
(Loss) earnings per diluted share attributable to the shareholders of the controlling entity	34	(68.25)	276.81	288.17	(40.69)	255.61	265.87
(Loss) earnings per diluted share from continuing operations attributable to the shareholders of the controlling entity	34	(68.52)	208.22	257.05	(36.56)	222.91	250.00
Earnings (loss) per diluted share from discontinued operations attributable to the shareholders of the controlling entity	34	0.27	68.59	31.12	(4.13))	32.70	15.87

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(1) For comparison to 2019, these financial statements include certain reclassifications in employee benefit expenses, distribution expenses and cost of sales.

(*) Amounts expressed in Colombian pesos.

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

Carlos Mario Giraldo Moreno
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Almacenes Éxito S.A.
Interim consolidated statements of comprehensive income
For the six-month and three-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Net income for the period		**635,197**	**655,166**	**708,885**	**475,599**	**480,455**	**506,216**
Other comprehensive income for the period							
Components of other comprehensive income that will not be reclassified to period results, net of taxes							
(Loss) from new measurements of defined benefit plans		(48)	-	-	(48)	-	-
(Loss) from investments in equity instruments		14,951	(103,396)	(181,172)	21,498	23,555	26,557
Total other comprehensive income that will not be reclassified to period results, net of taxes		**14,903**	**(103,396)**	**(181,172)**	**21,450**	**23,555**	**26,557**
Components of other comprehensive income that will be reclassified to period results, net of taxes							
(Loss) from translation exchange differences	27	(304,431)	(2,604,371)	(2,759,826)	501,915	(1,343,172)	(1,487,687)
Gain from the hedging of cash flows	27	570	6,965	6,965	210	4,762	4,762
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	27	(21,126)	(177,115)	(91,427)	7,293	(147,438)	(47,839)
Total other comprehensive income that will be reclassified to period results, net of taxes		**(324,987)**	**(2,774,521)**	**(2,844,288)**	**520,378**	**(1,485,848)**	**(1,530,764)**
Total other comprehensive income		**(310,084)**	**(2,877,917)**	**(3,025,460)**	**541,828**	**(1,462,293)**	**(1,504,207)**
Total comprehensive income		**325,113**	**(2,222,751)**	**(2,316,575)**	**1,017,427**	**(981,838)**	**(997,991)**
Profit is attributable to:							
(Loss) attributable to shareholders of the controlling entity		**(296,312)**	**(958,799)**	**(968,483)**	**94,718**	**(464,011)**	**(465,819)**
(Loss) attributable to non-controlling interests		621,425	(1,263,952)	(1,348,092)	922,709	(517,827)	(532,172)
Earnings per share (*)							
Earnings per basic share (*)							
(Loss) per basic share from continuing operations	34	(662.00)	(2,142.07)	(2,163.70)	211.61	(1,036.65)	(1,040.69)
Earnings per diluted share (*):							
(Loss) per diluted share from continuing operations	34	(662.00)	(2,142.07)	(2,163.70)	211.61	(1,036.65)	(1,040.69)

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Interim consolidated statements of cash flows
For the six-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018
Cash flows provided by operating activities			
Net income for the period	**635,197**	**655,166**	**708,885**
Adjustments to reconcile profit for the period			
Current income tax	118,358	140,980	140,980
Deferred income tax	(28,412)	(51,545)	(22,683)
Financial costs	499,468	481,563	481,563
Impairment of receivables	250,184	281,148	281,148
Reversal of receivable impairment	(263,713)	(6,570)	(6,570)
Inventory impairment	2,290	-	-
Reversal of inventory impairment	(4,707)	(8,237)	(8,237)
Employee benefit provisions	851	1,295	1,295
Reversal of employee benefit provisions	(6,931)	-	-
Other provisions	567,254	736,248	736,248
Reversal of other provisions	(385,879)	(523,093)	(523,093)
Expense from depreciation of property, plant and equipment, use rights and investment property	823,650	762,839	453,909
Amortization of intangible assets expense	62,459	67,961	67,961
Share-based payments	19,825	37,386	37,386
Loss from application of the equity method	29,508	22,375	22,428
Loss from the disposal of non-current assets	36,009	48,724	50,927
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(209,290)	(91,107)	(91,107)
Operating income before changes in working capital	**2,146,121**	**2,555,133**	**2,331,040**
Decrease in trade receivables and other accounts receivable	2,701,675	239,316	239,316
(Increase) in prepaid expenses	(78,551)	(26,468)	(25,825)
Decrease in receivables from related parties	13,799	173,130	173,130
Decrease in inventories	108,305	373,322	373,322
(Increase) in tax assets	(228,962)	(298,450)	(298,450)
(Decrease) in other provisions	(330,622)	(397,606)	(397,606)
(Decrease) in trade payables and other accounts payable	(2,931,080)	(4,123,118)	(3,971,144)
Increase in accounts payable to related parties	5,607	70,678	70,678
(Decrease) in tax liabilities	(73,309)	(206,129)	(206,129)
(Decrease) in other non-financial liabilities	(86,455)	(47,762)	(47,762)
(Increase) decrease in non-current assets held for trading	(759,275)	5,029,209	4,526,405
(Decrease) in non-current liabilities held for trading	(2,255,099)	(4,151,635)	(3,529,381)
Net cash flows (used in) operating activities	**(1,767,846)**	**(810,380)**	**(762,406)**
Cash flows provided by investment activities			
Cash flows from the loss of control over subsidiaries or other businesses	1,974,311	-	-
Cash flows used to maintain control over subsidiaries and joint ventures	(3,807)	(5,000)	(5,000)
Acquisition of property, plant and equipment	(896,573)	(616,479)	(616,479)
Acquisition of investment property	(41,581)	(75,722)	(75,722)
Acquisition of intangible assets	(159,469)	(181,092)	(181,092)
Proceeds of the sale of property, plant and equipment	14,468	53,921	53,921
Proceeds of the sale of intangible assets	-	9,466	9,466
Net cash flows provided by (used in) investment activities	**887,349**	**(814,906)**	**(814,906)**
Cash flows provided by financing activities			
Decrease (increase) in other financial assets	19,956	(141,373)	(141,373)
Increase in other financial liabilities	697,214	112,667	112,667
(Decrease) increase in financial liabilities	(22,527)	2,034,057	2,034,057
(Decrease) in financial liabilities under lease agreements	(1,839)	(1,767)	(49,741)
Dividends paid	(195,882)	(121,954)	(121,954)
Financial yields	206,368	91,107	91,107
Interest paid	(512,908)	(500,344)	(500,344)
Transactions with non-controlling entities	(17,978)	(508,912)	(508,912)
Other cash inflows (outflows)	13,901	(68,180)	(68,180)
Net cash flows provided by financing activities	**186,305**	**895,301**	**847,327**
Net (decrease) in cash and cash equivalents	**(694,192)**	**(729,985)**	**(729,985)**
Effects of variation in exchange rates	**(87,643)**	**(445,961)**	**(445,961)**
Cash and cash equivalents at the beginning of period	**5,973,764**	**5,281,618**	**5,281,618**
Cash and cash equivalents at the end of period	**5,191,929**	**4,105,672**	**4,105,672**

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Almacenes Éxito S.A.
Interim consolidated statements of changes in shareholders' equity
For the six-month periods ended June 30, 2019 and June 30, 2018
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Treasury 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 26	Note 26	Note 26	Note 27	Note 27	Note 27	Note 27	Note 27	Note 27	Note 27					
Balance at December 31, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	9,662	**1,720,438**	**(49,694)**	**1,312,737**	**10,873**	**7,839,568**	**11,892,786**	**19,732,354**
Cash dividend declared	-	-	-	-	-	-	-	-	-	-	(108,857)	-	(108,857)	(62,286)	(171,143)
Net income for the period	-	-	-	-	-	-	-	-	-	-	128,988	-	128,988	579,897	708,885
Other comprehensive income	-	-	-	-	-	-	-	-	-	(1,097,471)	-	-	(1,097,471)	(1,927,989)	(3,025,460)
Appropriation for reserves	-	-	-	-	108,856	-	-	-	108,856	-	(108,856)	-	-	-	-
(Decrease) from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(63,414)	(63,414)	182,362	118,948
(Decrease) from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(691,276)	(691,276)
Other developments in shareholders' equity	-	-	-	-	(1,494)	-	-	15,094	13,600	-	(22,410)	4,044	(4,766)	37,388	32,622
Balance at June 30, 2018	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	24,756	**1,842,894**	**(1,147,165)**	**1,201,602**	**(48,497)**	**6,694,048**	**10,010,882**	**16,704,930**
Balance at December 31, 2017 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	9,662	**1,720,438**	**(50,269)**	**1,095,361**	**10,873**	**7,621,617**	**11,543,898**	**19,165,515**
Cash dividend declared	-	-	-	-	-	-	-	-	-	-	(108,857)	-	(108,857)	(62,396)	(171,253)
Net income for the period	-	-	-	-	-	-	-	-	-	-	123,903	-	123,903	531,263	655,166
Other comprehensive income	-	-	-	-	-	-	-	-	-	(1,082,702)	-	-	(1,082,702)	(1,795,215)	(2,877,917)
Appropriation for reserves	-	-	-	-	108,856	-	-	-	108,856	-	(108,856)	-	-	-	-
Increase from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(63,414)	(63,414)	181,642	118,228
(Decrease) from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(690,556)	(690,556)
Other developments in shareholders' equity	-	-	-	-	(1,494)	-	-	16,694	15,200	-	(24,825)	4,044	(5,581)	22,859	17,278
Balance at June 30, 2018 (1)	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	26,356	**1,844,494**	**(1,132,971)**	**976,726**	**(48,497)**	**6,484,966**	**9,731,495**	**16,216,461**
Balance at December 31, 2018	**4,482**	**4,843,466**	**(2,734)**	7,857	1,772,571	22,000	15,710	25,412	**1,843,550**	**(704,282)**	**1,000,550**	**426,171**	**7,411,203**	**11,051,266**	**18,462,469**
Cash dividend declared	-	-	-	-	(139,706)	-	-	-	(139,706)	-	-	-	(139,706)	(116,156)	(255,862)
Net income for the period	-	-	-	-	-	-	-	-	-	-	(30,552)	-	(30,552)	665,749	635,197
Other comprehensive income	-	-	-	-	-	-	-	-	-	(265,760)	-	-	(265,760)	(44,324)	(310,084)
Appropriation for reserves	-	-	-	-	139,701	-	139,702	-	279,403	-	(279,403)	-	-	-	-
Effects of the sale of Via Varejo S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,298,716)	(2,298,716)
Increase from changes in the ownership interest in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(998)	(998)	2,266	1,268
Other developments in shareholders' equity	-	-	-	-	(1,544)	-	-	119,900	118,356	-	(100,952)	113,663	131,067	19,825	150,892
Balance at June 30, 2019	**4,482**	**4,843,466**	**(2,734)**	7,857	1,771,022	22,000	155,412	145,312	**2,101,603**	**(970,042)**	**589,643**	**538,836**	**7,105,254**	**9,279,910**	**16,385,164**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

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

Carlos Mario Giraldo Moreno
Parent's Legal Representative
(See accompanying certificate)

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

Ángela Jaimes Delgado
Parent's Statutory Auditor
Professional Card 62183-T
Appointed by Ernst and Young Audit S.A.S. TR-530
(See accompanying report dated August 14, 2019)

Note 1. General information

Almacenes Éxito S.A., (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, Envigado, Colombia. The life span of the Parent goes to December 31, 2050.

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

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 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 June 30, 2019, the controlling entity has a 55.30% interest (December 31, 2018 - 55.30%) in the share capital of the Parent.

The Parent 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 interim consolidated financial statements

Below is a detail of the stock ownership in subsidiaries included in the consolidated financial statements at June 30, 2019 and December 31, 2018:

				Stock ownership 2019			Stock ownership 2018		
Name	Segment	Country	Functional currency	Direct	Indirect	Total	Direct	Indirect	Total
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	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%
Éxito Industrias S.A.S.	Colombia	Colombia	Colombian peso	94.53%	3.42%	97.95%	94.53%	3.42%	97.95%
Gemex O & W S.A.S.	Colombia	Colombia	Colombian peso	85.00%	0.00%	85.00%	85.00%	0.00%	85.00%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Marketplace Internacional Éxito y Servicios S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Depósito y Soluciones Logísticas S.A.S. (a)	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	0.0%	0.00%	0.00%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Fideicomiso Lote Girardot	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Malls	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Centro Comercial	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Iwana	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Laureles	Colombia	Colombia	Colombian peso	0.00%	40.80%	40.80%	0.00%	40.80%	40.80%
Patrimonio Autónomo Viva Palmas	Colombia	Colombia	Colombian peso	0.00%	26.01%	26.01%	0.00%	26.01%	26.01%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	Colombia	Colombia	Colombian peso	0.00%	45.90%	45.90%	0.00%	45.90%	45.90%
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%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
5 Hermanos Ltda.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Sumelar 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.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Supermercados Disco del Uruguay S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%

Name	Segment	Country	Functional currency	Stock ownership 2019			Stock ownership 2018		
				Direct	Indirect	Total	Direct	Indirect	Total
Maostar S.A.									
Ameluz S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Fandale S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Odaler S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
La Cabaña S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ludi S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Semin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Randicor S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Setara S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Hiper Ahorro S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ciudad del Ferrol S.C.	Uruguay	Uruguay	Uruguayan peso	0.00%	61.24%	61.24%	0.00%	61.24%	61.24%
Mablicor S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Tipsel S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Tedocan S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
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%
Onper Investment 2015 S.L.	Brazil	Spain	Colombian peso	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%
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	Brazil	Brazil	Brazilian real	0.00%	18.66%	18.66%	0.00%	18.68%	18.68%
Sendas Distribuidora S.A.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
Bellamar Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P")	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
CBD Holland B.V.	Brazil	Holland	Euro	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
GPA 2 Empreed. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
GPA Logística e Transporte Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L.	Brazil	Luxembourg	Euro	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
SCB Distribuição e Comércio Varejista de Alimentos Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
Bitz Fidelidade e Inteligência S.A.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
Leji Intermediação S.A.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
Companhia Brasileira de Distribuição Netherlands Holding B.V.	Brazil	Holland	Euro	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
Novasoc Comercial Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.68%	18.68%	0.00%	18.68%	18.68%
CNova Comércio Eletrônico S.A. (b)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Via Varejo S.A. (b)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Indústria de Móveis Bartira Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
VVLOG Logística Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Globex Administracao e Serviços Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Lake Niassa Empreend. e Participações Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%
Globex Administradora de Consórcio Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	0.00%	0.00%	0.00%	8.08%	8.08%

(a) A subsidiary incorporated on June 21, 2019.

(b) Subsidiaries sold on June 15, 2019 as part of the divestment process carried out by subsidiary Companhia Brasileira de Distribução - CBD.

Note 1.2. Colombian and foreign operating subsidiaries

The attached interim consolidated financial statements at June 30, 2019 include the same Colombian operating subsidiaries and the same largest operating subsidiaries located abroad as included in the consolidated financial statements for the annual period ended December 31, 2018, exception made of subsidiary Depósito y Soluciones Logísticas S.A.S., incorporated on June 21, 2019, which has not started its operating activities.

The corporate purpose and other relevant information regarding the following Colombian operating subsidiaries and largest foreign operating subsidiaries were disclosed in the consolidated financial statements for the annual period ended December 31, 2018:

- Almacenes Éxito Inversiones S.A.S.
- Logística, Transporte y Servicios Asociados S.A.S.
- Éxito Industrias S.A.S.
- Gemex O & W S.A.S.
- Éxito Viajes y Turismo S.A.S.
- Fideicomiso Lote Girardot
- Patrimonio Autónomo Viva Malls
- Patrimonio Autónomo Viva Sincelejo
- Patrimonio Autónomo Viva Villavicencio
- Patrimonio Autónomo San Pedro Etapa I
- Patrimonio Autónomo Centro Comercial

- Patrimonio Autónomo Iwana
- Patrimonio Autónomo Viva Laureles
- Patrimonio Autónomo Viva Palmas
- Patrimonio Autónomo Centro Comercial Viva Barranquilla
- Marketplace Internacional Éxito y Servicios S.A.S.
- Companhia Brasileira de Distribuição - CBD
- Libertad S.A.
- Supermercados Disco del Uruguay S.A.
- Devoto Hermanos S.A.
- Mercados Devoto S.A.

Below is a detail of the corporate purpose and other information regarding the subsidiary incorporated in 2019:

Depósito y Soluciones Logísticas S.A.S.

A subsidiary incorporated on June 21, 2019 under Colombian laws. Its main corporate porpose is the storage of goods under customs control. Its main place of business is located at calle 43 sur No. 48-127, Envigado, Colombia. The company's life span is indefinite.

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 shares 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".

Associate Cnova NV 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 were admitted for quote and negotiation on Euronext Paris.

Note 1.4. Subsidiaries with material non-controlling interests

At June 30, 2019 and at December 31, 2018, the following subsidiaries, taken as reporting entities, have been included in the consolidated financial statements as subsidiaries with material non-controlling interests:

	Material non-controlling ownership percentage (1)	
	June 30, 2018	**December 31, 2018**
Grupo Disco del Uruguay S.A.	37.51%	37.51%
Éxito Viajes y Turismo S.A.S.	49.00%	49.00%
Patrimonio Autónomo Viva Malls	49.00%	49.00%
Patrimonio Autónomo Viva Sincelejo	73.99%	73.99%
Patrimonio Autónomo Viva Villavicencio	73.99%	73.99%
Patrimonio Autónomo San Pedro Etapa I	73.99%	73.99%
Patrimonio Autónomo Centro Comercial	73.99%	73.99%
Patrimonio Autónomo Iwana	49.00%	49.00%
Patrimonio Autónomo Centro Comercial Viva Barranquilla	54.10%	54.10%
Patrimonio Autónomo Viva Laureles	59.20%	59.20%
Patrimonio Autónomo Viva Palmas	73.99%	73.99%
Companhia Brasileira de Distribuição - CBD	81.34%	81.32%

(1) Total non-controlling interest, considering the Parent's direct and indirect interest.

Note 1.5. Restrictions on the transfer of funds

At June 30, 2019 and at December 31, 2018 there are no restrictions on the capability of subsidiaries to transfer funds to the Parent in the form of cash dividends, or loan repayments or advance payments.

Note 2. Basis for preparation

The interim consolidated financial statements for the six-month and three-month periods ended June 30, 2019 and June 30, 2018, and for the year ended December 31, 2018 have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) authorized by the International Accounting Standards Board (IASB), 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, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483. Neither the Parent nor its subsidiaries have applied any of the exceptions to the IFRS contained in such decrees.

Financial statements herein presented

These interim consolidated financial statements of the Parent and its subsidiaries are made of the statements of financial position at June 30, 2019 and December 31, 2018, the statements of income and of comprehensive income for the six-month and three-month periods ended June 30, 2019 and June 30, 2018, and the statements of cash flows and the statements of changes in shareholders' equity for the six-month periods ended June 30, 2019 and June 30, 2018.

These interim consolidated financial statements are based on interim information as required by IAS 34 and do not include all financial reporting disclosures required for annual financial statements under IAS 1. All disclosures required for annual fiancial statements were properly included in the financial statements at December 31, 2018.

Statement of accountability

Parent's management is responsible for the information contained in these interim consolidated financial statements. Preparing such financial statements pursuant to accounting and financial reporting standards 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), 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, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483 without applying any of the exceptions to the IFRS therein contained, requires management judgment to apply the accounting policies.

Estimates and accounting judgments

The Parent's and its subsidiaries' estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the accompanying interim consolidated 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 and hypotheses used to assess and determine the indicator of impairment for non-financial assets,
- Variables used to assess and determine inventory losses and obsolescence,
- 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 discount rate used to estimate lease liabilities and use rights,
- 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.
- Time estimated to depreciate use rights; hypotheses used in the calculation of growth rates in lease contracts registered as use rights, and variables used to measure lease liabilities.

Such estimations are based on the best information available regarding the facts analyzed at the date of preparation of the accompanying interim consolidated 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 estimates in future financial statements.

Distinction between current and non-current items

The Parent and its subsidiaries present 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, those amounts that will be realized or will become available in a term not to exceed one year are classified as current assets, and those amounts that will be enforceable or payable also in a term not to exceed one year are classified as current liabilities. All other assets and liabilities are classified as non-current.

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 subsection relevant to share interest in subsidiaries included in the interim consolidated financial statements.

Hyperinflation

Functional currencies of the Parent and of each of its subsidiaries belong to non-hyperinflationary economies, exception made of Argentina whose accumulated inflation rate at June 30, 2019 calculated using different consumer price index combinations has exceeded 100%, reason why the interim consolidated financial statements include inflation adjustments.

Domestic forecasts for such country suggest that there is low probability that the inflation rate would significantly decrease under 100% during 2019. For these reasons, Argentina economy is hyperinflationary.

Subsidiaries in Argentina present their financial statements adjusted for inflation as provided for in IAS 29 "Financial Reporting in Hyperinflationary Economies".

Reporting currency

These interim 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. Figures shown have been stated in millions of Colombian pesos.

Subsidiaries' financial statements carried in a functional currency other than the Colombian peso have been translated into Colombian pesos. Transactions and balances are translated as follows:

- Assets and liabilities are translated into Colombian pesos at the period closing exchange rate;
- Income-related items are translated into Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated into 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.

Foreign currency transactions

Transactions in foreign currency are defined as those denominated in a currency other than the functional currency. During the reporting periods, exchange differences arising from the settlement 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 period, and the resulting exchange differences are recognized as part of the net financial results 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 period 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 forward and swap financial instruments, which are translated using the exchange rates in force on the date of measurement of the fair value thereof.

(*) 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 interim 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 material effect on the economic decisions to be made by the users of the information.

When preparing the interim consolidated 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 interim consolidated financial statements, 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 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 an orderly 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 to determine the 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 who use 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. Basis for consolidation

These interim consolidated financial statements include the financial statements of the Parent and all 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 one or more contracts, reason why there may be entities not having such interest percentage but whose 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, account balances and intercompany transactions.

All significant transactions and material balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented by third parties' ownership interests in subsidiaries (non-controlling interests) 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 percentege.

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 provided by changes in ownership interests 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 derecognized, retained interests are 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 as investment activities in the statement of cash flows.

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

In consolidating the financial statements, all susidiaries apply the same policies and accounting principles implemented by the Parent, pursuant to accounting and financial reporting standards 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), 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, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483 without applying any of the exceptions to the IFRS therein contained.

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 market exchange rates on each closing date and at period average, as follows:

	Closing rates		Average rates		
	June 30, 2019	**December 31, 2018**	**June 30, 2019**	**June 30, 2018**	**December 31, 2018**
US Dollar	3,205.67	3,249.75	3,189.40	2,849.14	2,956.43
Uruguayan peso	90.99	100.25	94.29	97.51	96.36
Brazilian real	829.65	838.75	829.11	835.48	812.77
Argentine peso	75.64	86.29	77.20	133.74	111.63
Euro	3,650.65	3,714.98	3,602.28	3,447.18	3,486.88

Note 4. Significant accounting policies

The accompanying interim consolidated financial statements at June 30, 2019 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, 2018, except for the standards mentioned in note 5.2 that came into effect as of January 1, 2019, pursuant to accounting and financial ireporting 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), 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, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28, 2018 by Regulatory Decree 2483, without applying any of the exceptions to the IFRS therein contained.

Adoption of new standards in force as of January 1, 2019 mentioned in Note 5.2 did not entail significant change to these accounting policies as compared to those applied when preparing the financial statements at December 31, 2018 and no significant effects arose from adoption thereof, except for the adoption of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018 and have been included in these interim consolidated financial statements.

The most significant policies applied to prepare the accompanying interim consolidated financial statements were the following, regarding which a summary was included in the separate financial statements for the annual period ended December 31, 2018, except for IFRS 16 - Leases, regarding which a summary is included below in this Note:

- Investments in associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Put options *granted to the holders of non-controlling interests*
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading and discontinued operations
- Finance leases
- Operating leases
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
- Financial liabilities
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
- Share-based payments
- Employee benefits
- Provisions, contingent assets and liabilities
- Taxes
- Share capital
- Revenue from ordinary activities under contracts with customers
- Loyalty programs
- Costs and expenses
- Earnings per basic and diluted share
- Operation segments

- Leases and lease liabilities

  Use rights assets are assets representing the right of the Parent and its subsidiaries as lessees to use an underlying asset during the term of a lease agreement.

  They are initially measured at cost, which includes the present value of payments under the lease agreement discounted at the incremental rate of loans of the Parent and its subsidiaries, plus indirect costs incurred under the lease agreement, plus an estimation of the costs required to dismantle the underlying asset upon termination of the lease agreement. Later, they are measured at cost less accumulated depreciation and less accumulated impairment losses, plus adjustments from measurements of lease liabilities relevant to the use right.

  Initially, lease liabilities are comprised of payments for the right to use the underlying asset during the term of the lease agreement, including fixed payments, variable lease payments and the payment of fines arising from termination of the lease agreement. Later, lease liabilities are measured by increasing the book value to reflect interests, reducing the book value to show rental instalment payments made and re-measuring the book value to reflect new amendments to the lease agreement.

  The useful lives of use rights are defined by the irrevocable terms of the lease agreements covering underlying assets together with periods covered by an option to extend the term or an option to terminate the lease agreement.

  The Parent and its subsidiaries do not carry assets arising from the right to use:
  - lease agreements whose underlying assets are low-cost assets such as furniture and fixtures, computers, machinery and equipment and office equipment,
  - lease agreements for underlying assets with a term of less than one year,
  - lease agreements covering intangible assets.

  Use rights and lease liabilities are shown in a separate line item in the statement of financial position.

Note 5. New and modified standards and interpretations

Note 5.1. Standards issued during the six-month period ended June 30, 2019

During the six-month period ended June 30, 2019 the International Accounting Standards Board IASB did not issue new standards or amendments.

No Regulatory Decrees enabling the application of new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the six-month period ended June 30, 2019.

Note 5.2. Standards applied as of 2019, issued prior to January 1, 2019

The following standards started to be applied as of January 1, 2019 according to the adoption date set by the IASB:
- Amendment to IAS 19 - Employee Benefits
- IFRS 16 - Leases
- IFRIC 23 - Uncertainties over Income Tax Treatments
- Amendment to IAS 28 - Investments in Associates and Joint Ventures
- Amendment to IFRS 9
- Annual improvement to IFRS Cycle 2015-2017

In Colombia, these standards were enacted by means of Regulatory Decree 2483 of December 28, 2018. No significant effects arose from application of these standards, exception made of IFRS 16 whose effects were properly disclosed in the annual financial statements at December 31, 2018.

Note 5.3. Standards applied earlier during the six-month period ended June 30, 2019

During the six-month period ended June 30, 2018 the Parent and its subsidiaries did not apply the early adoption of standards.

Note 5.4. Standards not yet in force at June 30, 2019, issued prior to January 1, 2019

During the year ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 17 - Insurance Contracts, to be applied as of January 2021.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.

Note 5.5. Standards issued during the year ended December 31, 2018

Regulatory Decree 2483 of December 28, 2018 was enacted in Colombia during the year ended December 31, 2018. Such decree compiled and updated the technical frameworks ruling the preparation of financial reporting set out in Regulatory Decree 2420 of 2015 amended by Regulatory

Decree 2496 of 2016, Regulatory Decree 2130 of 2016 and Regulatory Decree 2170 of 2017, allowing the application of International Financial Reporting Standards authorized by the International Accounting Standards Board in force at December 31, 2018 and those applicable as of January 1, 2019.

During the year ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.
- Amendment to IFRS 3 - Business Combinations, to be applied as of January 2020.
- 2018 Conceptual framework, to be applied as of January 2020.

Amendment to IAS 19 "Employee Benefits" (January 2018)

The amendment specifies how a company accounts for a defined-benefits plan. IAS 19 requires a company to update its assumptions and remeasure its net defined benefit-related liabilities or assets upon occurrence of a plan event (e.g. a change, reduction or settlement). The amendment also clarifies that after a plan event, a company would use such updated assumptions to measure the cost of the current service and the net interest for the remaining of the reporting period following the plan event.

No material effects are expected from the application of this amendment.

Amendment to IFRS 3 - Business Combinations (October 2018)

The amendment has a limited scope seeking to improve the definition of business. It clarifies the definition of business as a comprehensive set of activities and assets aimed at and managed to provide goods or services to customers, generating revenue from investments (dividends or interests) or other kinds of ordinary revenue.

No material effects are expected from the application of this amendment.

2018 Conceptual framework (March 2018)

The new conceptual framework, which is not a standard by itself, integrates and improves certain concepts such as: (i) confirms the purpose of deliverying financial information and clarifies the role of administration work, (ii) highlights the importance of deliverying information regarding financial performance, (iii) improves the concepts to deliver information regarding assets, liabilities, revenue ans expenses, (iv) introduces a guidance on meaurement, and (v) supports the Council in establishing standards.

No material effects are expected from the application of this conceptual framework.

Note 5.6 Standards applied as of 2018, issued prior to January 1, 2018

The following standards started to be applied as of January 1, 2018 according to the adoption date set by the IASB:
- Amendment to IAS 40. (a)
- Amendments to IFRS 4. (a)
- Amendments to IFRS 2. (a)
- Annual improvements cycle 2014-2016. (a)
- IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers. (b)
- IFRS 9 - Financial Instruments. (c)
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration. (d)

(a) In Colombia, these standards were made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2170 of December 22, 2017. No material effects resulted from application of thiese amendments and annual improvements.

(b) In Colombia, this standard was made part of Regulatory Decree 2420 of December 14, 2015 by means of Regulatory Decree 2496 of December 23, 2015. The Company reviewed the changes to this IFRS against the rules contained in the previous standards and which were deleted by it, and no significant effects resulted from application of this IFRS.

(c) The Company started to apply this standard as of January 1, 2014. No material effects resulted from application of this IFRS.

(d) In Colombia, this standard was enacted by means of Regulatory Decree 2483 of December 28, 2018.

Amendment to IAS 40 - Investment property (issued December 2016).

The amendment sets out that an entity shall transfer a property to, or from, investment property, 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 are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof.

Amendment to IFRS 4 - "Insurance Contracts" (issued 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 earlier of application of the new insurance standard or for periods commencing on or after January 1, 2021. Following full adoption of IFRS 9, the amendment grants all entities having insurance contracts an option to present in other comprehensive income and not in profit or loss the changes in the fair value of qualifying designated financial assets.

The amendments are effective for periods commencing on or after January 1, 2018. This amendment is not applicable to the Company.

Amendment to IFRS 2 - "Share-based Payments" (issued 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 are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof.

IFRS 15 - Revenue from Ordinary Activities under Contracts with Customers (issued 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 promissed 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 performance obligations under the contract.
- Stage 3: Define the transaction price.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize 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 is effective for periods commencing on or after January 1, 2018. The Company did not consider early application thereof.

The Company has reviewed the changes in this Standard as compared to what was required by previous standards, which were repealed by the former.

Some of the aspects that have been reviewed include:
- Regarding the performance obligation, retail sales represent the only performance obligation; consequently, the Company does not expect an effect on the recognition of revenue, given that like under prior standards revenue is recognized when control over the asset is transferred to the customer, generally upon delivery thereof;
- The Company recognizes revenue from retail sales measured at the fair value of the consideration received or to be received, including returns and discounts;
- The Company does not grant volume discounts to its customers;
- The Company generally grants minor repair warranties but does not offer extended warranties under contracts with customers. The amount of such warranties is non-material;
- Regarding customer loyalty programs, no material changes are expected since liabilities representing points granted that have not been redeemed or expired are measured at the fair value of points and recognized as deferred revenue;
- The Company concluded that services provided to customers are delivered over time, taking into consideration that customers receive and consume benefits simultaneously. In line with this definition, revenue from such service contracts will continue to be recognized over time;

- Regarding disclosures and presentation requirements, the Company did not change the notes to the financial statements given that there are no changes related with judgments applied in the definition of the transaction price, or in the disaggregation of the revenue recognized from contracts with customers, or in the information on revenue for each reporting segment.

IFRS 9 - "Financial Instruments" (issued 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.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration (issued December 2016)

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

The interpretation covers 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 out on a date other than the date of initial recognition of a non-monetary asset or a non-monetary liability. In addition, it is not required to apply this interpretation to income taxes, insurance contracts or reinsurance contracts.

The amendments are effective for periods commencing on or after January 1, 2018. Earlier application was permitted. The Company did not consider early application thereof. No material effects resulted from application of this IFRIC.

Note 5.7 Standards adopted earlier during the year ended December 31, 2018

During the year ended December 31, 2018, the Company did not apply any Standards earlier.

Note 5.8 Standards not yet in force at December 31, 2018, issued prior to January 1, 2018

During the year ended December 31, 2016 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 16 - Leases, to be applied as of January 2019.

During the year ended December 31, 2017 the International Accounting Standards Board IASB issued the following new standards and amendments:
- IFRS 17 - Insurance Contracts, to be applied as of January 2021.
- IFRIC 23 - Uncertainty over Income Tax Treatments, to be applied as of January 2019.
- Amendment to IAS 28, Investments in Associates and Joint Ventures, to be applied as of January 2019.
- Amendment to IFRS 9, to be applied as of January 2019.
- Annual improvements to IFRS standards cycle 2015-2017, to be applied as of January 2019.

During the year ended December 31, 2018 the International Accounting Standards Board IASB issued the following new standards and amendments:
- Amendment to IAS 19, Employee Benefits, to be applied as of January 2019.

IFRS 16 - Leases (issued 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, like 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. Earlier application was not considered.

IFRS 17 - Insurance Contracts (issued May 2017)

This IFRS sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts, and supersedes IFRS 4 - Insurance Contracts.

This standard requires a company issuing insurance contracts to disclose such contracts in the statement of financial position as the aggregate of: (a) cash flows from compliance less current estimates of the amounts the company expects to collect on premiums, as well as claims, benefits and expense payouts, including an adjustment relevant to the timeliness and risk attached to such amounts; and (b) the contract margin associated with the service less the expected gain from providing the insurance coverage.

The expected gain from the insurance coverage is recognized in income during the term when the insurance coverage is provided.

Additionally, it requires a company to differentiate the groups of contracts from which it expects to obtain a gain and those from which it expects a loss, the latter being recognized in income as soon as the company identifies such expected losses.

On each reporting date, companies are required to update cash flows from compliance, using current estimates of the amount, timeliness and uncertainty of cash flows and discount rates.

Regarding measurement, historic cost changes to current value. This allows including committed cash flows (both rights and liabilities), and updating them on each reporting date.

No material effects are expected from the application of this IFRS.

IFRIC 23 Uncertainties Over Income Tax Treatments (issued June 2017)

This interpretation clarifies how to account for the income tax regarding the effects of uncertainties, pursuant to IAS 12 - Income tax.

The purpose of the interpretation is to limit the diversity of views under which companies recognize and measure a tax liability or a tax asset when tax treatments are uncertain, given that there is no clarity regarding how to apply the tax law to a certain transaction, or whether the tax authority will accept the tax treatment given by a company.

No material effects are expected from the application of this IFRIC.

Amendment to IAS 28 Investments in Associates and Joint Ventures (issued October 2017)

The amendment clarifies that a company applies IFRS 9 - Financial Instruments to long-term interests in an associate or joint venture that is part of the net investment in the associate or joint venture.

No material effects are expected from the application of this amendment.

Amendment to IFRS 9 Financial Instruments (issued October 2017)

This amendment allows companies to measure financial assets terminated early with negative compensation at amortized cost or fair value through other comprehensive income, provided a condition is met, instead of at fair value through income.

No material effects are expected from the application of this amendment.

Annual improvement to IFRS Cycle 2015-2017 (issued December 2017)

Include the following amendments:

- IFRS 3 - Business Combinations. The following paragraph is added: "When a party to a joint arrangement (as defined in IFRS 11 - Joint Arrangements) obtains control of a business that is a joint operation (as defined by IFRS 11), and it had title to the rights and obligations arising from the liabilities related with such joint operation immediately before acquisition date, the transaction is a business combination carried out in stages. Consequently, the acquirer shall apply the requirements relevant to a business combination carried out in stages, including the remeasurement of the interest previously held in the joint operation as described in section 42. In doing so, the acquirer shall remeasure all its interest previously held in the joint operation.

- IFRS 11 - Joint Arrangements. The following paragraph is added: "A party that participates in a joint operation, but does not have joint control, may obtain joint control of the joint venture whose activity is a business, as defined by IFRS 3. In these events, the interests previously held in the joint operation are not remeasured".

- IAS 12 - Income Tax. Modifies the basis for the conclusions regarding the consequences of payments for financial instruments classified as equity in the income tax.

- IAS 23 - Loan Costs. Paragraph 14 is amended as follows: "Where funds are part of a general pool, and they are used to obtain a qualifying asset, such entity will determine the amount of costs eligible for capitalization by applying a capitalization rate to payouts related to that asset. The capitalization rate will be the weighted average of loan costs applicable to all loans received by the entity that are outstanding during the period. Nevertheless, an entity will exclude from this calculation the loan costs applicable to loans specifically obtained to fund a qualifying asset until all activities required to prepare such asset for its foreseen use or sale have been completed. The amount of borrowing costs that an entity is entitled to capitalize during the period will not exceed total loan costs incurred during the same period".

No material effects are expected from the application of these improvements.

Note 6. Business combinations

Note 6.1. Business combinations carried out during the six-month period ended June 30, 2019

No business combinations were carried out during the six-month period ended June 30, 2019.

Note 6.2. Business combinations completed during the six-month period ended June 30, 2019

Business combinations were completed during the six-month period ended June 30, 2019 Business combinations with Cheftime and with James Delivery, started in 2018 by subsidiary Companhia Brasileira de Distribuição - CBD, are still undergoing the price allocation process. Note 6.4 discloses the fair values of identifiable assets and liabilities under such businesses acquired at acquisition date, at measurement period closing and at June 30, 2019.

Note 6.3. Business combinations carried out and completed during the year ended December 31, 2018

The following business combinations were carried out and completed during the year ended December 31, 2018:

Note 6.3.1. Tipsel S.A. business combination

Seeking to expand operations in Uruguay, on June 20, 2018 subsidiary Mercados Devoto S.A. acquired 100% of the shares of Tipsel S.A., a company engaged in the food self-service business.

Acquisition price on the date of acquisition amounted to $586 and was fully allocated to goodwill.

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

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

The consolidation of Tipsel S.A. from the date of acquisition resulted in revenue from ordinary activities in amount of $77 and did not generate any gains.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at June 30, 2019:

Goodwill from the acquisitions at June 20, 2018	584
Effect of exchange differences	(10)
Goodwill at June 30, 2019 (Note 16)	574

Note 6.3.2. Tedocan S.A. business combination

Seeking to expand operations in Uruguay, on July 2, 2018 subsidiary Mercados Devoto S.A. acquired 100% of the shares of Tedocan S.A., a company engaged in the food self-service business.

Acquisition price on the date of acquisition amounted to $1,055 and was fully allocated to goodwill.

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

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

The consolidation of Tedocan S.A. from the date of acquisition resulted in revenue from ordinary activities in amount of $139 and a loss of $4.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at June 30, 2019:

Goodwill from the acquisition at July 2, 2018	1,258
Effect of exchange differences	(28)
Goodwill at June 30, 2019 (Note 16)	1,230

Note 6.4. Business combinations carried out during the year ended December 31, 2018

The following business combinations were carried out during the year ended December 31, 2018:

Note 6.4.1. Cheftime business combination

On November 12, 2018, Companhia Brasileira de Distribuição - CBD entered a strategic association with Cheftime to allocate and sell gastronomic packages online. The agreement entitles Companhia Brasileira de Distribuição - DBC to acquire control over Cheftime. Companhia Brasileira de Distribuição - CBD paid $680 for the purchase option to acquire 51% of interests for R$1; the purchase option can be exercised within 18 months, renewable for a like period to the discretion of the subsidiary or imperative if certain goals are met. In addition to that amount, Companhia Brasileira de Distribuição - CBD disbursed $340 to Cheftime as a loan convertible into one share of stock if the option is exercised.

Exercising the purchase option is a current enforceable right of Companhia Brasileira de Distribuição -CBD and requires vesting. The exercise of the option is dependent upon a contingent consideration of meeting the goals set 18 months after execution of the agreement, at the latest. Such consideration under the contract is valued in the range of R$20 - R$30. Company estimation is R$20.

Pursuant to the agreement, Companhia Brasileira de Distribuição - CBD is entitled to appoint 3 of 5 members of the Board; making decisions regarding certain important administration issues requires 75% of voting rights.

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:

	Temporary fair values at November 12, 2018	**Measurement period adjustments**	**Final fair values at November 12, 2018**	**Measurement period adjustments (1)**	**Fair values at June 30, 2019**
Property, plant and equipment	587	-	587	(394)	193
Total identifiable assets	-	-	-	-	-
Total liabilities taken on	-	-	-	-	-
Net assets and liabilities measured at fair value	587	-	587	(394)	193

Goodwill arising from the operation amounts to:

	Temporary fair values at November 12, 2018	**Measurement period adjustments**	**Final fair values at November 12, 2018**	**Measurement period adjustments (1)**	**Fair values at June 30, 2019**
Consideration transferred	17,781	-	17,781	-	17,781
Less fair value of identifiable net assets	(587)	-	(587)	(394)	(193)
Goodwill from the acquisition	17,194	-	17,194	-	17,588

(1) Adjustments arise only from the effects of exchange differences.

Goodwill was fully allocated to the Brazil segment and is attributable to the synergies expected from the integration of the operations in this country.

No expenses associated with the acquisition of this company were incurred.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at June 30, 2019:

Goodwill from the acquisitions at November 12, 2018	17,194
Effect of exchange differences	(394)
Goodwill at June 30, 2019 (Note 16)	17,588

Note 6.4.2 James Delivery business combination

On December 26, 2018, Companhia Brasileira de Distribuição - CBD executed a stock purchase-sale agreement with James Delivery to acquire 100% of the shares of stock. Consideration amounts to $16,775 and will be paid in 2019. James Delivery offers a multi-service product order and delivery platform.

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:

	Temporary fair values at December 26, 2018	**Measurement period adjustments**	**Final fair values at December 26, 2018**	**Measurement period adjustments (1)**	**Fair values at June 30, 2019**
Property, plant and equipment	168	-	168	14	182
Total identifiable assets	-	-	-	-	-
Total liabilities taken on	-	-	-	-	-
Net assets and liabilities measured at fair value	168	-	168	14	182

Goodwill arising from the operation amounts to:

	Temporary fair values at December 26, 2018	Measurement period adjustments	Final fair values at December 26, 2018	Measurement period adjustments (1)	Fair values at June 30, 2019
Consideration transferred	16,775	-	16,775	-	16,775
Less fair value of identifiable net assets	(168)	-	(168)	(14)	(182)
Goodwill from the acquisition	16,607	-	16,607	-	16,593

(1) Adjustments arise only from the effects of exchange differences.

Goodwill was fully allocated to the Brazil segment and is attributable to the synergies expected from the integration of the operations in this country.

No expenses associated with the acquisition of this company were incurred.

The goodwill has shown the following variations from the time of business acquisition to the balance carried at June 30, 2019:

Goodwill from the acquisitions at December 26, 2018	16,607
Effect of exchange differences	(14)
Goodwill at June 30, 2019 (Note 16)	16,593

Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	June 30, 2019	December 31, 2018
Cash at hand and in banks	1,474,703	2,606,044
Term deposit certificates (1)	3,621,519	3,279,648
Fiduciary rights (2)	95,682	62,788
Other cash equivalents (3)	25	25,284
Total cash and cash equivalents	**5,191,929**	**5,973,764**

(1) Includes $3,599,740 (December 31, 2018 - $3,257,389) relevant to fixed-term deposits of subsidiary Companhia Brasileira de Distribuição - CBD, with yields of 5.96% E.A.R. (December 31, 2018 - 5.51% E.A.R.) equivalent to 94.26% (December 31, 2018 - 85.78%) of the Interbank Deposit Certificate - IDC. TDCs mature in less than 90 days of negotiation date.

(2) The balance includes:

	June 30, 2019	December 31, 2018
Fiducolombia S.A.	55,974	50,785
Fondo de Inversión Colectiva Abierta Occirenta	20,310	5,225
Corredores Davivienda S.A.	13,218	6,545
BBVA Asset S.A.	6,097	49
Credicorp Capital	52	97
Fiduciaria Bogota S.A.	31	87
Total fiduciary rights	**95,682**	**62,788**

(3) The balance represents Monetary Regulation Drafts issued by the Central Bank of Uruguay and subscribed by subsidiaries Grupo Disco del Uruguay S.A. and Devoto Hermanos S.A. maturing in less than three months.

At June 30, 2019 the Parent and its subsidiaries recognized yields from cash at hand and in banks and cash equivalents in amount of $17,926 (June 30, 2018 - $23,744), which were recorded as financial revenue as detailed in Note 32.

At June 30, 2019 and December 31, 2018, cash and cash equivalents were nos restricted or levied in any way as to limit availability thereof.

Note 8. Trade receivables and other accounts receivable

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

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Trade accounts receivable (Note 8.1)	639,064	657,941	657,941
Other accounts receivable (Note 8.2) (1)	473,596	477,610	477,641
Total trade receivables and other accounts receivable	**1,112,660**	**1,135,551**	**1,135,582**
Current (Note 8.3)	**910,060**	**1,000,267**	**1,000,298**

Non-current (Note 8.3)	**202,600**	**135,284**	**135,284**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account reflects the derecognition of the balance receivable of subsidiaries Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. for the commission to gain lease agreements, which should be considered when measuring the use right.

Note 8.1. Trade accounts receivable

The balance of trade receivables is as follows:

	June 30, 2019	December 31, 2018
Trade accounts (1)	404,174	466,563
Rentals and dealers	93,260	94,346
Accounts receivable from suppliers (2)	85,660	84,893
Employee funds and lending	40,463	37,963
Sale of real-estate project inventories (3)	10,400	-
Other trade receivables (4)	33,467	-
Impairment of receivables (Note 8.3)	(28,360)	(25,824)
Trade accounts receivable	**639,064**	**657,941**

(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.

(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) The balance receivable represents the sale of the Copacabana real-estate project.

(4) Includes $33,354 (December 31, 2018 - $-) receivable by Companhia Brasileira de Distribuição - CBD from Via Varejo S.A., which after the sale of this subsidiary (previously classified as a non-current asset held for trading) are shown under Other trade receivables.

Note 8.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Accounts receivable from insurance companies (2)	193,649	172,392	172,392
Accounts receivable from the sale of companies (3)	69,141	68,792	68,792
Employee funds and lending	63,247	77,070	77,070
Business agreements	30,501	30,695	30,695
Sale of fixed assets, intangible assets and other assets	27,345	42,961	42,961
Taxes receivable	12,977	627	627
Money transfer services	1,389	572	572
Tax claims	1,360	1,360	1,360
Money remittances	5,631	6,938	6,938
Other accounts receivable (1)	79,760	89,405	89,436
Impairment loss	(11,404)	(13,202)	(13,202)
Total other accounts receivable	**473,596**	**477,610**	**477,641**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account reflects the derecognition of the balance receivable of subsidiaries Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. for the commission to gain lease agreements, which should be taken into consideration when measuring the use right.

(2) Includes $144,358 (December 31, 2018 - $145,943) recorded by subsidiary Companhia Brasileira de Distribuição - CBD arising from the willigness of the insurance company to pay for the claim filed regarding the casualty occurred on December 27, 2017 at the refrigerated products distribution center located in the municipality of Osasco. The variation as compared to the balance at December 31, 2017 is due to exchange difference.

(3) Relates to accounts receivable arising from the exercise of the purchase option on 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 (interbanking deposit certificate), with payment foreseen in 240 monthly instalments.

Note 8.3. 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:

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Trade accounts receivable	345,475	463,471	463,471
Accounts receivable from insurance companies	193,649	172,392	172,392
Rentals and dealers	93,260	94,346	94,346
Employee funds and lending	84,520	94,395	94,395
Accounts receivable from suppliers	85,660	84,893	84,893
Business agreements	30,501	30,695	30,695
Sale of property, plant and equipment, intangible assets and other assets	27,345	42,961	42,961
Taxes receivable	12,977	627	627
Money remittances	5,631	6,938	6,938
Money transfer services	1,389	572	572
Tax claims	1,360	1,360	1,360
Other (1)	68,057	46,643	46,674
Impairment of receivables (2)	(39,764)	(39,026)	(39,026)
Total current	**910,060**	**1,000,267**	**1,000,298**
Accounts receivable from the sale of companies	69,141	68,791	68,791
Employee funds and lending	19,190	20,639	20,639
Trade accounts receivable	58,699	3,092	3,092
Other	55,570	42,762	42,762
Total non-current	**202,600**	**135,284**	**135,284**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account reflects the derecognition of the balance receivable of subsidiaries Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. for the commission to gain lease agreements, which should be taken into consideration when measuring the use right.

(2) The impairment of receivables is recognized as expense in period results. However, even if impaired, the Parent and its subsidiaries are 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. During the six-month period ended June 30, 2019, the net effect of the impairment of receivables in the statement of income represents a revenue of $17,554 ($6,905 revenue at June 30, 2018).

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

Balance at December 31, 2018	**39,026**
Recognized impairment loss	250,184
Receivables written-off	(4,025)
Reversal of impairment loss	(263,713)
Reclassifications to non-current assets held for trading	19,128
Effect of exchange difference from translation into reporting currency	(836)
Balance at June 30, 2019	**39,764**

Note 8.4. Trade receivables and other accounts receivable by age

The aging of trade receivables and other receivables, irrespective of impairment, is as follows:

			Overdue			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
June 30, 2019	1,152,424	949,640	114,574	7,869	7,872	72,469
December 31, 2018	1,174,608	952,955	116,864	58,373	7,621	38,795

Note 9. Prepaid expenses

The balance of prepaid expenses is:

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Taxes (2)	91,075	243	243
Leases (1)	33,680	39,905	98,006
Bank fees	33,801	32,865	32,865
Advertising	18,341	25,737	25,737
Maintenance	17,163	9,750	9,750
Insurance	4,441	27,141	27,141
Public utilities	-	9,890	9,890
Licenses in use	-	1,797	1,797
Other advance payments	37,659	11,312	11,312
Total prepaid expenses	**236,160**	**158,640**	**216,741**
Current	**210,964**	**143,889**	**156,829**
Non-current	**25,196**	**14,751**	**59,912**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account reflects the derecognition of advance payment by subsidiary Companhia Brasileira de Distribuição - CBD for the commission to gain lease agreements, which should be taken into consideration when measuring the use right.

(2) Represents advance payment of IPTU tax of subsidiary Companhia Brasileira de Distribuição – CBD.

Note 10. Accounts receivable, other non-financial assets and accounts payable to related parties

The balance of accounts receivable from related parties and other non-financial assets associated with related parties is made as follows:

	Accounts receivable		Non-financial assets	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Joint ventures (1)	24,286	58,812	3,816	-
Associates (2)	77,722	76,674	-	-
Grupo Casino companies (3)	22,350	20,643	-	-
Controlling entity (4)	4,241	3,907	-	-
Total	**128,599**	**160,036**	**3,816**	**-**
Current	**98,244**	**131,720**	**3,816**	**-**
Non-current	**30,355**	**28,316**	**-**	**-**

(1) The balance of accounts receivable is made as follows:
- Involvement in a corporate collaboration agreement $3,752 (December 31, 2018 - $7,019) and reimbursement of shared expenses, collection of coupons and other items $12,308 (December 31, 2018 - $36,579) with Compañía de Financiamiento Tuya S.A.
- Redemption of points in amount of $7,898 (December 31, 2018 - $14,804) and other services in amount of $328 (December 31, 2018 - $410) with Puntos Colombia S.A.S.

The balance of other non-financial assets relates to a payment made to Compañía de Financiamiento Tuya S.A. for the subscription of shares. Given that at June 30, 2019 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, the amount disbursed was not recognized as an investment in such company.

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

(3) Mainly relates to the balance receivable for expatriate payments from Casino Services in amount of $12,536 (December 31, 2018 - $12,487), from Distribution Casino France in amount of $292, (December 31, 2018 - $82) and from Casino International in amount of $6,313 (December 31, 2018 - $5,057), and for energy efficiency services received from Greenyellow Energía de Colombia S.A.S. in amount of $69 (December 31, 2018 - $527).

(4) Relates to the balance receivable arising from the Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A.; the balance also includes charges arising from the cost sharing agreement and bonuses receivable.

The balance of accounts payable to related parties and the balance of other financial liabilities with related parties is:

	Accounts payable		Other financial liabilities	
	June 30, 2019	**December 31, 2018**	**June 30, 2019**	**December 31, 2018**
Grupo Casino companies (1)	143,161	146,481	-	-
Controlling entity (2)	97,163	54,447	-	-
Associates (3)	23,151	25,771	-	-
Joint ventures (4)	29,513	9,986	46,517	44,860
Members of the Board	22	13	-	-
Total	**293,010**	**236,698**	**46,517**	**44,860**

(1) The balance mainly relates to accounts payable arising from the provision of energy efficiency solution services by Green Yellow Colombia S.A.S. and Green Yellow do Brasil Energía to the Parent and to subsidiary Companhia Brasileira de Distribuição – CBD, respectively, and to the provision by other companies of merchandise import services.

(2) The balance of accounts payable to the Controlling entity is made as follows:

- Cost sharing agreement entered by and between Companhia Brasileira de Distribuição - CDB and Casino Guichard-Perrachon S.A. on August 10, 2014, whose purpose is the reimbursement of expenses incurred by companies of Grupo Casino and their professional staff to the benefit of this subsidiary. This agreement was authorized by the Board of Directors on July 22, 2014.

- "*Agency Agreement,*" entered by and between Companhia Brasileira de Distribuição - CBD and Casino Guichard-Perrachon S.A. on July 25, 2016 with the purpose of regulating procurement intermediation services for the provision of goods.

- "*Cost Reimbursement Agreement*" entered by and between Companhia Brasileira de Distribuição - CBD and Casino Guichard- Perrachon S.A. on July 25, 2016 with the purpose of regulating the reimbursement by Companhia Brasileira de Distribuição - CBD of expatriate (French associates) expenses relevant to French social contributions paid by Casino in France.

(d) Reimbursement of expenses between Companhia Brasileira de Distribuição - CBD and Casino Guichard-Perrachon S.A. related with the provision of intermediation services for the procurement of goods.

(e) "Triple S" loan in US Dollars wih HSBC, repaid by Grupo Casino on behalf of Libertad S.A.

(f) Liabilities of subsidiary Libertad S.A. related with services provided to expatriates.

(g) Consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. in amount of $114 (December 31, 2018 - $235) and dividends payable in amount of $57,948 (December 31, 2018 - $15,050).

(3) The balance payable mainly relates to balances with Financiera Itaú CBD - FIC Promotora de Vendas Ltda., arising from credit management expenses.

(4) The balance of accounts payable relates to:
(-) Balance payable to Puntos Colombia S.A.S. arising from the issue of points (accumulations) in line with the change in the loyalty program implemented by the Company in amount of $29,509 (December 31, 2018 - $9,983);
- Balance payable to Compañía de Financiamiento Tuya S.A. arising from intermediation fees in amount of $4 (December 31, 2018 - $3).

At June 30, 2019 and December 31, 2018, the balance of other financial liabilities represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 24).

Note 11. Inventories, net and Cost of sales

Note 11.1. Inventories, net

The net balance of inventories is as follows:

	June 30, 2019	December 31, 2018
Inventories available for trading	6,254,334	6,420,659
Inventories in transit	165,308	181,338
Materials, small spares, accessories and consumable packaging.	21,429	23,846
Inventories of property under construction (1)	97,962	109,823
Raw materials	2,690	3,278
Production in process	584	610
Inventory impairment (2)	(16,443)	(19,158)
Total inventories	**6,525,864**	**6,720,396**

(1) Relates to the Figue real estate project owned by Companhia Brasileira de Distribuição – CBD in amount of $1,479 (December 31, 2018 - $4,362), currently under construction for trading purposes and to the Montevideo real estate project in amount of $96,483 (December 31, 2018 - $96,483), owned by the Parent . At December 31, 2018 also included the Copacabana real estate project in amount of $8,978, owned by the Parent.

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

Balance at December 31, 2018	**19,158**
Reversal of impairment provisions (Note 11.2)	(4,707)
Impairment loss recognized during the period (Note 11.2)	2,290
Effect of exchange difference from translation into reporting currency	(298)
Balance at June 30, 2019	**16,443**

At June 30, 2019 and at December 31, 2018, inventories are not subject to limitation or liens that restrict tradability or realization thereof, and have been duly insured against all risks.

Pursuant to Parent's and its subsidiaries' policies, inventories are valued at cost or at net realizable value (fair value less selling costs), whichever is less. Adjustments to this valuation are included in the costs of sales for the period.

Note 11.2. Cost of sales

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

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Cost of goods sold (1) (2) (3)	22,230,088	20,004,605	20,026,563	11,261,799	9,531,417	9,541,385
(Reversal) impairment loss, net (4)	(1,767)	(8,236)	(8,237)	(940)	(5,625)	(5,624)
Total cost of sales	**22,228,321**	**19,996,369**	**20,018,326**	**11,260,859**	**9,525,792**	**9,535,761**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this cost of goods sold account relates to the derecognition of fixed payments under lease agreeements and the recognition of depreciation of use rights.

(2) Includes $89,766 cost of depreciation and amortization (2018 restated - $82,510; presented - $30,859).

(3) As of January 1, 2019, based on reviews to Company operations, certain items until then shown as administration expenses and employee benefit expenses, which are related with food preparation operating processes, are being recorded under the cost of goods sold. Such items were reclassified in the financial statements at June 30, 2018 only for comparison to the financial statements at June 30, 2019.

(4) 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, delimiting the exposure of goods at the warehouses. Also, they relate to a change in the management of physical counts (which are now managed through general inventories instead of revolving inventories), increase in post-season critical controls, assessment of critical merchandise and supplementary activities.

Note 12. Other financial assets

The balance of other financial assets is as follows:

	June 30, 2019	December 31, 2018
Financial assets measured at fair value through income (1)	674,657	652,100
Derivative financial instruments designated as hedge instruments (2)	78,675	75,296
Financial assets measured at amortized cost (3)	41,337	40,899
	58,260	113,541

Derivative financial instruments (4)		
Financial assets at fair value through other comprehensive income (5)	14,464	13,443
Total other financial assets	**867,393**	**895,279**
Current	**91,751**	**141,214**
Non-current	**775,642**	**754,065**

(1) Financial assets measured at fair value through income relate to:

(a) Balances in certain bank accounts regarding legal and tax deposits not available to subsidiary Companhia Brasileria de Distribuicao - CBD given that they are restricted to be used for payments under some legal proceedings filed against it. The balance is monthly updated using an interest rate, and the variation is recognized as revenue or expense in the statement of income.

	June 30, 2019	**December 31, 2018**
Deposit for labor legal proceedings	403,723	388,276
Deposit for tax legal proceedings	204,266	198,831
Deposit for regulatory legal proceedings	34,717	35,228
Deposit for civil legal proceedings	30,440	28,405
Total	**673,146**	**650,740**

(b) Legal deposits in amount of $213 (December 31, 2018 - $159) relevant to subsidiary Libertad S.A.

(c) Investments in equity securities of Fondo Valorar Futuro to manage liquidity in amount of $1,298 (December 31, 2018 - $1,201), 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.

(2) Derivative financial instruments designated as hedge instruments refer to:

(2) Derivatives designated as hedge instruments that 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). The fair value is measured by exchanging such instruments at a floating IDC rate. The term of these contracts equals that of the debt and they hedge both principal and interests. The average annual IDC rate at June 2019 was 6.32% (6.42% at December 31, 2018). The fair values of these instruments are determined based on valuation models commonly used by market participants.

The detail of maturities of these instruments 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 12 months**	**Total**
June 30, 2019	*Swap*	-	-	-	39,722	38,742	**78,464**
December 31, 2018	*Swap*	-	-	839	37,506	36,471	**74,816**

(2) Derivative instruments designated as hedge instrument reflect swap transactions carried out by the Parent under contracts executed with financial entities, whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

At June 30, 2019 relates to the following transactions:

	Nature of risk insured	**Hedged item**	**Range of rates for hedged item**	**Range of rates for hedging instruments**	**Fair value**
Swap	Interest rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	211

The detail of maturities of these hedging instruments at June 30, 2019 is as follows:

	Less than 1 month	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
Swap	-	-	-	-	211	211

At December 31, 2018, relates to the following transactions:

	Nature of risk insured	Hedged item	Range of rates for hedged item	Range of rates for hedging instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	4.4% - 6.0%	480

The detail of maturities of these hedging instruments at December 31, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Swap	-	-	-	-	480	480

(3) Financial assets measured at amortized cost mainly relate to investments in bonds issued by Compañía de Financiamiento Tuya S.A. which the Parent has the intention and capability of maintaining to obtain contract cash flows until maturity. Such investments are part of the Tarjeta Éxito corporate collaboration agreement. At June 30, 2019 the nominal value amounts to $39,500 (December 31, 2018 - $39,500) and maturities go from 5 to 8 years yielding CPI + 6%.

(4) Derivative financial instruments reflect the fair value of forward and swap contracts to hedge the fluctuation in the exchange rates and interest rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use 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 and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at June 30, 2019 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	2,905	4,977	212	-	-	**8,094**
Swap	-	7,699	-	17,454	25,013	**50,166**
	2,905	**12,676**	**212**	**17,454**	**25,013**	**58,260**

The detail of maturities of these instruments at December 31, 2018 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	21,145	13,060	4,470	-	-	38,675
Swap	-	-	22,423	24,409	28,034	74,866
	21,145	**13,060**	**26,893**	**24,409**	**28,034**	**113,541**

(5) Financial assets measured at fair value through other comprehensive income are equity investments not held for trading. The detail of these investments is as follows:

	June 30, 2019	December 31, 2018
Investment in bonds	13,532	12,735
Fideicomiso El Tesoro stages 4A and 4C 448	684	448
Associated Grocers of Florida, Inc.	113	113
Central de Abastos del Caribe S.A	71	71
La Promotora S.A.	50	50
Sociedad de Acueducto, Alcantarillado y Aseo de Barranquilla S.A. E.S.P.	14	14
Carnes y Derivados de Occidente S.A.S.	-	12
Total	**14,464**	**13,443**

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

	June 30, 2019	December 31, 2018
Derivative financial instruments	33,247	85,507
Derivative financial instruments designated as hedge instruments	39,722	38,345
Financial assets measured at fair value through other comprehensive income	13,532	12,735
Financial assets measured at amortized cost	5,037	4,468
Financial assets measured at fair value through income	213	159
Total current	**91,751**	**141,214**
Financial assets measured at fair value through income	674,444	651,941
Derivative financial instruments designated as hedge instruments	38,953	36,951
Financial assets measured at amortized cost	36,300	36,431
Derivative financial instruments	25,013	28,034
Financial assets measured at fair value through other comprehensive income	932	708
Total non-current	**775,642**	**754,065**

At Junr 30, 2019 and at December 31, 2018, no restrictions or liens have been imposed on other financial assets that limit negotiability or realization thereof, exception made of (a) the investment in bonds of Compañía de Financiamiento Tuya S.A., which were issued under a corporate collaboration agreement on Tarjeta Éxito; (b) legal and tax deposits of subsidiary Companhia Brasileira de Distribuicao - CBD intended for payment of certain legal claims filed against it and (c) legal deposits of subsidiary Libertad S.A.

None of the assets was impaired at June 30, 2019 or at December 31, 2018.

Note 13. Property, plant and equipment, net

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

	June 30, 2019	**December 31, 2018 (1)**	**December 31, 2018**
Land	2,433,106	2,406,067	2,406,067
Buildings (1)	4,200,361	4,131,398	4,167,695
Machinery and equipment	2,973,186	2,893,704	2,893,704
Furniture and fixtures	1,702,128	1,659,721	1,659,721
Assets under construction	219,677	213,271	213,271
Premises	854,280	845,833	845,833
Improvements to third party properties	5,626,276	5,452,094	5,452,094
Vehicles	23,654	21,631	21,631
Computers	837,647	813,358	813,358
Other property, plant and equipment	192,643	183,281	183,281
Total property, plant and equipment	**19,062,958**	**18,620,358**	**18,656,655**
Accumulated depreciation (1)	(6,624,768)	(6,299,910)	(6,319,141)
Impairment	(2,662)	(2,933)	(2,933)
Total net property, plant and equipment	**12,435,528**	**12,317,515**	**12,334,581**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustments arise from the reclassification to use rights of certain assets and accumulated depreciation thereof that used to be properly recognized as property, plant and equipment and were related to finance leases.

The development of the cost of property, plant and equipment, and depreciation thereof, during the reporting period is 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, 2018	**2,406,067**	**4,131,398**	**2,893,704**	**1,659,721**	**213,271**	**845,833**	**5,452,094**	**21,631**	**813,358**	**183,281**	**18,620,358**
Additions	47,612	66,689	86,500	46,938	365,275	27,333	156,366	398	34,209	12,219	843,539
Loan costs	-	3,520	388	242	6,421	128	2,257	-	178	-	13,134
Increase (decrease) from movements between property, plant and equipment accounts	-	(754)	(13,310)	8,253	(5,210)	1,367	(792)	2,329	190	-	(7,927)
(Decrease) from transfers (to) investment property (Note 14)	-	-	-	-	(11)	-	-	-	-	-	(11)
Increase (decrease) from transfers from (to) other balance sheet accounts	(1,519)	23,198	55,117	25,459	(280,122)	3,775	119,515	206	5,313	703	(48,355)
(Disposal) of property, plant and equipment	(5,091)	(189)	(18,998)	(17,445)	(1,051)	(4,398)	(32,213)	(1,521)	(18,455)	(1,901)	(101,262)
(Derecognition) of property, plant and equipment	-	-	(1,815)	(1,414)	(6)	(94)	(6,737)	(45)	(8)	-	(10,119)
(Decrease) from transfers (to) non-current assets held for trading	9,252	15,810	27	1,686	(75,187)	(649)	11,981	692	11,441	150	(24,797)
Effect of exchange differences from translation into presentation currency	(50,829)	(74,583)	(32,597)	(25,833)	(3,699)	(19,015)	(73,437)	(804)	(13,509)	(1,809)	(296,115)
Other changes	-	-	-	-	-	-	(2,758)	-	-	-	(2,758)
Net monetary position result	27,614	35,272	4,170	4,521	(4)	-	-	768	4,930	-	77,271
Balance at June 30, 2019	**2,433,106**	**4,200,361**	**2,973,186**	**1,702,128**	**219,677**	**854,280**	**5,626,276**	**23,654**	**837,647**	**192,643**	**19,062,958**
Accumulated depreciation											
Balance at December 31, 2018		**974,100**	**1,367,120**	**894,486**		**367,573**	**1,940,685**	**15,453**	**619,894**	**120,599**	**6,299,910**
Depreciation expense/cost		46,781	119,032	65,737	-	27,784	149,417	1,219	40,511	10,281	460,762
Increase (decrease) from transfers from (to) other balance sheet accounts		1	(506)	371	-	135	(60)	(1)	24	(2)	(38)
Increase (decrease) from movements between property, plant and equipment accounts		(2,755)	(4,256)	3,256	-	(134)	(5,036)	925	73	-	(7,927)
Increase from transfers from other investment property (Note 14)		997	-	-	-	-	-	-	-	-	997
(Disposal) of property, plant and equipment		(89)	(23,167)	(11,751)	-	(1,990)	(15,051)	(893)	(11,298)	(1,593)	(65,832)
(Decrease) from transfers (to) non-current assets held for trading		8,035	2,982	849	-	740	2,110	55	4,760	73	19,604
Effect of exchange differences from translation into presentation currency		(19,828)	(18,786)	(17,892)	-	(9,158)	(27,495)	(553)	(10,647)	(1,269)	(105,628)
Other changes		238	-	-	-	-	-	-	-	-	238
Net monetary position result		11,341	2,998	3,076	-	-	-	914	4,353	-	22,682
Balance at June 30, 2019		**1,018,821**	**1,445,417**	**938,132**	**-**	**384,950**	**2,044,570**	**17,119**	**647,670**	**128,089**	**6,624,768**
Impairment											
Balance at December 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**2,933**	**-**	**-**	**-**	**2,933**
Effect of exchange differences from translation into presentation currency	-	-	-	-	-	-	(271)	-	-	-	(271)
Balance at June 30, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**2,662**	**-**	**-**	**-**	**2,662**

The rate used to determine the amount of loan costs capitalized was 6.323%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of June 30, 2019.

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.

The carrying amounts of property, plant and equipment under finance lease are as follows:

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Computers	1,462	2,362	2,362
Machinery and equipment	1,794	2,456	2,456
Furniture and fixtures	2,252	2,536	2,536
Other property, plant and equipment	12,149	12,543	12,543
Premises	248	277	277
Buildings (1)	-	-	17,066
Total property, plant and equipment, net of depreciation	**17,905**	**20,174**	**37,240**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment arises from the reclassification to use rights of certain assets and accumulated depreciation thereof, previously properly recognized as property, plant and equipment and related to finance leases.

The cost of property, plant and equipment does not include the balance of estimated dismantling and similar costs, since the assessment and analysis made by the Parent and its subsidiaries defined that there are no contractual or legal obligations requiring such estimation at the time of acquisition.

At June 30, 2019, Companhia Brasileira de Distribuição - CBD has assets delivered as collateral to third parties to secure lawsuits in amount of $708,518 (December 31, 2018 - $715,467).

Except for the above, at June 30, 2019 and at December 31, 2018, no restrictions or liens have been imposed on items of property, plant and equipment that limit realization or tradability thereof, and there are no commitments to acquire, build or develop property, plant and equipment.

During the six-month period ended June 30, 2019 and during the year ended December 31, 2018, no compensations were received for damaged assets, and no payment acceptances by insurance companies to compensate for damaged assets were recognized.

No impairment of property, plant and equipment was recognized at June 30, 2019. At December 31, 2018, Uruguayan subsidiary Mercados Devoto S.A. recognized impairment of property, plant and equipment in amount of $2,933.

Note 14. Investment property, net

The Parent's and its subsidiaries' 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:

	June 30, 2019	December 31, 2018
Land	317,336	327,844
Buildings	1,475,539	1,443,356
Construction in progress	8,265	7,253
Total cost of investment property	**1,801,140**	**1,778,453**
Accumulated depreciation	(151,797)	(144,828)
Total investment property, net	**1,649,343**	**1,633,625**

The development of the cost of investment property and depreciation thereof, during the reporting period, is as follows:

Cost	**Land**	**Buildings**	**Constructions in progress**	**Total**
Balance at December 31, 2018	**327,844**	**1,443,356**	**7,253**	**1,778,453**
Additions	-	40,629	952	41,581
Increase (decrease) from transfers (to) from property, plant and equipment (Note 13)	-	-	11	11
(Decrease) from transfers (to) non-current assets held for trading	(5,272)	(20,205)		(25,477)
Disposals	-	(1,859)	-	(1,859)
Derecognition	-	-	-	-
Effect of exchange differences from translation into reporting currency	(9,495)	(36,076)	(112)	(45,683)
Net monetary position result	4,259	49,694	161	54,114
Balance at June 30, 2018	**317,336**	**1,475,539**	**8,265**	**1,801,140**

	Buildings
Accumulated depreciation	
Balance at December 31, 2018	**144,828**
Depreciation expense	17,245
Disposals	-
(Decrease) from transfers (to) property, plant and equipment (Note 13)	(997)
(Decrease) from transfers (to) non-current assets held for trading	(8,534)
Effect of exchange differences on translation into reporting currency	(8,199)
Net monetary position result	7,454
Balance at June 30, 2019	**151,797**

(1) The rate used to determine the amount of loan costs capitalized was 6.23%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of June 30, 2019.

At June 30, 2019 and December 31, 2018, there are no limitations or liens imposed on investment property that restrict realization or tradability thereof.

At June 30, 2019 and at December 31, 2018, the Parent and its subsidiaries are not committed to acquire, build or develop investment property or to repair, maintain or improve such property, other than existing constructions. Also, they have not received compensations from third parties arising from the damage or loss of investment property, nor has they recognized impairment losses.

Note 37 discloses the fair values of investment property, based on the appraisal carried out by an independent third party.

Note 15. Use rights, net

The Parent and its subsidiaries started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standard requires recognizing a use right-related asset and a lease liability.

The Parent and its subsidiaries elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

The balance of use rights, net, is as follows:

	June 30, 2019	December 31, 2018
Use rights	7,637,166	7,500,216
Total use rights	**7,637,166**	**7,500,216**
Accumulated depreciation	(2,650,859)	(2,358,816)
Total use rights, net	**4,986,307**	**5,141,400**

The development of the cost of use rights and depreciation thereof, during the reporting period, is as follows:

Cost

Balance at December 31, 2018	**7,500,216**
Increase from creations	86,662
Increase from reappraisals	173,044
Derecognition	(19,275)
Disposals	(39,159)
Increase in assets from the classification to non-current assets held for trading.	18,372
Effect of exchange differences on translation into reporting currency	(82,694)
Balance at June 30, 2019	**7,637,166**

Accumulated depreciation

Balance at December 31, 2018	**2,358,816**
Depreciation cost and expense	345,643
Derecognition	(19,257)
Disposals	(16,851)
Increase in assets from the classification to non-current assets held for trading.	6,622
Effect of exchange differences from translation into reporting currency	(24,001)
Other changes	(113)
Balance at June 30, 2019	**2,650,859**

Note 16. Goodwill

The balance of goodwill is as follows:

	June 30, 2019	December 31, 2018
Companhia Brasileira de Distribuição – CBD (1)	2,331,430	2,357,021
Spice Investment Mercosur S.A. (2)	1,341,245	1,448,468
Carulla Vivero S.A. (3)	827,420	827,420
Súper Inter (4)	453,649	453,649
Libertad S.A. (1)	190,174	177,285
Cafam (5)	122,219	122,219
Other (6)	50,806	50,806
Total goodwill	**5,316,943**	**5,436,868**

(1) Refers to goodwill 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. It also includes goodwill from the business combinations completed in 2018 by Companhia Brasileira de Distribuição - CBD with Cheftime and James Delivery.

(2) The balance includes:

- The business combination accomplished by the Parent in 2011 for the acquisition of Uruguayan Spice Investments Mercosur S.A. in amount of $287,844 (December 31, 2018 - $287,844). The value is the cost attributable in the opening balance sheet in exercise of the exemption of not to restate business combinations.

- Goodwill recognized by Spice Investments Mercosur S.A. in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1 in amount of $235,931 (December 31, 2018 - $259,944).

- Goodwill from the business combination carried out by the Parent with Grupo Disco del Uruguay S.A. resulting from the acquisition of control at January 1, 2015 in amount of $812,202 (December 31, 2018 - $894,874).

- Goodwill from the business combination carried out by Mercados Devoto S.A. to acquire Sumelar S.A. in 2016 in amount of $1,091 (December 31, 2018 - $1,203).

- Goodwill from the business combination carried out in 2016 and completed in 2017 by Mercados Devoto S.A. to acquire 5 Hermanos Ltda. in amount of $2,373 (December 31, 2018 - $2,614).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tipsel S.A. in amount of $574 (December 31, 2018 - $633).

- Goodwill from the business combination carried out and completed in 2018 by Mercados Devoto S.A. to acquire Tedocan S.A. in amount of $1,230 (December 31, 2018 - $1,356).

(3) Relates to goodwill from the business combination carried out in 2007 resulting from the merger with Carulla Vivero S.A. The amount was determined in the opening statement of financial position using the deemed cost option, pursuant to the exemption of IFRS 1 of not to restate business combinations.

(4) Includes $179,412 from the acquisition of 19 Súper Inter business establishments carried out in September 2014; $264,027 from the acquisition of 29 Súper Inter business establishments carried out in April 2015; and $10,210 from the acquisition of 7 business establishments carried out between February 23, 2015 and June 24, 2015.

(5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that had been operated by the Company since 2010. Business establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $80,134, to Carulla $29,075 and to Surtimax $13,010.

(6) The balance includes:

- Minor acquisitions of other business establishments that were subsequently turned into Éxito, Carulla and Surtimax stores. For impairment testing purposes, as of December 31, 2015 such goodwill was allocated to Éxito $10,540, to Surtimax $28,566 and to Súper Inter $10,683.

- Goodwill from the business combination with Gemex O&W S.A.S. in amount of $1,017.

The following was the development of goodwill during the six-month period ended June 30, 2019:

Balance at December 31, 2018	**5,436,868**
Goodwill from business combinations	-
Effect of exchange differences on translation into reporting currency	(154,708)
Net monetary position result	34,783
Balance at June 30, 2019	**5,316,943**

Goodwill has indefinite useful life on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently it is not amortized.

Goodwill was not impaired at June 30, 2019 and at December 31, 2018.

Note 17. Intangible assets other than goodwill, net

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

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Trademarks (2)	3,198,621	3,237,799	3,237,799
Rights (3) (1)	1,321,014	1,315,083	1,861,168
Computer software (1)	1,437,526	1,331,389	1,460,509
Customer-related intangible assets (4)	32,355	32,711	32,711
Other	91	84	84
Total cost of intangible assets other than goodwill	**5,989,607**	**5,917,066**	**6,592,271**
Accumulated amortization (1)	(771,359)	(717,265)	(825,095)
Total intangible assets other than goodwill, net	**5,218,248**	**5,199,801**	**5,767,176**

The development of intangible assets other than goodwill during the reporting year is as follows:

Cost	Trademarks (1)	Rights (2)	Computer software	Customer-related intangible assets (3)	Other	Total
Balance at December 31, 2018	**3,237,799**	**1,315,083**	**1,331,389**	**32,711**	**84**	**5,917,066**
Additions	-	19,902	139,567	-	-	159,469
Loan costs	-	-	306	-	-	306
Effect of exchange differences on translation into the reporting currency	(48,249)	(13,979)	(14,465)	(356)	(8)	(77,057)
Net monetary position result	24,408	(15,316)	-	-	12	9,104
Transfers	-	-	48,365	-	3	48,368
Transfer to non-current assets held for trading	-	-	(5,671)	-	-	(5,671)
Disposals and derecognition	-	(1)	(61,965)	-	-	(61,966)
Other changes	(15,337)	15,325	-	-	-	(12)
Balance at June 30, 2019	**3,198,621**	**1,321,014**	**1,437,526**	**32,355**	**91**	**5,989,607**
Accumulated amortization						
Balance at December 31, 2018	**-**	**34**	**703,556**	**13,630**	**45**	**717,265**
Amortization expense/cost	-	250	59,960	2,021	228	62,459
Transfers	-	-	(22)	-	-	(22)
Effect of exchange differences on translation into the reporting currency	-	(4)	(7,852)	(147)	(6)	(8,009)
Net monetary position result	-	22	-	-	7	29
Transfer to non-current assets held for trading	-	-	56,257	-	-	56,257
Disposals and derecognition	-	-	(56,370)	-	-	(56,370)
Other changes	-	(14)	-	-	(236)	(250)
Balance at June 30, 2019	**-**	**288**	**755,529**	**15,504**	**38**	**771,359**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts arises from the classification as use rights of intangible assets other than goodwill and accumulated depreciation thereof, accumulated at Companhia Brasileira de Distribuição - CBD and representing costs required to gain lease contracts which should have been taken into account when measuring the use right. In addition, it also arises from the classification as use rights of certain computer software and amortization thereof at Companhia Brasileira de Distribuição - CBD.

(2) The balance relates to the following trademarks:

Operating segment	Banner	Useful life	June 30, 2019	December 31, 2018
Food	Extra (a)	Indefinite	1,488,386	1,504,724
Food	Pão de Açúcar (a)	Indefinite	864,491	873,981
Food	Assaí (a)	Indefinite	617,788	624,568
Uruguay	Miscellaneous (b)	Indefinite	96,361	106,170
Argentina	Libertad (c)	Indefinite	50,464	47,225
Surtimax-Súper Inter	Surtimax (d)	Indefinite	17,427	17,427
Surtimax-Súper Inter	Súper Inter (e)	Indefinite	63,704	63,704
			3,198,621	**3,237,799**

(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) Refers to trademarks of Grupo Disco del Uruguay S.A.

(c) 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.

(d) Trademark received upon the merger with Carulla Vivero S.A.

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

Such trademarks have indefinite useful lives on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently they are not amortized.

(3) The balance refers to the following rights:

a) $1,293,975 (December 31, 2018 - $1,834,132; December31, 2018 restated - $1,288,047) of Companhia Brasileira de Distribuição - CBD, in the food segment, relevant to trade rights acquired as trade usage of paying a "premium" to obtain a rental contract in commercially attractive places.

b) Rights of Libertad S.A. in amount of $53 (December 31, 2018 - $50).

(c) Contracts executed by the Parent in December 2017 in amount of $2,226, December 2016 in amount of $11,552 and September 2016 in amount of $13,238 for the acquisition of rights to exploit commercial premises.

Such rights have indefinite useful lives on the grounds of the Parent's and its subsidiaries' considerations thereon, and consequently they are not amortized.

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

At June 30, 2019 and at December 31, 2018, intangible assets other than goodwill are not limited or subject to lien that would restrict realization or tradability thereof. In addition, there are no commitments to acquire or develop intangible assets other than goodwill.

None of the intangible assets other than goodwill were impaired at June 301, 2019 and at December 31, 2018.

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	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Cnova N.V. (1)	Associate	364,832	425,935	435,574
Financiera Itau CBD - FIC Promotora de Vendas Ltda.	Associate	191,932	169,161	169,161
Compañía de Financiamiento Tuya S.A.	Joint venture	198,147	203,704	203,704
Puntos Colombia S.A.S.	Joint venture	3,829	5,600	5,600
Total investments accounted for using the equity method		**758,740**	**804,400**	**814,039**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the investment balance as shown in the associate's shareholders equity.

Note 19. Financial liabilities

The balance of financial liabilities is as follows:

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Bank overdrafts	-	84	84
Bank loans (2)	1,940,029	1,845,638	1,845,638
Put option (3)	394,834	435,023	435,023
Financial Leases (1)	3,741	3,839	32,924
Letters of credit	4,894	6,616	6,615
Total current financial liabilities	**2,343,498**	**2,291,200**	**2,320,284**
Bank loans (2)	4,467,004	4,624,057	4,624,056
Finance Leases (1)	7,756	9,497	108,050
Total non-current financial liabilities	**4,474,760**	**4,633,554**	**4,732,106**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts relates to the reclassification of finance leases to lease liabilities regarding certain contracts on assets that were properly recorded as finance leases.

(2) 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 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 Parent is committed 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 debt 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 other.

During January 2016 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 by the Parent in August 2016; $55,000 and $500,000 of current loans were repaid in November 2016 and December 2016, respectively.

In February 2017 the Parent obtained a loan in amount of $530,000; in March 2017, $70,000; in April 2017, $158,380; in May 2017, $79,216; and in September $120,000.

In June 2017 Distribuidora de Textiles y Confecciones S.A.S. obtained a loan from Bancolombia in amount of $60,000 at a rate of IBR 3 months + 2.0% quarterly in arrears, with a term of 5 years and 24-month grace period for repayment of principal.

In February 2017 and in August 2017, the Parent repaid $194,990 ($97,495 each month) of the outstanding balance of non-current bank loans; in June 2017 repaid $200,000; in August 2017 repaid $50,000; in October 2017 repaid $120,000; in November 2017 repaid $100,000 and in December 2017 repaid $150,000 of current bank loans (syndicated revolving credit).

On December 22, 2017 the Parent obtained a new syndicated revolving credit in amount of USD 450 million, maturing in December 2020. These resources allowed paying in advance the USDollar syndicated credit outstanding at that date in the same amount, maturing in December 2018. Also, the peso revolving syndicated credit in amount of $500,000 was restructured to extend maturity from August 2018 to August 2020; all other contract conditions remain unchanged. The Parent's debt level after the above two transactions does not vary; however, the average term of the debt goes from 2.2 years to 2.9 years, optimizing the Parent's future payment outflows.

The Parent requested disbursements in amount of $120,000, $350,000 and $30,000 during January, February and May 2018, respectively, against the syndicated revolving credit.

$97,495, $73,015, $97,495 and $73,015 of the non-current bank loan balance were repaid by the Parent in February, June, August and December 2018, respectively.

$120,000 and $380,000 of the balance of syndicated revolving loans were repaid by the Parent in July and August 2018, respectively.

The balance at December 31, 2018 also includes short-term loans in amount of $794,904 and long-term loans in amount of $361,492 acquired by Companhia Brasileira de Distribuição - CBD, and long-term loans acquired by subsidiary Segisor S.A. in amount of $1,476,494).

It also includes $182,848 received on December 21, 2018 by subsidiary Companhia Brasileira de Distribuição - CBD under the contract commitment to sell 3.86% of the interests in the equity of Vía Varejo S.A. through a total return swap transaction. Through this transaction, amounts received are subject to further adjustment from the subsequent resale of the shares in the market during the contract term. Exposure of the subsidiary to the variation in the market value of underlying assets prevents shares from being deleted from accounting records at December 31, 2018.

During February and March 2019, the Parent requested disbursements in amount of $70,000 and $30,000, respectively, against the revolving trench under the credit agreement executed on December 21, 2018. In February 2019, the Parent requested disbursements amounting to $50,000 against the syndicated revolving credit facility.

$97,495 of the non-current bank loan balance and $84,540 of the US Dollar bilateral current loan balance were repaid by the Parent in February 2019.

In February 2019, the Parent requested disbursements amounting to $160,000 against the syndicated revolving credit facility.

In April 2019, the Parent extended the revolving credit to April 29, 2021, in amount of $158,380.

In June 2019, the Parent repaid $156,355 of the current bank loan balance

At June 30, 2019, subsidiary Companhia Brasileira de Distribuição - CBD repaid loans in amount of $4,893 and subsidiary Libertad S.A. obtained loans amounting to $37,736.

(3) Spice Investments Mercosur S.A. is a party to the put option contract entered with the owners of non-controlling interests in subsidiary Grupo Disco del Uruguay S.A. The exercise price of the option is based on a previously determined formula and the option may be exercised at any time. The option is measured at fair value.

Below is a detail of annual maturities of outstanding non-current bank loans and finance leases outstanding at June 30, 2019, discounted at present value:

Year	Total
2020	2,151,161
2021	260,962
2022	216,727
>2023	1,845,910
	4,474,760

Note 20. Employee benefits

The balance of employee benefits is as follows:

	June 30, 2019	December 31, 2018
Defined benefit plans	23,263	29,441
Long-term benefit plan	1,995	1,896
Total employee benefits	**25,258**	**31,337**
Current	**3,761**	**3,657**
Non-current	**21,497**	**27,680**

Note 21. Other provisions

The balance of other provisions is made as follows:

	June 30, 2019	December 31, 2018
Legal proceedings (1)	361,037	357,052
Taxes other than income tax (2)	1,887,593	1,945,660
Restructuring (3)	21,511	9,296
Other (4)	42,425	55,637
Total other provisions	**2,312,566**	**2,367,645**
Current (Note 21.1)	**39,843**	**36,997**
Non-current (Note 21.1)	**2,272,723**	**2,330,648**

At June 30, 2019 and December 31, 2018, the Parent and its subsidiaries did not recognize provisions for contracts for consideration.

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 a liability on the date of preparation of the financial statements. The balance is made of $256,792 (December 31, 2018 - $255,095) for labor legal proceedings; $83,578 (December 31, 2018 - $79,011) for civil legal proceedings and $20,667 (December 31, 2018 - $22,946) for administrative and regulatory legal proceedings.

Provisions for labor proceedings include:
- Lawsuits filed against the Parent related with collective issues in amount of $30 (December 31, 2018 - $30), indemnifications in amount of $2,780 (December 31, 2018 - $2,524), salary and mandatory payment adjustments in amount of $159 (December 31, 2018 - $160), health and retirement pension issues in amount of $5,450 (December 31, 2018 - $5,135) and labor relations and solidarity issues in amount of $1,988 (December 31, 2018 - $2,200).
- Lawsuits filed against subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries amounting to $245,739 (December 31, 2018 - $244,392), which are updated in line with a table provided by the TST ('Tribunal Superior do Trabalho') plus 1% monthly interest.
- Lawsuits filed against subsidiary Libertad S.A. in amount of $110 (December 31, 2018 - $112).
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $486 (December 31, 2018 - $491).
- Lawsuits filed against Colombian subsidiaries in amount of $50 (December 31, 2018 - $51).

Provisions for civil legal proceedings include:
- Lawsuits filed against the Parent in cases related with third party liability in amount of $252 (December 31, 2018 - $1,145), customer protection $10 (December 31, 2018 - $873), metrology and technical regulations $110 (December 31, 2018 - $112), real estate-related proceedings $289 (December 31, 2018 - $557) and other minor legal proceedings in amount of $1,018 (December 31, 2018 - $1,035).
- Lawsuits filed against subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries $81,533 (December 31, 2018 - $74,832). This balance includes certain legal actions seeking the revision of contracts and renewals on lease instalments agreed upon. A provision is 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 a probability of adjusment to the instalments paid. At June 30, 2019, the provisions to protect against such legal actions amounted to $48,119 (December 31, 2018 - $41,099) for which there are no legal depositis covering said amount; should there be such deposits, they are recognized as other financial assets.
- Lawsuits filed against Spice Investment Mercosur S.A. and its subsidiaries $63 (December 31, 2018 - $210).
- Lawsuits filed against Colombian subsidiaries in amount of $303 (December 31, 2018 - $247).

Provisions for administrative and regulatory proceedings relate to lawsuits of subsidiary Companhia Brasileira de Distribuição - CBD, including certain proceedings on the grounds of fines applied by regulatory agencies of which the most relevant are those of Brazilian consumer protection agencies PROCONs, INMETRO and local Mayor's offices. At June 30, 2019, such provision amounted to $20,667 (December 31, 2018 - $22,946).

(2) Provisions for taxes other than income tax include $1,878,606 (December 31, 2018 - $1,934,825) relevant to tax legal proceedings of Companhia Brasileira de Distribuição - CBD and its subsidiaries, which are subject to monthly monetary adjustment at index rates used by each tax authority; $7,098 (December 31, 2018 - $8,632) for tax legal proceedings of the Parent; and $1,889 (December 31, 2018 - $2,203) for other proceedings of subsidiary Libertad S.A.

(a) Parent's legal proceedings refer to:
- Industry and trade tax in amount of $2,217 (December 31, 2018 - $2,217).
- Real estate tax in amount of $1,392 (December 31, 2018 - $2,926).
- Value added tax in amount of $3,234 (December 31, 2018 - $3,234).
- VAT payable on beer in amount of $255 (December 31, 2018 - $255).

(b) The most relevant tax lawsuits of Companhia Brasilerira de Distribuição CBD and its subsidiaries, include:
- Social contribution for the funding of social security - COFINS and social integration program - 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 June 30, 2019 is $3,319 (December 31, 2018 - $72,133).
- Tax on the circulation of goods and services (ICMS): By means of 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 external advisors, it was deemed appropriate to recognize a provision in amount of $75,498 (December 31, 2018 - $77,165).
- 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 June 30, 2019 is $80,476 (December 31, 2018 - $73,810).
- Other provisions in amount of $301,991 (December 31, 2018 - $285,176) relate to the following legal proceedings:
  (i) Investigation regarding the failure to apply the Fator Acidentário de Prevenção (FAP) for 2011;
  (ii) 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;
  (iii) Undue credit.

- Provisions for taxes other than income tax in amount of $1,201,624 (December 31, 2018 - $1,240,748), 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:
  - Tax on the Movement of Goods and Services - ICMS in amount of $1,041,572 (December 31, 2018 - $1,078,939);
  (ii) Social Contribution for the Funding of Social Security - COFINS in amount of $68,357 (December 31, 2018 - $69,108);
  (iii) Tax on industrial products - IPI in amount of $62,590 (December 31, 2018 - $63,277);
  (iv) Brazilian tax on real estate property - IPTU in amount of $28,589 (December 31, 2018 - $28,902), and
  (vi) Other in amount of $516 (December 31, 2018 - $522).

{ut1(3) The restructuring provision relates to the reorganization processes announced to Parent's employees of stores and distribution centers in amount of $18,192 (December 31, 2018 - $911), to the employees of Colombian subsidiaries in amount of $4 (December 31, 2018 - $4) and to the employees of subsidiary Companhia Brasileira de Distribuição CBD in amount of $3,315 (December 31, 2018 - $8,381) that will have an effect on the Parent's and its subsidiaries' activities and operations. The provision is based on cash outflows required, directly associated with the restructuring plan. Disbursement and plan implementation are expected to be completed during 2019. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provisions represents:

(a) Provisions recognized in amount of $40,828 (December 31, 2018 - $47,636) 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.

(b) Provision to protect against reduction of goods "VMI" at the Parent in amount of $1,083 (December 31, 2018 - $2,237).

(c) Other minor provisions at Colombian subsidiaries in amount of $346 (December 31, 2018 - $332).

(d) Closing down of Parent stores in amount of $168 (December 31, 2018 - $5,432).

Balances and development of other provisions during the period are as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2018	**357,052**	**1,945,660**	**9,296**	**55,637**	**2,367,645**
Increase	402,696	63,268	38,864	2,276	507,104
Uses	(140)	(1,302)	-	(7,184)	(8,626)
Payments	(301,851)	(2,442)	(17,656)	(47)	(321,996)
Reversals (not used)	(173,607)	(195,658)	(8,899)	(7,715)	(385,879)
Increase from value updating based on the passage of time	52,236	7,914	-	-	60,150
Effect of exchange differences on translation into reporting currency	(3,643)	(21,346)	(94)	(542)	(25,625)
Increase from classification to non-current assets held for trading and discontinued operations	28,294	91,499	-	-	119,793
Balance at June 30, 2019	**361,037**	**1,887,593**	**21,511**	**42,425**	**2,312,566**

Note 21.1. Other provisions classified as current and non-current

The balance of other provisions, classified as current and non-current is as follows:

	June 30, 2019	December 31, 2018
Legal proceedings	2,756	4,518
Restructuring	21,511	9,296
Taxes other than income tax	883	974
Other	14,693	22,209
Total other current provisions	**39,843**	**36,997**
Taxes other than income tax	1,886,710	1,944,686
Legal proceedings	358,281	352,534
Other	27,732	33,428
Total other non-current provisions	**2,272,723**	**2,330,648**

Note 21.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Parent and its subsidiaries are responsible at June 30, 2019 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	2,756	883	21,511	14,693	39,843
From 1 to 5 years	154,703	1,491,972	-	27,732	1,674,407
5 years and more	203,578	394,738	-	-	598,316
Total estimated payments	**361,037**	**1,887,593**	**21,511**	**42,425**	**2,312,566**

Note 22. Lease liabilities, trade accounts payable and other accounts payable

Note 22.1 Lease liabilities

The Parent and its subsidiaries started to apply IFRS 16 - Leases as of January 1, 2019. As mentioned in the financial statements at the closing of December 31, 2018, this standard requires recognizing a use right-related asset and a lease liability.

The Parent and its subsidiaries elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements, to disclose comparable effects for each reporting period.

The balance of lease liabilities is as follows:

	June 30, 2019	December 31, 2018
Lease liabilities	5,328,810	5,435,708
Current	**684,946**	**858,349**
Non-current	**4,643,864**	**4,577,359**

Note 22.2 Trade payables and other accounts payable

The balance of trade payables and other accounts payable is as follows:

	June 30, 2019	December 31, 2018 (1)	December 31, 2018
Suppliers (1)	8,279,682	11,165,524	11,262,261
Employee benefits	730,374	819,985	819,985
Costs and expenses payable	356,082	449,734	449,734
Dividends payable	72,631	54,781	54,781
Tax withholdings payable	157,093	67,831	67,831
Purchase of assets	113,290	212,719	212,719
Taxes collected payable	88,419	54,078	54,078
Acquisition of companies	17,080	33,550	33,550
Other (1)	412,641	258,872	271,769
Total current trade payables and other accounts payable	**10,227,292**	**13,117,074**	**13,226,708**
Other	65,435	40,720	40,720
Total non-current trade payables and other accounts payable	**65,435**	**40,720**	**40,720**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. Adjustment to these accounts arises from the reclassification to lease liabilities of fixed-payment liabilities under lease agreements.

Note 23. Income tax

Note 23.1. Tax regulations applicable to the Parent and to its Colombian subsidiaries

Income tax regulations in force applicable to the Parent and its Colombian subsidiaries:

a. The income tax rate for legal entities is 33% for 2019, 32% for taxable 2020, 31% for taxable 2021 and 30% from taxable 2022 onwards.

   For 2018 the income tax rate applicable was 33%.

The income tax surcharge levied on domestic companies was eliminated for 2019.

For 2018, the income tax surcharge for domestic companies was 4% applicable on taxable profits higher than $800.

b. The taxable base to assess the income tax under the presumptive income model is 1.5% of the net equity held on the last day of the immediately preceding taxable period for 2019 and 2020, and 0% as of taxable 2021.

   For 2018, the taxable base to assess the income tax under the presumptive income model was 3.5% of the net equity held on the last day of the preceding taxable period.

c. Comprehensive inflation adjustments were eliminated for tax purposes as of 2007, 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.

d. A tax on dividends paid to individuals resident in Colombia was established as of 2019 at a rate of 15%, triggered when the amount distributed is higher than 300 UVT ($10 for 2019) when such dividends have been taxed upon the distributing companies. For non-resident individuals and foreign companies, the tax rate is 7.5% 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 is 33% for 2019, 32% for 2020, 31% for 2021 and 30% as of 2022.

   During 2018, a tax on dividends paid to individuals resident in Colombia was levied at a rate of 5% triggered when the amount distributed was between 600 UVT ($20 for 2018) and 1000 UVT ($33 for 2018) and 10% on higher amounts when such dividends have been taxed upon the distributing companies. For non-resident individuals 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%.

e. As of 2017 the tax base adopted is the accounting system pursuant to the accounting technical rules famework in force in Colombia, set forth 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), regulated in Colombia by Regulatory Decree 2450 of 2015, "Single Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170, and updataed on December 28, 2018 by Regulatory Decree 2483 with certain exceptions regarding the realization of revenue, recognition of costs and expenses and the accounting effects of the opening balance upon adoption of these standards.

f. The tax on financial transactions is a permanent tax. 50% of this tax is tax-deductible.

g. Taxes, levies and contributions actually paid during the taxable year or period are 100% deductible as of 2019, if they are related with the company's economic activity including fees paid to business associations.

h. 50% of the industry and trade tax can be taken as a tax discount for taxable 2019 to 2021. As of 2022, 100% can be taken as a tax discount.

i. Regarding contributions to employee education, payments meeting the following conditions shall be deductible as of 2019: (a) devoted for scholarships and education forgivable loans to the benefit of employees, (b) payments to programs or care centers for the children of employees and (c) payments to primary, secondary, technical, technologial and higher education institutions.

j. VAT on the acquisition, formation, construction or import of productive real fixed assets may be discounted from the income tax as of 2019.

k. As of 2019, the income withholding tax on payments abroad is 20% on consultancy services, technical services, technical assistance, professional fees, royalties, leases and compensations, and 33% for management or administration services.

l. As of 2019, taxes paid abroad shall be deemed tax discounts during the taxable year of payment, or during any subsequent taxable period.

m. The annual adjustment applicable at December 31, 2018 to the cost of movable assets and real estate deemed fixed assets is 4.07%.

<u>Tax credits of the Parent and its Colombian subsidiaries</u>

Pursuant to tax regulations in force as of 2017, the time limit to offset tax losses is 12 years following the year in which the loss was incurred.

Excess presumptive income over ordinary income obtained as of taxable 2007 may be offset against ordinary net income assessed within the following five (5) years.

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, at December 31, 2018 the Parent and its subsidiaries Almacenes Éxito Inversiones S.A.S. and Marketplace Internacional Éxito y Servicios S.A.S. assessed their income tax liability using the presumptive income method.

Pursuant to sections 188 and 189 of the Tax Code, at June 30, 2019 subsidiaries Éxito Industrias S.A.S., Logística, Transporte y Servicios Asociados S.A.S., and Éxito Viajes y Turismo S.A.S. assessed their income tax liability using the ordinary income method.

At June 30, 2019, the Parent has accrued $475,969 (December 31, 2018 - $445,924) excess presumptive income over net income.

At June 30, 2019, the subsidiaries have accrued $81 (December 31, 2018 - $4,681) excess presumptive income over net income. The detail of excess presumptive income over net income is as follows:

	June 30, 2019	**December 31, 2018**
Éxito Industrias S.A.S.	-	4,663
Almacenes Éxito Inversiones S.A.S.	81	18
Total	**81**	**4,681**

At June 30, 2019, the Parent has accrued tax losses amounting to $705,390 (December 31, 2018 - $624,344).

At June 30, 2019, the subsidiaries have accrued tax losses amounting to $65,237 (December 31, 2018 - $58,185). The detail of tax losses is as follows:

	June 30, 2019	**December 31, 2018**
Éxito Industrias S.A.S.	40,820	36,508
Gemex O&W S.A.S.	23,879	21,677
Almacenes Éxito Inversiones S.A.S.	517	-
Marketplace Internacional Éxito y Servicios S.A.S.	21	-
Total	**65,237**	**58,185**

The development of tax losses at the Parent during the six-month period ended June 30, 2019 is as follows:

Balance at December 31, 2018	**624,344**
Tax loss accrued during the period	66,402
Adjustment to tax losses from prior periods	14,644
Balance at June 30, 2019	**705,390**

The development of tax losses at Colombian subsidiaries during the six-month period ended June 30, 2019 is as follows:

Balance at December 31, 2018	**58,185**
Gemex O&W S.A.S.	2,202
Almacenes Éxito Inversiones S.A.S.	517
Éxito Industrias S.A.S.	4,312
Marketplace Internacional Éxito y Servicios S.A.S.	21
Balance at June 30, 2019	**65,237**

<u>Closing of tax returns</u>

As of 2017, the general term to close tax returns is 3 years, and 6 years for taxpayers required to report transfer pricing information. Tax returns where tax losses are assessed will be closed in 12 years and those including offsetting of tax losses will be closed in 6 years.

For the Parent, the income tax returns for 2018 and 2017 showing tax losses and a balance receivable are open for review during 12 years as of filing of the balance receivable; the income tax return for 2016 where tax lossess and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where a balace receivable was assessed is open for review during 12 years as of filing of the balance receivable.

For subsidiary Éxito Industrias S.A.S., the income tax returns for 2018 and 2017 are open for review during 6 years; the income tax return for 2016 where tax lossess and a balance receivable were assessed is open for review during 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 where tax losses and a balace receivable were assessed is open for review during 12 years as of filing of the balance receivable; the income tax returns for 2014 and 2015 and the tax for equality CREE returns for 2014 and 2015 where tax losses and a balance receivable were assessed, are open for review during 5 years as of filing of the balance receivable.

For subsidiary Éxito Inversiones S.A.S., the income tax returns for 2018 and 2017 showing a balace receivable are open for review for 3 years as of filing of the balance receivable; the income tax return for 2016 showing a balance receivable is open for review for 3 years as of filing of the balance receivable; the income tax return for 2015 where tax losses and a balace receivable were assessed is open for review for 5 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 showing a balance receivable is open for review for 3 years as of filing of the balance receivable; the income tax for equality CREE return for 2015 showing a balance receivable is open for review for 5 years as of filing of the balance receivable.

For subsidiary Gemex O&W S.A.S., the income tax returns for 2018 and 2017 where tax losses and a balance recievable were assessed is open for review during 12 years as of filing of the balance receivable; income tax return for 2016 where tax lossess and a balance receivable were assessed is open for review during 5 years as of filing of the balance receivable; income tax returns and income tax for equality CREE returns for 2013, 2014, 2015 and 2016 are open for review during 5 years as of filing date.

For subsidiary Éxito Inversiones S.A.S., the income tax returns for 2018 and 2017 where tax losses were offset and resulted in a balace receivable are open for review for 6 years as of filing of the balance receivable; the income tax return for 2016 where tax losses and a balance receivable were assessed is open for review for 12 years as of filing of the balance receivable; the income tax return for 2015 where tax losses and a balace receivable were assessed is open for review for 5 years as of filing of the balance receivable; the income tax for equality CREE return for 2016 showing a balance receivable is open for review for 12 years as of filing of the balance receivable; the income tax for equality CREE return for 2015 showing a balance receivable is open for review for 5 years as of filing of the balance receivable.

For subsidiary Éxito Viajes y Turismo S.A.S., the income tax returns for 2018 and 2017 are open for review during 3 years as of filing date; the income tax return for 2016 were tax losses were offset is open for review during 6 years as of filing date; the income tax returns and income tax for equality CREE returns for 2014 and 2015 are open for review during 5 years as of filing date.

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 June 30, 2019.

Transfer pricing

Parent transactions with its controlling entity and 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 updated 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 2018. For this purpose, the Parent will file an information statement and will make the mentioned survey available by mid July 2019.

Foreign controlled entities

Under the special regime applicable to foreign subsidiaries that are investment vehicles, as of 2017 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.

Note 23.2. Tax regulations applicable to foreign subsidiaries

Tax regulations in force applicable to foreign subsidiaries foresee the following income tax rates:
- Subsidiaries domiciled in Uruguay apply a 25% rate;
- Certain subsidiaries domiciled in Brazil apply a 25% rate and other subsidiaries apply a 34% rate, and
- Subsidiaries domiciled in Argentina apply a 35% rate.

Note 23.3. Current tax assets and liabilities

The balances of current tax assets and liabilities recognized in the statement of financial position are:

Current tax assets

	June 30, 2019	December 31, 2018
Other current tax assets of subsidiary Onper Investment 2015 S.L.	477,873	511,964
Income tax balance receivable by Parent and its Colombian subsidiaries (1)	241,296	154,686
Other current tax assets of subsidiary Spice Investment Mercosur S.A.	27,960	29,913
Tax discounts applied by the Parent and its Colombian subsidiaries	26,998	-
Industry and trade tax advances and withholdings of Parent and its Colombian subsidiaries	26,419	23,375
Tax discounts of Parent from taxes paid abroad	6,753	285
Income tax advances of Colombian subsidiaries	22	-
Current income tax assets of subsidiary Spice Investment Mercosur S.A. (2)	-	4,067
Total current tax assets	**807,321**	**724,290**

(1) The income tax balance receivable of Parent and its Colombian subsidiaries is comprised of:

	June 30, 2019	December 31, 2018
Income tax withholdings (a)	254,973	219,186
Less income tax (expense) (Note 23.4)	(13,677)	(64,500)
Total income tax balance receivable	**241,296**	**154,686**

(a) Includes the net of income tax payable and balances receivable and taxes withheld applicable to the Parent's and its Colombian subsidiaries' income tax.

(2) The balance of current income tax assets of subsidiary Spice Investments Mercosur S.A. is comprised of:

	December 31, 2018
Current income tax assets	5,532
Current income tax liabilities	(1,465)
Total	**4,067**

Current tax liabilities

	June 30, 2019	December 31, 2018
Taxes of subsidiary Onper Investment 2015 S.L. other than income tax	196,903	210,978
Income tax of subsidiary Onper Investment 2015 S.L. (1)	151,537	32,520
Industry and trade tax payable of the Parent and its Colombian subsidiaries	32,307	53,023
Taxes of subsidiary Spice Investment Mercosur S.A. other than income tax	698	648
Tax on real estate of the Parent and its Colombian subsidiaries	78	1,530
Income tax of subsidiary Spice Investment Mercosur S.A. (2)	6,646	-
Total current tax liabilities	**388,169**	**298,699**

(1) The balance of current income tax liabilities of subsidiary Onper Investment 2015 S.L. is comprised of:

	June 30, 2019	December 31, 2018
Current income tax liabilities	(196,998)	(106,835)
Current income tax assets	45,461	74,315
Total	**(151,537)**	**32,520**

(2) The balance of current income tax liabilities of subsidiary Spice Investments Mercosur S.A. is comprised of:

	June 30, 2019
Current income tax assets	15,885
Current income tax liabilities	(22,531)
Total	**(6,646)**

Note 23.4. Income tax

The reconciliation of accounting income to taxable (loss), and the tax expense estimation are as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018	December 31, 2018
Earnings before income tax	**239,991**	**542,212**	**648,850**	**119,530**	**468,714**	**518,584**	**1,570,473**
Add							
Non-deductible taxes	20,492	20	20	10,193	3	3	427
Non-deductible expenses	11,893	22,411	22,411	5,468	19,355	19,355	46,616
Tax on financial transactions	4,440	4,688	4,688	1,951	1,749	1,749	8,270
Receivables written-off	2,150	363	363	2,150	107	107	5,381
Fines, penalties and litigation	1,662	657	657	1,227	139	139	1,611
Taxes taken on and revaluation	904	3,816	3,816	564	2,072	2,072	50,488
Non-deductible inventory losses	93	447	447	93	72	72	315
Reimbursement of deduction of income-generating fixed assets from the sale of assets	-	-	-	-	-	-	33,798
Selling price of fixed assets held less than two years than two years	-	24	24	-	24	24	25,147
Net income - recovery of depreciation of fixed assets sold	-	-	-	-	-	-	27,794
Less							
Effect of accounting results of foreign subsidiaries (1)	(287,572)	(472,660)	(684,897)	(145,074)	(382,593)	(540,570)	(1,304,642)
IFRS adjustments with no tax effects (1) (2)	(30,871)	(226,740)	(121,141)	3,681	(247,768)	(139,661)	(309,805)
Goodwill tax deduction, in addition to the accounting deduction	(11,916)	(10,175)	(10,175)	(11,110)	39,289	39,289	(20,351)
Recovery of provisions	(5,878)	-	-	(3,467)	-	-	(239)
Tax-exempt dividends received from subsidiaries	(1,500)	(20,099)	(20,099)	-	(20,026)	(20,026)	(27,870)
Additional 30% deduction on salaries paid to apprentices hired at Company will voluntarios	(869)	-	-	(434)	-	-	(1,739)
Disabled employee deduction	(833)	(222)	(222)	(417)	157	157	(445)
Revenue from loss insurance compensation	-	(631)	(631)	-	(631)	(631)	-
Impairment of receivables	-	(174)	(174)	206	19,925	19,925	
(Recovery) of receivables	-	-	-	-	-	-	-
Cost of sales of fixed assets held less than two years	-	-	-	-	-	-	(77,140)
Derecognition of gain from the sale of fixed assets reported as occasional gain	-	-	-	-	-	-	(26,585)
Net income (loss)	**(57,814)**	**(156,063)**	**(156,063)**	**(15,440)**	**(99,412)**	**(99,412)**	**1,504**
Offsetting of tax losses and excess presumptive income	(117)	(1,322)	(1,322)	1,839	(204)	(204)	(16,089)
Total net (loss) income after offsetting	**(57,931)**	**(157,385)**	**(157,385)**	**(13,601)**	**(99,616)**	**(99,616)**	**(14,585)**
Presumptive income of the Parent and of certain Colombian subsidiaries for the current period	**30,721**	**78,797**	**78,797**	**15,331**	**37,436**	**37,436**	**148,743**
Net income of certain Colombian subsidiaries for the curent period	**11,210**	**4,906**	**4,906**	**6,805**	**2,575**	**2,575**	**17,147**
Net taxable income	**41,931**	**83,703**	**83,703**	**22,136**	**40,011**	**40,011**	**165,890**
Income tax rate	33%	33%	33%	33%	33%	33%	33%
Subtotal income tax (expense)	**(13,837)**	**(27,622)**	**(27,622)**	**(7,305)**	**(13,204)**	**(13,204)**	**(54,744)**
Occasional gains tax (expense)	-	-	-	-	-	-	(3,625)
Income tax surcharge	-	(3,264)	(3,264)	-	(1,566)	(1,566)	(6,504)
Tax discounts	161	62	62	161	62	62	373
Total income tax (expense)	**(13,676)**	**(30,824)**	**(30,824)**	**(7,144)**	**(14,708)**	**(14,708)**	**(64,500)**
Tax revenue prior year	**(237)**	**2,294**	**2,294**	**(237)**	**2,294**	**2,294**	**2,286**
Total income tax (expense) of the Parent and its Colombian subsidiaries	**(13,913)**	**(28,530)**	**(28,530)**	**(7,381)**	**(12,414)**	**(12,414)**	**(62,214)**
Total current tax (expense) of foreign subsidiaries	**(104,445)**	**(112,450)**	**(112,450)**	**(23,795)**	**(67,059)**	**(67,059)**	**(319,224)**

Total current income tax (expense)	**(118,358)**	**(140,980)**	**(140,980)**	**(31,176)**	**(79,473)**	**(79,473)**	**(381,438)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to the "Effect of accounting results of foreign subsidiaries" account arises from the recognition of the effect of the application of this IFRS on the results of subsidiaries. And the effect on the "IFRS adjustments with no tax effects" account is explained under (2) below in this Note 23.4.

(2) IFRS adjustments with no tax effects are:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018	December 31, 2018
Non-accounting costs for tax purposes	(56,011)	(11,264)	(11,264)	(56,011)	(11,264)	(11,264)	(17,215)
Net results using the equity method	(43,960)	(92,883)	(92,883)	(9,035)	(18,148)	(18,148)	(396,749)
Higher accounting depreciation over depreciation for tax purposes	(19,034)	(23,541)	(23,541)	(7,303)	(11,349)	(11,349)	(44,545)
Recovery of provisions	(17,209)	(37,454)	(37,454)	(10,753)	(11,995)	(11,995)	(383)
Other accounting expenses with no tax effects (a)	(12,021)	(105,599)	-	(15,975)	(108,074)	-	-
Excess personnel expenses for tax purposes over accounting personnel expenses	(9,673)	(23,982)	(23,982)	(7,605)	(5,417)	(5,417)	(34,900)
Non-deductible taxes	(242)	(2,875)	(2,875)	(199)	(1,548)	(1,548)	3
Non-deductible fines and penalties	(15)	-	-	(1)	-	-	-
Taxed leases	47,653	35,530	35,530	23,094	19,306	19,306	77,528
Other accounting (not for tax purposes) (revenue), net	42,416	12,926	12,926	58,824	11,200	11,233	(26,436)
Accounting provisions	25,299	27,290	27,290	5,386	(4,418)	(4,418)	66
Exchange difference, net	10,179	(25,598)	(25,598)	23,533	(106,261)	(106,261)	36,980
Untaxed dividends of subsidiaries	1,500	19,969	19,969	-	(29)	(29)	-
Taxed actuarial estimation	247	712	712	(274)	200	200	2,288
Taxed dividends of subsidiaries	-	29	29	-	29	29	93,558
Total	**(30,871)**	**(226,740)**	**(121,141)**	**3,681**	**(247,768)**	**(139,661)**	**(309,805)**

(a) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account results from the tax effect from the non-deductibility of depreciation of use rights and the financial cost of lease liabilities.

The components of the income tax expense recognized in the statement of income are:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Current income tax (expense)	(118,358)	(140,980)	(140,980)	(31,176)	(79,473)	(79,473)
Deferred income tax revenue (Note 23.5) (1)	28,412	51,545	22,683	(24,300)	6,238	(7,355)
Total income tax (expense)	**(89,946)**	**(89,435)**	**(118,297)**	**(55,476)**	**(73,235)**	**(86,828)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

A detail of the current tax expense of foreign subsidiaries is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Uruguay	(28,118)	(22,926)	(16,181)	(11,789)
Brazil and Argentina	(76,327)	(89,524)	(7,614)	(55,270)
Total current tax (expense)	**(104,445)**	**(112,450)**	**(23,795)**	**(67,059)**

The estimation of the presumptive income of the Parent and of certain Colombian subsidiaries is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018	December 31, 2018
Net shareholders' equities	2,101,219	2,294,147	1,053,601	1,090,113	4,334,744
Less net shareholders' equities to be excluded	(53,175)	(43,213)	(31,539)	(20,718)	(85,766)
Base shareholders' equities	**2,048,044**	**2,250,934**	**1,022,062**	**1,069,395**	**4,248,978**
Presumptive income	**30,721**	**78,782**	**15,331**	**37,428**	**148,714**
Add: Taxed dividends	-	15	-	8	29

Total presumptive income	**30,721**	**78,797**	**15,331**	**37,436**	**148,743**

Note 23.5 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 expected recovery rates, 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 Parent and its subsidiaries will generate enough taxable income in future that allow offsetting the asset, in full or in part.

A detail of deferred tax carried in the statement of financial position and the breakdown of deferred tax assets and liabilities for the four geographical segments in which the Parent and its subsidiaries operations are grouped is as follows:

	June 30, 2019			**December 31, 2018 (1)**			**December 31, 2018**		
	Deferred tax assets	**Deferred tax liabilities**	**Deferred income tax (liabilities), net**	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred income tax (liabilities), net**	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred income tax (liabilities), net**
Tax losses	221,756	-	221,756	196,376	-	196,376	196,376	-	196,376
Excess presumptive income	149,633	-	149,633	140,258	-	140,258	140,258	-	140,258
Use rights and lease liabilities, net (1)	67,614	-	67,614	65,284	-	65,284	-	-	-
Tax credits	55,155	-	55,155	56,282	-	56,282	56,282	-	56,282
Financial liabilities	36,648	-	36,648	46,168	-	46,168	46,168	-	46,168
Other provisions	18,013	-	18,013	14,896	-	14,896	14,896	-	14,896
Other financial liabilities	5,835	-	5,835	2,850	-	2,850	2,850	-	2,850
Inventories	4,484	-	4,484	5,360	-	5,360	5,360	-	5,360
Trade and other receivables	3,452	-	3,452	4,113	-	4,113	4,113	-	4,113
Prepaid expenses	3,269	-	3,269	3,681	-	3,681	3,681	-	3,681
Employee benefit provisions	1,852	-	1,852	3,642	-	3,642	3,642	-	3,642
Investments in subsidiaries and joint ventures	154	-	154	-	(60,657)	(60,657)	-	(60,657)	(60,657)
Accounts payable to related parties	16	-	16	8,196	-	8,196	8,196	-	8,196
Other non-financial assets	-	-	-	-	(20)	(20)	-	(20)	(20)
Real estate projects	-	-	-	-	(12,457)	(12,457)	-	(12,457)	(12,457)
Accounts receivable from related parties	-	(108)	(108)	-	(523)	(523)	-	(523)	(523)
Other non-financial liabilities	-	(459)	(459)	3,386	-	3,386	3,386	-	3,386
Non-current assets held for trading	-	(555)	(555)	-	(555)	(555)	-	(555)	(555)
Construction in progress	-	(4,445)	(4,445)	-	(915)	(915)	-	(915)	(915)
Land	-	(7,070)	(7,070)	-	(9,623)	(9,623)	-	(9,623)	(9,623)
Trade and other payables	-	(8,102)	(8,102)	-	(1,209)	(1,209)	-	(1,209)	(1,209)
Intangible assets other than goodwill	-	(10,302)	(10,302)	-	(7,654)	(7,654)	-	(7,654)	(7,654)
Cash and cash equivalents	-	(11,697)	(11,697)	-	-	-	-	-	-
Other financial assets	-	(19,054)	(19,054)	-	(37,331)	(37,331)	-	(37,331)	(37,331)
Other property, plant and equipment	-	(26,134)	(26,134)	-	(26,512)	(26,512)	-	(26,512)	(26,512)
Investment property	-	(34,513)	(34,513)	-	(8,561)	(8,561)	-	(8,561)	(8,561)
Buildings	-	(118,847)	(118,847)	-	(91,758)	(91,758)	-	(91,758)	(91,758)
Goodwill	-	(186,547)	(186,547)	-	(185,781)	(185,781)	-	(185,781)	(185,781)
Total Parent	**567,881**	**(427,833)**	**140,048**	**550,492**	**(443,556)**	**106,936**	**485,208**	**(443,556)**	**41,652**
Colombian subsidiaries (1)	**14,120**	**(13,963)**	**157**	**14,843**	**(13,782)**	**1,061**	**13,891**	**(14,025)**	**(134)**
Total Colombia segment	**582,001**	**(441,796)**	**140,205**	**565,335**	**(457,338)**	**107,997**	**499,099**	**(457,581)**	**41,518**
Uruguay segment	**23,590**	**-**	**23,590**	**25,994**	**-**	**25,994**	**25,994**	**-**	**25,994**
Brazil segment (1)	**168,248**	**(1,186,730)**	**(1,018,482)**	**196,928**	**(1,489,567)**	**(1,292,639)**	**173,594**	**(1,489,567)**	**(1,315,973)**
Argentina segment (1)	**5,663**	**(134,847)**	**(129,184)**	**5,076**	**(122,294)**	**(117,218)**	**5,076**	**(122,294)**	**(117,218)**
Total	**779,502**	**(1,763,373)**	**(983,871)**	**793,333**	**(2,069,199)**	**(1,275,866)**	**703,763**	**(2,069,442)**	**(1,365,679)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities.

The effect of the deferred tax on the statement of income is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (a)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (a)	April 1 to June 30, 2018
Deferred income tax (1)	18,023	53,595	24,731	(24,288)	6,119	(7,476)
Deferred occasional gains tax	10,389	(2,050)	(2,050)	(12)	137	137
Income tax surcharge	-	-	2	-	(18)	(16)
Total deferred income tax revenue	**28,412**	**51,545**	**22,683**	**(24,300)**	**6,238**	**(7,355)**

(a) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

The effect of the deferred tax on the statement of comprehensive income is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Gain from derivative financial instruments designated as hedge instruments (1)	(283)	(3,430)	(98)	(2,345)
Total	**(283)**	**(3,430)**	**(98)**	**(2,345)**

The reconciliation of the development of net deferred tax (liabilities), between March 31, 2019 and December 31, 2018 to the statement of income and the statement of other comprehensive income is as follows:

	June 30, 2019
Revenue from deferred tax recognized in income for the period	28,412
(Expense) from deferred tax recognized in other comprehensive income for the period.	(283)
Effect of the translation of the deferred tax recognized in other comprehensive income for the period (1)	263,866
Total decrease in net deferred tax (liabilities) between June 30, 2019 and December 31, 2018	**291,995**

(1) Such effect resulting from the translation at the closing rate of deferred tax assets and liabilities of foreign subsidiaries is included in the line item "Exchange difference from translation" in other comprehensive income (Note 27).

Deferred tax assets generated by certain minor investments that have shown losses during the current or prior periods have not been recognized. The amount of losses is as follows:

	June 30, 2019	December 31, 2018
Other minor investments	13,551	(11,780)
Total	**13,551**	**(11,780)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at June 30, 2019, amount to $48,413 (December 31, 2018 - $53,361).

Note 23.6 Effects of the distribution of dividends on income tax.

Pursuant to Colombian tax regulations in force, neither the distribution of dividends nor retained earnings influence the income tax rate.

Note 23.7 Non-current tax assets and liabilities

<u>Non-current tax assets</u>

At June 30, 2019, the balance of $2,421,701 (December 31, 2018 - $2,302,451) relates to taxes receivable of subsidiary Companhia Brasileira de Distribuição - CBD, basically the ICMS tax (Tax on the Movement of Goods and Services) and the Social Security National Tax.

<u>Non-current tax liabilities</u>

At June 30, 2019, the balance of $352,338 (December 31, 2018 - $397,014) relates to taxes payable of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A. for federal taxes and incentive program by instalments.

Note 24. Other financial liabilities

The balance of other financial liabilities is as follows:

	June 30, 2019	December 31, 2018
Bonds issued (1)	4,126,208	3,477,710
Collections received on behalf of third parties (2)	130,245	131,326
Derivative financial instruments designated as hedge instruments (3)	10,354	9,473
Derivative financial instruments (4)	12,198	1,770
Total	**4,279,005**	**3,620,280**
Current	**1,934,761**	**1,037,191**
Non-current	**2,344,244**	**2,583,089**

(1) Subsidiary Companhia Brasileira de Distribuição – CBD issues bonds to strengthen working capital, and to maintain its cash strategy and its debt and investment profile extension strategy. 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 subsidiary Companhia Brasileira de Distribuição - CBD. Amortization of bonds varies in accordance with the issue.

The following amortization schedules are foreseen at June 30, 2019 for current issues:

- Payments solely upon maturity with half-yearly remuneration (4th issue of notes and 13th, 14thy, 15th and 16th issue of bonds)

13th and 14th issues are entitled to early redemption at any time in accordance with the conditions set by the issue instrument. 15th issue is entitled to early redemption as of December 15, 2018 and 16th issue as of December 10, 2018 pursuant to the conditions of the issue of bonds.

On December 20, 2016, the 13th issue of straight, not convertible, unsecured bonds was issued with unique serial number and privately placed with Ares Serviços Imobiliários Ltda., who 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 natural 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 every six months.

The 14th issue by Ápice Securitizadora S.A. of titles receivable from Agronegocio, represented in straight, not convertible, unsecured bonds with unique serial number, which were placed by Bradesco BBI S.A., Safra S.A. and BNP Paribas Brasil S.A. was approved on February 23, 2017. The attracted amount of $998,639 matures on April 13, 2020 with final compensation ofr 96% of IDC after bookbuilding. Resources were made available to Companhia Brasileira de Distribuição - CBD on April 17, 2017.

The 15th issue of certificates, represented in uncovered, non-convertible, unsecured, single-seried bonds was approved on January 17, 2018. The attracted amount of $668,925 matures on January 15, 2021 with a final repayment of 104.75% of IDC.

The 16th issue of certificates, represented in uncovered, non-convertible, unsecured, two-seried bonds was approved on September 11, 2018. The amount attracted with the first series $520,534 matures on September 10, 2021 with a final repayment of 106% of IDC and the amount attacted with the second series $371,810 matures on September 12, 2022 with a final repayment of 107.4% of IDC.

The 4th issue of certificates, represented in uncovered, non-convertible, unsecured, single-seried bonds was approved on January 10, 2019. The attracted amount of $520,534 matures on January 9, 2022 with a final repayment of 105.75% of IDC.

At June 30, 2019, the detail and current value of outstanding issues are as follows:

Issue	Type	Maturity	Rate	Balance
13th issue of bonds	Ordinary	December 20, 2019	97.5% of IDC	840,508
14th issue of bonds	Ordinary	April 13, 2020	96% of IDC	906,886
15th issue of bonds	Ordinary	January 15, 2021	104.75% of IDC	683,691
16th issue of bonds (1st series)	Ordinary	September 10, 2021	106% of IDC	592,422
16th issue of bonds (2nd series)	Ordinary	September 12, 2022	107.4% of IDC	423,158
4th issue of bonds	Ordinary	January 9, 2022	105.75% of IDC	684,521
Incremental costs of fund raising				(4,978)
				4,126,208

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 principles adopted in Brazil, as follows: (i) net debt (debt less cash and cash equivalents and accounts receivable) not to exceed net shareholders' equity); and (ii) net consolidated debt ratio/Ebitda less than or equal to 3.25. The subsidiary complied with such ratios at June 30, 2019 and December 31, 2018.

(2) The balance of collections received on behalf of third parties is as follows:

	June 30, 2019	December 31, 2018
Éxito Card collections (a)	46,517	44,860
Non-banking correspondent	38,486	47,340
Revenue received on behalf of third parties (b)	31,252	27,287
Direct trading (market place)	4,948	5,000
Other collections	9,042	6,839
Total	**130,245**	**131,326**

(a) Represents collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 10).

(b) The balance relates to:

- Insurance premiums, extended warranties, telephone companies cell phone recharges and other collections by subsidiary Companhia Brasileira de Distribuição - CBD on behalf of Financiera Itaú CBD - FIC Promotora de Vendas Ltda. in amount of $7,762 (December 31, 2018 - $9,454).

- Collections received on behalf of third parties for hotel services, ground transportation, car rentals and reservation of air tickets as part of the intermediation of Éxito Viajes y Turismo S.A.S. as travel agency in amount of $21,865 (December 31, 2018 - 15,508).

- Collections received on behalf of third parties from Grupo Disco del Uruguay S.A. and Mercados Devoto S.A. in amount of $1,625 (December 31, 2018 - $2,325).

(3) Derivatives denominated as hedge instruments represent:

(2) Financial exchange transactions - swap transactions carried out by the Parent and its subsidiaries under contracts executed with financial entities, whose purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then may be determined in local currency. The fair values of these instruments are determined based on valuation models commonly used by market participants.

(b) 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 DCCIs (Direct consumer credits through an intermediary). The fair value is measured by exchanging such instruments at a floating IDC rate. The term of these contracts equals that of the debt and they hedge both principal and interests. The average annual IDC rate at June 2019 was 6.32% (6.42% at December 31, 2018).

Financial bartering is used to hedge exchange rate and/or interest rate risks of financial liabilities arising from the acquisition of property, plant and equipment, as well as from the business combinations of Companhia Brasileira de Distribuição - CBD and of Libertad S.A. The coverage ratio is 100% of the item hedged, this being the total or a portion of the relevant financial liability.

The Parent and its subsidiaries document accounting hedging relationships and conduct efficacy testing from initial recognition and over the time of the hedging relationship until derecognition thereof. No inefficacy has been identified during the periods reported.

At June 30, 2019 relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	5.1% - 6.0%	5,523
Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	18
Swap	Interest rate and exchange rate	Financial liabilities	1.94% to 9.80%	IDC	4,813
					10,354

At December 31, 2018, relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedge instruments	Fair value
Swap	Interest rate	Financial liabilities	IBR 3M	5.1% - 6.0%	6,890

Swap	Interest rate and exchange rate	Financial liabilities	Libor USD 1M + 2.22%	9.06%	21
Swap	Interest rate and exchange rate	Financial liabilities	1.94% to 9.80%	IDC	2,562
					9,473

The detail of maturities of these hedging instruments at June 30, 2019 is as follows:

	Less than 1 month	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
Swap	-	433	1,216	7,167	1,538	**10,354**

The detail of maturities of these hedging instruments at December 31, 2018 is as follows:

	Less than 1 month	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
Swap	-	295	2,752	4,975	1,451	**9,473**

(4) Derivative financial instruments reflect the fair value of forward and swap 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 who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position, the Parent and its subsidiaries measure the derivative financial instruments (forward and swap) at fair value, on each accounting closing date.

The detail of maturities of these instruments at June 30, 2019 is as follows:

Derivative	**Less than 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
Forward	8,659	3,087	-	-	**11,746**
Swap	117	-	-	335	**452**
					12,198

The detail of maturities of these instruments at December 31, 2018 is as follows:

Derivative	**Less than 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**More than 12 months**	**Total**
Forward	192	1,506	-	-	**1,698**
Swap	-	72	-	-	**72**
					1,770

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

	June 30, 2019	**December 31, 2018**
Bonds issued	1,783,837	896,073
Collections received on behalf of third parties	130,245	131,326
Derivative financial instruments designated as hedge instruments	8,816	8,022
Derivative financial instruments	11,863	1,770
Total current	**1,934,761**	**1,037,191**
Bonds issued	2,342,371	2,581,638
Derivative financial instruments designated as hedge instruments	1,538	1,451
Derivative financial instruments	335	-
Total non-current	**2,344,244**	**2,583,089**

Note 25. Other non-financial liabilities

The balance of other non-financial liabilities is as follows:

	June 30, 2019	**December 31, 2018**
Revenue received in advance (1)	188,576	256,885
Customer loyalty programs (2)	36,063	48,636
Advance payments under contracts and other projects	7,332	7,256
Instalments received under "plan reservalo"	636	647
Repurchase coupon	11	176
Extended warranty	-	15,712
Other (3)	-	9,423
Total other current non-financial liabilities	**232,618**	**338,735**

Advance payments under contracts and other projects	697	727
Other (3)	25,331	11,236
Total other non-current non-financial liabilities	**26,028**	**11,963**

(1) Mainly relates to revenue received in advance from third parties on the sale of various products through means of payment, lease of premises and strategic alliances.

	June 30, 2019	December 31, 2018
Lease of furniture (a)	140,460	182,922
Gift card	29,204	57,199
Cafam comprehensive card	7,671	7,210
Exchange card	3,350	3,492
Data and telephone minutes purchased in advance	936	979
Fuel card	785	820
Other	6,170	4,263
Total current	**188,576**	**256,885**

(a) Relates to advance payments from third parties on rental of gondola ends and luminous paper to display products at subsidiary Companhia Brasileira de Distribuição - CBD.

(2) Relates to customer loyalty programs “Puntos Éxito” and “Supercliente Carulla” of the Parent; “Hipermillas” of subsidiary Mercados Devoto S.A.; “Tarjeta Más” of subsidiary Supermercados Disco del Uruguay S.A.; “Puntos Extra” and “Pao de Azucar” of subsidiary Companhia Brasileira de Distribuição – CBD and "Club Libertad" of subsidiary Libertad S.A.

The following are the balances of these programs included in the statement of financial position:

	June 30, 2019	December 31, 2018
"Hipermillas" and "Tarjeta Más" programs	25,999	26,665
“Puntos Éxito” and “Supercliente Carulla” programs	4,522	18,539
“Meu Desconto” program	5,275	2,919
Club Libertad	267	513
Total	**36,063**	**48,636**

(3) Mainly relates to a payment received by subsidiary Companhia Brasileira de Distribuição – CBD from "Allpark" under a car parking service agreement.

Note 26. Share capital, treasury shares repurchased and premium on the issue of shares

At June 30, 2019 and at December 31, 2018 the Parent's authorized capital is represented in 530,000,000 common shares with a nominal value of $10 (*) each; subscribed and paid-in capital amounts to $4,482; the number of outstanding shares is 447,604,316 and the number of treasury shares reacquired is 635,835 valued at $2,734.

(*) Expressed in Colombian pesos.

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 Parent 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 June 30, 2019 and at December 31, 2018. 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 transfer of a portion of such premium to a capital account as result of the issue of a share-based dividend.

Note 27. Reserves, Retained earnings and Other comprehensive income

Reserves

Reserves are appropriations made 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, a reserve for the reacquisition of shares and a reserve for 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 reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with 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, on December 22, 2016 by Regulatory Decree 2131 and on December 22, 2017 by Regulatory Decree 2170 and updated on December 28,m 2018 by Regulatory Decree 2483.

Other accumulated comprehensive income

The balance of each component of other comprehensive income in the statement of financial position is as follows:

	June 30, 2019			June 30, 2018 (1)			December 31, 2018		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Measurement of financial statements at fair value through other comprehensive income (2)	7,751	-	7,751	(106,372)	-	(106,372)	(7,200)	-	(7,200)
Measurement of defined benefit plans (3)	(4,808)	1,432	(3,376)	(4,449)	1,472	(2,977)	(4,760)	1,432	(3,328)
Translation exchange differences (4)	(902,345)	-	(902,345)	(1,071,079)	-	(1,071,079)	(597,914)	-	(597,914)
(Loss) from the hedging of cash flows (5)	(5,125)	1,671	(3,454)	(9,121)	3,010	(6,111)	(5,978)	1,954	(4,024)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (6)	(62,612)	-	(62,612)	(174,659)	-	(174,659)	(41,486)	-	(41,486)
Total other accumulated comprehensive income	**(967,139)**	**3,103**	**(964,036)**	**(1,365,680)**	**4,482**	**(1,361,198)**	**(657,338)**	**3,386**	**(653,952)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(2) 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.

(3) Represents the accumulated value of actuarial gains or losses arising from the Parent's and its subsidiaries' defined benefit plans. The net value of the new measurements is transferred to retained earnings and is not reclassified to income for the period.

(4) Represents the accumulated value of exchange differences arising from the translation of assets, liabilities, equity and results of foreign operations into the Parent's presentation currency. Accumulated translation differences are reclassified to period results upon disposition of the foreign operation. Includes the effect of translating deferred tax assets and liabilities in amount of $263,886 (Note 23).

(5) Represents the accumulated value of the effective portion of gains or losses arising from changes in the fair value of hedging instruments in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transaction influences 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 item.

(6) Value allocated to the Parent of the other comprehensive income from its investments in associates and joint ventures through direct investment or through subsidiaries.

Note 28. Revenue from ordinary activities under contracts with customers

The balance of revenue from ordinary activities under contracts with customers is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Retail sales (Note 41)	28,241,856	26,117,317	14,205,857	12,598,247
Service revenue (1)	435,064	461,219	226,316	255,314
Other ordinary revenue (2)	62,858	45,842	32,396	27,029
Total revenue from ordinary activities under contracts with customers	**28,739,778**	**26,624,378**	**14,464,569**	**12,880,590**

(1) The balance of service revenue relates to:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Lease of real estate	161,070	160,539	79,790	80,519
Commissions	61,486	65,931	33,357	30,066
Distributors	52,955	50,991	25,936	26,166
Lease of physical space	52,228	24,982	28,766	12,463
Advertising	38,569	36,059	23,879	23,597
Transport	22,442	22,440	11,539	10,222
Other revenue from the provision of services	12,236	61,380	5,927	52,894
Telephone services	12,889	16,277	6,745	7,928
Non-banking correspondent	9,756	8,308	4,750	4,245
Administration of real estate	4,184	7,594	2,032	3,956
Travel administration fees	3,799	2,891	1,814	1,327
Payments	3,450	3,827	1,781	1,931
Total service revenue	**435,064**	**461,219**	**226,316**	**255,314**

(2) Other ordinary revenue relates to:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Involvement in collaboration agreement (a)	25,013	20,073	10,510	13,997
Royalty revenue	7,951	4,642	4,191	2,096
Other revenue from Latam strategic direction (Note 35)	4,240	3,493	2,157	1,824
Other exploitation activities	3,295	4,877	1,845	2,982
Other	22,359	12,757	13,693	6,130
Total other ordinary revenue	**62,858**	**45,842**	**32,396**	**27,029**

(a) Relates to the involvement in the corporate collaboration agreement with Compañía de Financiamiento Tuya S.A.

Note 29. Distribution expenses and Administration and sales expenses

The balance of administration and sales expenses is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Depreciation and amortization (1) (2)	694,401	654,086	393,077	340,787	313,446	187,665
Fuels and power (2)	369,814	313,716	313,716	171,762	126,528	126,528
Services (2)	294,291	269,397	269,397	145,588	131,391	131,391
Advertising	298,706	305,929	305,929	168,432	163,740	163,740
Commissions on debit and credit cards	198,739	190,982	190,982	96,975	91,936	91,936
Taxes other than income tax	173,651	190,970	190,970	79,752	75,834	75,834
Repairs and maintenance (2)	182,576	177,751	177,751	91,542	84,702	84,702
Outsourced employees	136,840	111,467	111,467	64,182	52,562	52,562
Other provisions expense	2,018	750	750	(33,400)	(161)	(161)
Professional fees	39,610	42,263	42,263	19,850	20,119	20,119
Transport	35,434	34,937	34,937	18,625	17,554	17,554
Legal expenses	31,855	31,389	31,389	17,385	11,239	11,239
Leases (1) (2)	46,773	36,148	439,110	34,668	11,875	206,864
Packaging and marking materials	20,327	21,659	21,659	9,368	10,274	10,274
Insurance	20,499	16,303	16,303	10,491	8,145	8,145
Administration of trade premises	17,750	16,994	16,994	8,925	8,561	8,561
Travel expenses	11,743	9,143	9,143	6,719	4,356	4,356
Contributions and affiliations	264	809	809	(212)	436	436
Other	196,806	143,688	143,688	142,519	70,835	70,835
Total distribution expenses	**2,772,097**	**2,568,381**	**2,710,334**	**1,393,958**	**1,203,372**	**1,272,580**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts is due to the recognition of depreciation of use rights and derecognition of fixed expenses under lease agreements

(2) As of January 1, 2019, based on reviews to Company operations, certain items that until December 31, 2018 were shown as administration expenses and employee benefit expenses, which are related with food preparation operating processes, are being recorded under the cost of goods sold. Such items were reclassified in the financial statements at June 30, 2018 only for comparison to the financial statements at June 30, 2019.

The balance of administration and sales expenses is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Depreciation and amortization (1)	108,117	94,204	97,030	51,414	45,202	46,393
Taxes other than income tax	44,679	38,331	38,331	4,275	7,827	7,827
Professional fees	71,015	61,507	61,507	37,879	28,863	28,863
Outsourced employees	52,136	49,699	49,699	21,785	20,889	20,889
Public utilities	25,137	41,592	41,592	4,926	16,983	16,983
Impairment expense	22,148	2,709	2,709	12,438	(679)	(679)
Repairs and maintenance	14,684	14,220	14,220	6,697	5,412	5,412
Travel expenses	11,767	9,083	9,083	6,517	4,134	4,134
Fuels and power	5,594	4,985	4,985	2,930	1,978	1,978
Leases (1)	3,649	4,477	8,545	1,486	435	2,496
Insurance	3,861	3,091	3,091	2,012	1,546	1,546
Transport	1,576	1,222	1,222	844	592	592
Administration of trade premises (1)	1,381	1,101	1,132	669	639	670
Contributions and affiliations	1,032	1,294	1,294	497	629	629
Legal expenses	1,640	2,529	2,529	1,363	543	543
Packaging and marking materials	148	125	125	44	71	71
Advertising	181	194	194	80	131	131
Other	53,920	41,607	41,607	29,294	27,455	27,455
Total administration and sales expenses	**422,665**	**371,970**	**378,895**	**185,150**	**162,650**	**165,933**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to these accounts is due to the recognition of depreciation of use rights and derecognition of fixed expenses under lease agreements.

Note 30. Employee benefit expense

The balance of employee benefit expenses incurred by each significant category is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Wages and salaries (1)	1,416,677	1,382,124	691,325	659,194
Contributions to the social security system	371,989	347,513	184,279	168,183
Other short-term employee benefits	150,568	139,642	76,246	66,299
Total short-term employee benefit expense	**1,939,234**	**1,869,279**	**951,850**	**893,676**
Post-employment benefit expenses, defined contribution plans	51,357	60,068	23,055	29,823
Post-employment benefit expenses, defined benefit plans	(5,530)	1,686	(6,247)	955
Total post-employment benefit expenses	**45,827**	**61,754**	**16,808**	**30,778**
Termination benefit expenses	108,705	126,899	60,018	58,738
Other long-term employee benefits	238	131	135	47
Other personnel expenses	229,436	199,536	119,278	98,497
Total employee benefit expenses	**2,323,440**	**2,257,599**	**1,148,089**	**1,081,736**

(1) As of January 1, 2019, based on reviews to Company operations, certain items that until December 31, 2018 were shown as administration expenses and employee benefit expenses, which are related with food preparation operating processes, are being recorded under the cost of goods sold. Such items were reclassified in the financial statements at June 30, 2018 only for comparison to the financial statements at June 30, 2019.

Note 31. 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 Parent's and its subsidiaries' recurrent profitability analysis; these are defined as significant elements of unusual revenue and expense whose occurrence is exceptional and the effects of the items that given its nature are not included in an assessment of recurring operating performance of the Parent and its subsidiaries, such as impairment losses, disposal of non-current assets and the effect of business combinations, among other.

The balance of other operating revenue, other operating expense and other net gains, is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Other operating revenue						
Recurring						
Recovery of allowance for trade receivables	27,288	5,282	5,282	12,526	3,573	3,573
Recovery of taxes other than non-current income tax (2)	39,041	1,911	1,911	30,468	1,911	1,911
Recovery of other provisions related to labor lawsuits (3)	9,719	-	-	4,837	(70)	(70)
Reimbursement of ICA-related costs and expenses	6,162	255	255	3,245	116	116
Recovery of other provisions related to administrative legal proceedings (4)	3,824	-	-	1,152	-	-
Recovery of other provisions related to civil legal proceedings (3)	4,287	538	538	2,674	(61)	(61)
Recovery of other provisions	1,251	825	825	25	825	825
Compensation from insurance companies	1,015	645	645	590	251	251
Other recurring revenue	362	-	-	220	-	-
Total recurring	**92,949**	**9,456**	**9,456**	**55,737**	**6,545**	**6,545**
Non-recurring						
Recovery of other provisions (6)	15,705	760	760	13,846	760	760
Recovery of provisions related with reorganization processes	1,412	-	-	1,412	-	-
Total non-recurring	**17,117**	**760**	**760**	**15,258**	**760**	**760**
Total other operating revenue	**110,066**	**10,216**	**10,216**	**70,995**	**7,305**	**7,305**
Other operating expenses						
Reorganization-related expenses (7)	(71,869)	(92,114)	(92,114)	(38,964)	(38,500)	(38,500)
Allowance for tax legal proceedings (8)	-	(1,798)	(1,798)	-	7,654	7,654
Tax reorganization expense (9)	(46,607)	(1,501)	(1,501)	(33,010)	325	325
Tax on wealth expense	(194)	(568)	(568)	(194)	(516)	(516)
Other expenses	(4,131)	(3,247)	(3,247)	(3,163)	(1,881)	(1,881)
Total other operating expenses	**(122,801)**	**(99,228)**	**(99,228)**	**(75,331)**	**(32,918)**	**(32,918)**
Other net gains (losses)						
(Loss) from the sale of property, plant and equipment (10)	(15,847)	(42,955)	(42,955)	3,020	(38,070)	(38,070)
Derecognition of property, plant and equipment	(2,066)	(5,853)	(5,853)	(188)	(3,911)	(3,911)
Loss from disposal of other assets	(675)	(2,121)	(2,121)	(87)	(2,114)	(2,114)
Impairment of non-current Assets	(225)	(3,307)	(3,307)	(225)	(3,307)	(3,307)
Cost of sales for use rights	(19)	-	-	(19)		-
Derecognition of use rights (1)	13,973	2,203	-	11,161	1,652	-
Gain from the sale of intangible assets	-	2	2	-	2	2
Total other net (losses)	**(4,859)**	**(52,031)**	**(54,234)**	**13,662**	**(45,748)**	**(47,400)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account is due to the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements.

(2) For 2019, represents the recovery of taxes other than non-current income tax of subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries.

(3) For 2019, represents the recovery of provisions for labor legal proceedings of the Parent in amount of $473 and of subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries in amount of $9,246.

(4) For 2019, represents the recovery of provisions for administrative legal proceedings of subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries.

(5) For 2019, represents the recovery of provisions for civil legal proceedings of the Parent and its subsidiaries in Colombia in amount of $2,181 and of Companhia Brasileira de Distribuição - CBD and its subsidiaries in amount of $2,106.

(6) For 2019, mainly represents the recovery of expenses of subsidiary Companhia Brasileira de Distribuição - CBD relevant to legal proceedings related with income tax and other taxes such as ICMS and PIS/COFINS in amount of $13,819 and the recovery of provisions of Patrimonio Autónomo Centro Comercial Viva Barranquilla in amount of $1,859.

(7) Represents expenses arising from the provision of the Parent's plan to restructure its Colombian subsidiaries including the acquisition of the operating excellence plan and corporate retirement plan in amount of $28,952 (June 30, 2018 - $36,341); expenses incurred under the restructuring plan of subsidiary Companhia Brasileira de Distribuição - CBD in amount of $39,080 (June 30, 2018 - $10,773) and expenses incurred under the restructuring plan of subsidiary Libertad S.A. in amount of $3,837 (June 30, 2018 - $3,576). For 2018, includes expenses arising from the measures implemented by subsidiary 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, in amount of $41,424.

(8) For 2018, represents expenses of subsidiary Companhia Brasileira de Distribuição - CBD arising from legal proceedings related with the income tax and other taxes such as ICMS and PIS/COFINS.

(9) For 2019, represents the expense of Companhia Brasileira de Distribuição - CBD related with tax reorganization processes regarding the correction of contributions to the social security system on benefits granted to its employees arising from a decision that may be challenged before the Higher Court.

(10) For 2019, basically represents the net loss from the sale of property, plant and equipment of subsidiary Companhia Brasileira de Distribuição - CBD in amount of ($19,279); the gain in amount of $1,366 arising from the sale of the Lote John Boyd that was classified as a non-current asset held for trading; and the gain from the sale of property, plant and equipment of subsidiary Libertad S.A. in amount of $2,011.

Note 32. Financial revenue and expenses

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Gain from exchange difference (1)	153,435	66,160	65,748	25,122	(59,634)	(59,538)
Gain from derivative financial instruments	92,976	37,438	37,438	42,599	35,679	35,679
Revenue from interest, cash and cash equivalents	17,926	23,744	23,744	9,089	15,386	15,386
Interest revenue, factoring and/or suppliers	2,471	1,090	1,090	1,308	566	566
Other financial revenue	79,651	44,068	44,068	57,470	15,451	15,451
Total financial revenue	**346,459**	**172,500**	**172,088**	**135,588**	**7,448**	**7,544**
Interest expense from lease liabilities (1)	(290,975)	(285,902)	-	(141,502)	(135,016)	-
Interest, loans and finance lease expenses	(167,105)	(273,822)	(388,395)	(80,266)	(177,419)	(183,110)
Loss from derivative financial instruments	(152,255)	(100,164)	(100,164)	(56,369)	15,337	15,337
Interest expense, bonds	(125,908)	(104,477)	-	(63,934)	(50,049)	-
Loss from exchange difference (1)	(123,888)	(55,878)	(51,543)	(34,269)	(42,083)	(37,737)
Expense from the amortized cost of loans and accounts receivable	(97,057)	-	-	(55,580)	47,382	-
Commission expense	(34,352)	(1,973)	(1,973)	(17,343)	(914)	(914)
Interest expense from supplier factoring transactions	(12,424)	(16,822)	(16,822)	(5,966)	(9,144)	(9,144)
Net monetary position results, effect of the statement of financial position (2)	(10,945)	-	-	(10,732)	-	-
Net monetary position results, effect of the statement of income (2)	(3,721)	-	-	(1,449)	-	-
Other financial expenses	(33,991)	(57,891)	(57,891)	(21,675)	(20,165)	(20,165)
Total financial expenses	**(1,052,621)**	**(896,929)**	**(616,788)**	**(489,085)**	**(372,071)**	**(235,733)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account arises from the recognition of interest expense upon measurement of lease liabilities using the effective interest method.

(2) Represents results arising from the net monetary position of the financial statements of subsidiary Libertad S.A.

Note 33. Share of income in associates and joint ventures that are accounted for using the equity method

The share of income in subsidiaries, associates and joint ventures that are accounted for using the equity method is as follows:

January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018

Financiera Itau CBD - FIC Promotora de Vendas Ltda.	31,648	26,598	26,598	14,219	16,604	16,604
Cnova N.V. (1)	(53,827)	(63,355)	(63,408)	(21,882)	(21,747)	(24,199)
Compañía de Financiamiento Tuya S.A.	(5,558)	17,769	17,769	(4,605)	4,879	4,879
Puntos Colombia S.A.S.	(1,771)	(3,387)	(3,387)	(544)	(2,078)	(2,078)
Total	**(29,508)**	**(22,375)**	**(22,428)**	**(12,812)**	**(2,342)**	**(4,794)**

(1) Amounts shown include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019. The adjustment to this account relates to the recognition of the effect of applying this IFRS on the results of the associate.

Note 34. 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.

At June 30, 2019 and December 31, 2018, the Parent has not carried out transactions with potential ordinary shares, or after the closing date or at 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:

<u>In period results:</u>

	January 1 to June 30, 2019	**January 1 to June 30, 2018 (1)**	**January 1 to June 30, 2018**	**April 1 to June 30, 2019**	**April 1 to June 30, 2018 (1)**	**April 1 to June 30, 2018**
Net (loss) profit attributable to the shareholders of the controlling entity	**(30,552)**	**123,903**	**128,988**	**(18,211)**	**114,410**	**119,004**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
(Loss) earnings per basic and diluted share attributable to the shareholders of the controlling entity (in Colombian pesos)	**(68.25)**	**276.81**	**288.17**	**(40.69)**	**255.61**	**265.87**

	January 1 to June 30, 2019	**January 1 to June 30, 2018 (1)**	**January 1 to June 30, 2018**	**April 1 to June 30, 2019**	**April 1 to June 30, 2018 (1)**	**April 1 to June 30, 2018**
Net period profit from continuing operations	**150,045**	**452,777**	**530,553**	**64,054**	**395,479**	**431,756**
Less: net income from continuing operations attributable to non-controlling interests	180,717	359,577	415,496	80,417	295,704	319,833
Net (loss) profit from continuing operations attributable to the shareholders of the controlling entity	**(30,672)**	**93,200**	**(115,057)**	**(16,363)**	**99,775**	**(111,923)**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
(Loss) earnings per basic and diluted share from continuing operations attributable to the shareholders of the controlling entity (in Colombian pesos)	**(68.52)**	**208.22**	**257.05**	**(36.56)**	**222.91**	**250.00**

	January 1 to June 30, 2019	**January 1 to June 30, 2018 (1)**	**January 1 to June 30, 2018**	**April 1 to June 30, 2019**	**April 1 to June 30, 2018 (1)**	**April 1 to June 30, 2018**
Net period profit from discontinued operations	**485,152**	**202,389**	**178,332**	**411,545**	**84,976**	**74,460**
Less: net income from continuing operations attributable to non-controlling interests	485,032	171,686	164,401	413,393	70,339	67,379
Net profit (loss) from discontinued operations attributable to the shareholders of the controlling entity	**120**	**30,703**	**13,931**	**(1,848)**	**14,637**	**7,081**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share from discontinued operations attributable to the shareholders of the controlling entity (in Colombian pesos)	**0.27**	**68.59**	**31.12**	**(4.13)**	**32.70**	**15.81**

	January 1 to June 30, 2019	**January 1 to June 30, 2018 (1)**	**January 1 to June 30, 2018**	**April 1 to June 30, 2019**	**April 1 to June 30, 2018 (1)**	**April 1 to June 30, 2018**
Net period profit from continuing operations	**150,045**	**452,777**	**530,553**	**64,054**	**395,479**	**431,756**

Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
Earnings per basic and diluted share from discontinued operations (in Colombian pesos)	**335.22**	**1,011.56**	**1,185.32**	**143.11**	**883.54**	**964.59**

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Net period profit from discontinued operations	**492,523**	**202,389**	**178,332**	**418,916**	**84,976**	**74,460**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
Earnings per basic and diluted share from discontinued operations (in Colombian pesos)	**1,100.35**	**452.16**	**398.42**	**935.91**	**189.85**	**166.35**

In total period comprehensive results:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Net (loss) profit attributable to the shareholders of the controlling entity	**(310,084)**	**(958,799)**	**(968,483)**	**541,828**	**(464,011)**	**(465,819)**
Weighted average of the number of ordinary shares attributable to basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316	447.604.316
(Loss) earnings per basic and diluted share in total comprehensive income (in Colombian pesos)	**(692.76)**	**(2,142.07)**	**(2,163.70)**	**1,210.51**	**(1,036.65)**	**(1,040.69)**

(1) Estimation of the net earnings per share based on restated amounts that include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

Note 35. Transactions with related parties

Note 35.1. 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 executed by and between the parties.

Compensation of key management personnel is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Short-term employee benefits (1)	65,972	73,513	32,943	41,928
Share-based payment plan	8,149	5,341	3,991	2,518
Post-employment benefits	998	1,022	502	504
Long-term employee benefits	11	-	-	-
Termination benefits	216	1,016	216	124
Total	**75,346**	**80,892**	**37,652**	**45,074**

(1) A portion of short-term employee benefits is reimbursed by Casino Guichard Perrachon S.A. under a Latin American strategic direction service agreement entered with the Parent. Revenue from Latam strategic direction was recognized during the six-month period ended June 30, 2019 in amount of $4,240 (June 30, 2018 - $3,493) as described in Note 28.

Note 35.2. Transactions with related parties

Transactions with related parties relate to revenue from retail sales and other services, as well as to costs and expenses related to risk management and technical assistance support, purchase of goods and services received.

The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

	Revenue			
	January 1 to June 30, 2019	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018
Controlling entity (1)	5,135	3,493	2,422	1,825
Associates (2)	61,738	69,442	30,433	23,715

Grupo Casino companies (3)	16,922	113	(10,073)	(754)
Joint ventures (4)	36,135	31,426	16,529	20,220
Total	**119,930**	**104,474**	**39,311**	**45,006**

	Costs and expenses			
	January 1 to June 30, 2019	**January 1 to June 30, 2018**	**April 1 to June 30, 2019**	**April 1 to June 30, 2018**
Controlling entity (1)	52,950	36,299	9,891	16,275
Associates (2)	1	-	1	-
Grupo Casino companies (3)	38,733	24,828	17,741	9,356
Joint ventures (4)	46,278	1,430	28,980	763
Members of the Board	638	4,126	352	2,455
Total	**138,600**	**66,683**	**56,965**	**28,849**

(1) Revenue from the controlling entity relate to a Latin America strategic direction service agreement entered with Casino Guichard-Perrachon S.A.

Costs and expenses mainly represent 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*" and to costs incurred by the Parent for consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V.

(2) Revenue mainly comes from the reimbursement of expenses arising from the infrastructure contract, commissions on the sale of financial products and lease of property, transactions carried out with FIC Promotora de Vendas Ltda, a financing company of Companhia Brasileira de Distribuição - CBD.

(3) Revenue mainly refers to sales of products to Distribution Casino France and to a supplier centralized negociation with International Retail Trade and Services.

Costs and expenses mainly represent expenses incurred by Companhia Brasileira de Distribuição - CBD under the cost sharing agreement, and to costs related with energy efficiency services received at the Parent and intermediation in the import of goods.

(4) Revenue represent yields on bonds and coupons with Compañía de Financiamiento Tuya S.A. in amount of $7,575 (June 30, 2018 - $9,243), involvement in the corporate collaboration agreement entered with Compañía de Financiamiento Tuya S.A. in amount of $25,013 (June 30, 2018 - $20,073), lease of real estate property to Compañía de Financiamiento Tuya S.A. in amount of por $2,745 (June 30, 2018 - $1,819), other services provided to Compañía de Financiamiento Tuya S.A. in amount of $ 473 (June 30, 2018- $190) and to services provided to Puntos Colombia S.A.S. in amount of $329 (June 30, 2018 - $101).

Costs and expenses represent the cost of the loyalty program and liability management of Puntos Colombia S.A.S. in amount of $44,792 (June 30, 2018 - $172), and commissions on means of payment with Compañía de Financiamiento Tuya S.A. in amount of $1,486 (June 30, 2019 - $1,258).

Note 36. Impairment of assets

Note 36.1. Financial assets

No material losses from the impairment of financial assets were identified at June 30, 2019 and at December 31, 2018.

Note 36.2. Non-financial assets

At December 31, 2018, the Parent completed the annual impairment testing by cash-generating units, which is duly supported in the financial statements at the closing of such year.

No indication of impairment of non-financial assets was identified at June 30, 2019.

Note 37. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities and of non-financial assets and liabilities of the Parent and its subsidiaries at June 30, 2019 and at December 31, 2018 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying amounts 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.

	June 30, 2019		December 31, 2018	
	Book value	Fair value	Book value	Fair value
Financial assets				
Trade receivables and other accounts receivable at amortized cost	35,016	33,415	36,130	34,064
Investments in private equity funds (Note 12)	1,298	1,298	1,201	1,201
Forward contracts measured at fair value through income (Note 12)	8,094	8,094	38,675	38,675
Swap contracts measured at fair value through income (Note 12)	50,166	50,166	74,866	74,866
Derivative *swap* contracts denominated as hedge instruments (Note 12)	78,675	78,675	75,296	75,296
Investment in bonds (Note 12)	41,550	39,779	40,899	39,983
Investment in bonds through other comprehensive income (Note 12)	13,532	13,532	12,735	12,735
Equity investments (Note 12)	932	932	708	708
Non-financial assets				
Investment property (Note 14)	1,649,343	2,317,833	1,633,625	2,276,252
Property, plant and equipment, and Investment property held for trading (Note 43)	56,872	56,872	61,696	61,696
Financial liabilities				
Financial liabilities and finance leases (Note 19)	6,423,424	5,627,426	6,617,367	6,632,308
Lease liabilities (Note 22)	5,328,810	5,328,810	5,435,708	5,435,708
Put option (1) (Note 19)	394,834	394,834	435,023	435,023
Bonds and trade papers issued (Note 24)	4,126,208	4,153,511	3,477,711	3,432,042
Swap contracts denominated as hedge instruments (Note 24)	10,354	10,354	9,473	9,473
Forward contracts measured at fair value through income (Note 24)	11,746	11,746	1,698	1,698
Derivative swap contracts measured at fair value through income (Note 24)	452	452	72	72
Non-financial liabilities				
Customer loyalty liability (Note 25)	36,063	36,063	48,636	48,636

(1) The development of the put option measurement during the period was:

Balance at December 31, 2018	**435,023**
Changes in fair value recognized in investments	(23,614)
Balance at June 30, 2019	**394,834**

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 days.	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 preclosing 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 daily.	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
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 IDC rate for swaps
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 may 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 investments under similar conditions on the date of measurement in accordance with maturity days.	CPI 12 months + Basis points negotiated

	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 goods that are similar and comparable to those being appraised.	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 the 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 lessee sales 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
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.
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				
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 days.	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 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 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.
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 market curves and discounting them at present value, using *swap* market rates.	Swap curves calculated by Forex Finance Market Representative Exchange Rate (TRM)
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.
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 days.	CPI 12 months
Lease liabilities	Level 2	Discounted cash flows method	Future cash flows of lease contracts are discounted using the market rate for loans in similar conditions on contract start date in accordance with the irrevocable minimum term.	Reference Banking Index (RBI) + basis points in accordance with risk profile.
Put option	Level 3	Given formula	Measured at fair value using a given formula under an agreement executed with non-controlling interests of Grupo Disco, using level 3 input data.	Net income of Supermercados Disco del Uruguay S.A. at 31 December 2014 and 2015 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.

Material non-observable input data and a valuation sensitivity analysis on the valuation of the "*put option contract*" refer to:

	Material non-observable input data	Range (weighed average)	Sensitivity of the input data on the estimation of the fair value
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2018	$116,869	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 12 months	$147,238	
	Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months	($98,164)	
	Fixed contract price	$454,431	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	$32.41	
	US Dollar-Colombian peso exchange rate on the date of valuation	$3,249.75	
	Total shares Supermercados Disco del Uruguay S.A.	443.071.575	

The Parent identifies 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 year.

Note 38. Contingent assets and liabilities

Note 38.1. Contingent assets

The Parent and its subsidiaries have not recognized material contingent assets at June 30, 2019 and at December 31, 2018.

Note 38.2. Contingent liabilities

The following are the contingent liabilities at June 30, 2019 and December 31, 2018:

(a) The following proceedings are underway, seeking that the Parent be exempted from paying the amounts claimed by the complainant entity:

- Administrative discussion with DIAN amounting to $26,118 (December 31, 2018 - $18,483) regarding notice of special requirement 112382018000126 of September 17, 2018 informing of a proposal to amend the income tax return for 2015.
- Resolutions by means of which the District Tax Direction of Bogotá issued to the Company an official revision settlement of the industry and trade tax for the bimonthly periods 4, 5 and 6 of 2011 on the grounds of alleged inaccuracy in payments, in amount of $11,830 (December 31, 2018 - $11,830).
- Resolutions issued by the District Finance Direction of Bogotá by means of which the industry and trade tax return of the Company for the bimonthly periods 2, 3, 4, 5 and 6 of 2012 were amended on the grounds of alleged inaccuracy in payments in amount of $5,000 (December 31, 2018 - $5,000).
- Claim on the grounds of failure to comply with contract conditions, asking for damages arising from the purchase-sale of a property in amount of $2,600 (December 31, 2018 - $-).
- Resolution defining the budget and approving the distribution and individual allocation of the reappraisal of the general benefit contribution for the development of a public works program regarding Company property in amount of $1,163 (December 31, 2018 - $1,163).
- Resolutions by means of which a penalty was imposed on the grounds of inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (December 31, 2018 - $1,088).
- Resolution and official assessment imposing penalties on the Parent on the grounds of errors in the self-assessment of contributions to the Social Security System in amount of $940 (December 31, 2018 - $940).
- Resolution by means of which the DIAN issued official revision assessment regarding sales tax of the first bimonthly period of taxable 2013, on the grounds of alleged inaccuracy in payments in amount of $544 (December 31, 2018 - $544).

(b) Tax proceedings of subsidiary Companhia Brasileira de Distribuição - CBD:

- 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 relate to tax offsetting proceedings, rules on deductibility of provisions, payment discrepancies, excess payments, and fines on the failure to comply with ancillary obligations, among other minor proceedings. Such proceedings are pending administrative and judicial 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 and arising from transactions between shareholders Casino Guichard Perrachon S.A. and Abílio Diniz. Amounts discussed amount to $862,832 (December 31, 2018 - $781,718).
- 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. The proceeding is valued at $0 (December 31, 2018 - $74,649).
- Sales tax, procurement tax, bank taxes and taxes on industrial products (COFINS, PIS and CPMF and IPI): refer to offsetting proceedings on IPI credits - inputs subject to zero aliquiot 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. Amounts discussed amount to $1,520,879 (December 31, 2018 - $1,532,541).

- Tax on the movement of goods and services (ICMS): Companhia Brasileira de Distribuição - CBD was called by state tax authorities regarding the appropriation of credits related with: (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; and (v) arising from the trading of extended warranty, among other. Such proceedings are pending final administrative and judicial ruling. Such proceedings amount to $4,509,075 (December 31, 2018 - $4,441,214).

- Tax on services (ISS), Brazilian tax on real estate (IPTU), tax rates and other: refer to requirements on third party withholdings, differences in the paymento 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. The proceeding is valued at $94,199 (December 31, 2018 - $96,910).

(c) Other proceedings:

- A requirement by the National Social Security Institute of Brazil INSS to subsidiary Companhia Brasileira de Distribuição - CBD in amount of $370,852 (December 31, 2018 - $352,276) because 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.

- Parent's third-party liability lawsuit amounting to $1,800 (December 31, 2018 - $1,531) for alleged injuries to a customer at Éxito Santa Marta store premises.

- Parent's third-party liability lawsuit amounting to $700 (December 31, 2018 - $700) for alleged damages to the plaintiff's property during the demolition of Club Campestre Sincelejo and subsequent construction of Almacén Éxito Sincelejo on the same land.

- Termination of lease agreement on the grounds of failure to deliver certain trade premises at the Patrimonio Autónomo Centro Comercial Viva Riohacha, settled in 2017, in amount of $602 (December 31, 2018 - $0)

(d) Other contingent liabilities:

- On June 1, 2017 the Parent granted a guarantee on behalf of its subsidiary Almacenes Éxito Inversiones S.A.S. in amount of $2,631 to cover a potential failure to comply with its obligations with one of its main suppliers.

- On August 15, 2018 and October 31, 2018 subsidiary Éxito Viajes y Turismo S.A.S. granted collaterals in amount of $526 y $1,312, respectively, to certain suppliers to protect against potential failure in issuing travel tickets.

- $345,133 (December 31, 2018 - $430,280) 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 other.

- $124,568 (December 31, 2018 - $108,561) 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.

These contingent liabilities, whose 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.

Note 39. Dividends declared and paid

<u>At June 30, 2019</u>

The Parent's General Meeting of Shareholders held on March 27, 2019, declared a dividend of $139,706, equivalent to an annual dividend of $312.12 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2019, and January 2020.

(*) Expressed in Colombian pesos.

Dividends paid during the six-month period ended June 30, 2019 amounted to $62,118.

Dividends declared and paid during the six-month period ended June 30, 2019 to the holders of non-controlling interest in subsidiaries are as follows:

	Dividends declared	Dividends paid
Companhia Brasileira de Distribuição - CBD	92,977	103,448
Grupo Disco del Uruguay S.A.	11,717	11,717
Patrimonio Autónomo Viva Malls	5,677	5,677
Patrimonio Autónomo Viva Villavicencio	3,981	5,334
Éxito Viajes y Turismo S.A.S.	1,442	1,442
Patrimonio Autónomo Centro Comercial	1,342	2,240
Patrimonio Autónomo Viva Laureles	723	868
Patrimonio Autónomo Viva Sincelejo	718	985
Patrimonio Autónomo Centro Comercial Viva Barranquilla	383	1,671
Patrimonio Autónomo San Pedro Etapa I	348	382
Total	**119,308**	**133,764**

At December 31, 2018

The Parent's General Meeting of Shareholders held on March 23, 2018, declared a dividend of $108,857, equivalent to an annual dividend of $243.20 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2018, and January 2019.

(*) Expressed in Colombian pesos.

Dividends paid during the annual period ended December 31, 2018 amounted to $87,072.

Dividends declared and paid during the annual period ended December 31, 2018 to the owners of non-controlling interests in the following subsidiaries are:

	Dividends declared	Dividends paid
Companhia Brasileira de Distribuição - CBD	157,393	184,497
Grupo Disco del Uruguay S.A.	22,310	12,024
Patrimonio Autónomo Viva Villavicencio	7,894	4,900
Éxito Viajes y Turismo S.A.S.	2,457	2,457
Patrimonio Autónomo Viva Malls	2,223	10,123
Patrimonio Autónomo Centro Comercial	2,704	1,878
Patrimonio Autónomo Viva Sincelejo	2,316	1,919
Patrimonio Autónomo Centro Comercial Viva Barranquilla	2,017	2,817
Patrimonio Autónomo Viva Laureles	1,617	1,557
Patrimonio Autónomo San Pedro Etapa I	1,028	802
Éxito Industrias S.A.S.	76	76
Patrimonio Autónomo Viva Palmas	-	604
Total	**202,035**	**223,654**

Note 40. Seasonality of transactions

The Parent's and it susbsidiaries' operation cycles indicate certain seasonality in operating and financial results; for the Parent and its Colombian subsidiaries, there is a concentration during the last quarter of the year, mainly because of Christmas and "Special Price Days", which is the second most important promotional event of the year; for foreign subsidiaries there is a concentration during the first half of the year, mainly arising from carnivals and Easter, and during the last quarter of the year, because of Christmas.

Note 41. Information on operating segments

For organizational and management purposes, the Parent and its subsidiaries are focused on seven operating segments divided in four geographic segments, namely Colombia (Éxito, Carulla, Surtimax-Súper Inter and B2B), Brazil (Food), 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 monetary 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 in this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Carulla.
- Surtimax-Súper Inter: The most significant products and services in this segment come solely from retailing activities, with stores under the banners Surtimax and Súper Inter.
- B2B: The most significant products and services in 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 in this segment come solely from food trading activities.

Argentina

- The most significant products and services in this segment come solely from retailing activities in Argentina, with stores under the banners Libertad and Mini Libertad.

Uruguay:

- The most significant products and services in this segment come solely from retailing activities in Uruguay, with stores under the banners Disco, Devoto and Géant.

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 segment for the years ended June 30, 2019 and June 30, 2018 are as follows:

Geographic segment	**Operating segment**	**January 1 to June 30, 2019**	**January 1 to June 30, 2018**	**April 1 to June 30, 2019**	**April 1 to June 30, 2018**
Colombia	Éxito	3,629,443	3,469,020	1,792,141	1,705,459
	Carulla	743,761	730,473	377,499	368,629
	Surtimax-Súper Inter	596,621	663,750	294,811	323,352
	B2B	289,900	244,686	151,068	134,672
Brazil	*Food*	21,232,938	19,124,624	10,729,345	9,204,787
Argentina		491,570	596,629	271,691	281,820
Uruguay		1,257,623	1,290,126	589,302	580,821
Total sales		**28,241,856**	**26,119,308**	**14,205,857**	**12,599,540**
Eliminations		**-**	(1,991)	-	(1,293)
Consolidated total (Note 28)		**28,241,856**	**26,117,317**	**14,205,857**	**12,598,247**

Below is additional information by geographic segment:

	At June 30, 2019						
	Colombia	**Brazil (1)**	**Argentina (1)**	**Uruguay (1)**	**Total**	**Eliminations (2)**	**Total**
Retail sales	5,259,725	21,232,938	491,570	1,257,623	28,241,856	0	28,241,856
Trade margin	1,252,584	4,655,613	169,242	435,878	6,513,317	(1,860)	6,511,457
Total recurring expenses	(1,075,030)	(3,844,612)	(172,274)	(335,227)	(5,427,143)	1,890	(5,425,253)
ROI	177,554	811,001	(3,032)	100,651	1,086,174	30	1,086,204
Recurring Ebitda	398,773	1,446,737	7,210	125,738	1,978,458	30	1,978,488

	At June 30, 2018						
	Colombia	**Brazil (1)**	**Argentina (1)**	**Uruguay (1)**	**Total**	**Eliminations (2)**	**Total**
Retail sales	5,107,929	19,124,624	596,629	1,290,126	26,119,308	(1,991)	26,117,317
Trade margin (3)	1,235,226	4,730,521	217,399	446,755	6,629,901	(1,892)	6,628,009
Total recurring expenses (3)	(1,046,839)	(3,599,973)	(206,811)	(336,763)	(5,190,386)	1,892	(5,188,494)
ROI (3)	188,387	1,130,548	10,588	109,992	1,439,515	0	1,439,515
Recurring Ebitda (3)	400,274	1,717,879	17,993	134,169	2,270,315	0	2,270,315

(1) For information reporting purposes, non-operating companies (holding companies that hold interests in the operating companies) are allocated by segments to the geographic 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.

(2) Relates to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements.

(3) Estimation of figures based on restated amounts that include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

Note 42. Financial risk management policy

During the six-month period ended June 30, 2019, there have not been significant changes to the Parent's and its subsidiaries' risk management policies as applied at December 31, 2018, nor changes in the analysis of risk factors that might have an effect on them, such as the general risk management framework, financial risk management, credit risk, market risk, interest rate risk, currency risk, stock pricing risk and liquidity risk.

At December 31, 2018, the Parent submitted a detail of its risk management policies, which are duly supported in the financial statements at the closing of such year.

Note 43. Non-current Assets and Liabilities held for trading and Discontinued operations

As of June 2018, Parent management started a plan to sell certain property to structure projects that allow using such real estate property, increase the potential future selling price and generate resources to the Parent. Consequently, certain property, plant and equipment and certain investment property were classified as non-current assets held for trading.

Non-current assets and liabilities held for trading

The balance of non-current assets held for trading, included in the statement of financial position is as follows:

	June 30, 2019	**December 31, 2018 (1)**	**December 31, 2018**
Assets of Via Varejo S.A. (Note 43.1) (1) (2)	-	23,511,145	20,227,416
Property, plant and equipment (3)	46,753	51,577	51,577
Investment property (4)	10,119	10,119	10,119
Total	**56,872**	**23,572,841**	**20,289,112**

The balance of non-current liabilities held for trading, included in the statement of financial position is as follows:

	June 30, 2019	**December 31, 2018 (1)**	**December 31, 2018**
Liabilities of Via Varejo S.A. (Note 43.1) (1) (2)	-	19,618,293	16,458,772
Total	**-**	**19,618,293**	**16,458,772**

(1) Restated amounts that include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

(2) The assets and liabilities of Via Varejo S.A. were sold on June 15, 2019.

(3) Represents the following real estate property:

	June 30, 2019	**December 31, 2018**
Lote NAR	20,322	20,546
Hotel Cota plot of land and project	16,489	16,489
Lote Paraná	9,942	9,301
Lote John Boyd (a)	-	5,241
Total	**46,753**	**51,577**

(a) Plot of land sold in May 2019.

(4) Represents the following real estate property:

	June 30, 2019	December 31, 2018
Lote La Secreta (land)	5,960	5,960
Kennedy trade premises (building)	1,640	1,640
Kennedy trade premises (land)	1,229	1,229
Lote Casa Vizcaya (land)	595	595
Pereira Plaza trade premises (building)	556	556
Lote La Secreta (construction in progress)	139	139
Total	**10,119**	**10,119**

Parent and its subsidiaries believe that these assets will be sold in 2019.

No revenue or expense have been recognized in income or in other comprehensive income related with the group of assets for disposal.

Net gain from discontinued operations

The effect of non-current assets held for trading on the statement of income is as follows:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Via Varejo S.A. net gain (Note 43.1)	485,152	202,389	178,332	411,545	84,976	74,460
Net gain from discontinued operations	**485,152**	**202,389**	**178,332**	**411,545**	**84,976**	**74,460**

(1) Restated amounts that include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

Note 43.1. 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 focussing on the development of the food segment.

Pursuant to IFRS 5 - Non-Current Assets Held for Trading and Discountinued Operations, the Parent is of the opinion that given the effort applied, the sale was highly likely, which involved 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.

As result of the efforts applied during more than one year, finally the assets and liabilities of Via Varejo S.A. available for sale were sold on June 15, 2019.

The effects of the sale of the assets and liabilities of Via Varejo S.A. are:

Selling price	2,132,244
Cost of sales	(1,629,872)
Gain from the sale	**502,372**
Profit is attributable to:	
Owners of the controlling entity	**9,929**
Non-controlling interests	**492,443**

Below is a summary cash flows of the discounted operation of Via Varejo S.A.:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018
Net cash flows (used in) operating activities	(2,182,437)	(1,157,134)	(1,507,199)
Net cash flows (used in) investment activities	(193,443)	(202,185)	(202,185)
Net cash flows (used in) provided by financing activities	(538,169)	(824,615)	(474,550)
Translation difference	-	(307,732)	(307,732)
Net development of cash and cash equivalents	**(2,914,049)**	**(2,491,666)**	**(2,491,666)**

Below is the result of Via Varejo S.A.'s discontinued operation:

	January 1 to June 30, 2019	January 1 to June 30, 2018 (1)	January 1 to June 30, 2018	April 1 to June 30, 2019	April 1 to June 30, 2018 (1)	April 1 to June 30, 2018
Net result of the discontinued operation	(17,220)	202,389	178,332	(90,827)	84,976	74,460
Net effect of the sale of the discontinued operation	502,372	-	-	502,372	-	-
Total net gain from the discontinued operation	**485,152**	**202,389**	**178,332**	**411,545**	**84,976**	**74,460**
Profit is attributable to:						
Owners of the controlling entity	**120**	**30,703**	**13,931**	**(1,848)**	**14,637**	**7,081**
Non-controlling interests	485,032	171,686	164,401	413,393	70,339	67,379

(1) Restated amounts that include the effect of the adjustments arising from the retrospective application of IFRS 16 - Leases, adopted as of January 1, 2019.

Note 44. Facts and circumstances that extend to more than one year the selling period of investment properties held for trading.

Progress in the selling process

At June 30, 2019, external factors out of the control of Parent management related with the general shrinking of the real-estate market dynamics, as well as the failure to achieve offers that were reasonable and of benefit to the Parent caused management to reconsider the original selling schedule whose completion had been forecasted for the first half of 2019.

Some of the external factors that influenced the sale transaction schedule at the closing of June 30, 2019 were:

- During the end of 2018, the national politics environment arising from the most polarized nation-wide elections in the recent history of the country, namely the elections to the National Congress on March 11, 2018 and the Presidential Elections on May 27, 2018 (first round) and on June 17, 2018 (second round), resulted in the general uncertainty of investors and the decrease of investors' apetite for real-estate property.

- Economic indicators relevant to construction as prepared by the National Department of Statistics (DANE by its Spanish acronym) evidenced that at the closing of 2018 the sector reached a weak 0.3% YTD growth as compared to 2017, and only grew by 0.9% during the last quarter of 2018.

- The beginning of 2019 was not positive; the real-estate market expected recovery signs and particularly the construction industry; general dynamics contracted and resulted in a decrease in proposals of potential investors willing to acquire assets. During the first quarter of 2019, the industry contracted even more (-5.6%) as compared to the same period of 2018 (-0.9%). According to economic studies by the Cámara Colombiana de la Construcción – CAMACOL, even if the granting of housing and other construction licenses slowly recovered by 1.2% as compared to the first quarter of 2018, a significant decrease (-11.8%) was carried forward.

- Neither the Economic Indicators Around Construction (IEAC) prepared by the National Department of Statistics - DANE were encouraging since they showed that during the first quarter of 2019 (January to March), the GDP at constant prices grew by 2.8% as compared to the same quarter of 2018; however, a 5.6% decrease in the added value of the construction segment was identified when analyzing the result of the added value by large segments of the industry. Such result is mainly explained by the annual negative variation in the subsegments of construction of residential and non-residential buildings (-8.8%) and the added value of specialized activities (-5.9%).

Since June 2018, actions taken by Parent management to accomplishy the sale of real-estate assets have been concrete and focused on each property, seeking to guarantee the feasability of the sale, ensure that property is cured and obtain added-value economic proposals.

In pursuing this effort, the Parent retained independent realtors who joined the internal teams of experts in the market potential. Developments are as follows:

(a) Lote La Secreta: in process of consolidating ownership, opening the auction for awarding, cancelling easements before controlling agencies, structuring the project by steps (architectural concept, public utilities feasibility analysis and analysis of proposals submitted by potential buyers).

(b) Kennedy Trade Premises: the independent retailer has been hired and is in the process of offering the property to the present lessor in pursuance of the preferential rights under the lease contract.

(c) Pereira Plaza Trade Premises: in process of analyzing offers submitted by interested parties.

(d) Lote Casa Vizcaya: in process of analyzing offers submitted by interested parties.

The Parent continues strongly commited to the selling process of such assets.

Note 45. Relevant facts

At June 30, 2019

Sale of Via Varejo S.A.

As result of the efforts made over more than one year, on June 15, 2019 the assets and liabilities of Via Varejo S.A, classified under assets held for trading, were sold. The effects of this transaction are disclosed in Note 43.1

General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 28, 2019, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2018 and approval of dividend distribution to shareholders.

At December 31, 2018

Contribution to Patrimonio Autónomo Viva Malls

On December 28, 2018 the Parent made an additional contribution of the following assets to Patrimonio Autónomo Viva Malls, as part of the memorandum of understanding executed on December 23, 2016 with Fondo Inmobiliario Colombia:

Fiduciary interests:
- Patrimonio Autónomo Viva Villavicencio,
- Patrimonio Autónomo Centro Comercial,
- Patrimonio Autónomo Viva Sincelejo, and
- Patrimonio Autónomo San Pedro Etapa I.

Real estate property:
- Lote Sincelejo, and
- Lote Fontibón.

With the mentioned contributions, the Parent remains the trustor with 51% of interest in Patrimonio Autónomo Viva Malls, but changed its interest in contributed Patrimonios from 51% to 26.01%

Sale of interest in the equity of Vía Varejo S.A.

An agreement was reached on December 21, 2018 to sell 3.86% of the interest in the equity of Vía Varejo S.A. through a total-return swap (TRS) transaction. Through this transaction, amounts received are subject to further adjustment from the subsequent resale of the shares in the market during the contract term.

General Meeting of Shareholders

The Company's General Meeting of Shareholders was held on March 23, 2018, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2017 and approval of dividend distribution to shareholders.

Note 46. Events after the reporting period

Proposal to acquire the interest of the Parent in subsidiary Companhia Brasileira de Distribuição -CBD by its controlling entity Casino Guichard-Perrachon S.A.

On July 24, 2019, as part of its plan to simplify the investment structure, Casino Guichard-Perrachon S.A. submitted to the Parent a proposal to purchase through Segisor S.A. the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD at a price set from BRL 109 per share.

Takeover bid issued by its subsidiary Companhia Brasileira de Distribuição - CBD

On July 24, 2019, subsidiary Companhia Brasileira de Distribuição - CBD issued, through its subsidiaries, a takeover bid on 100% of the shares of the Parent, at a price of $18,000 (*) per share.

This takeover bid shall be filed with the Colombian Finance Superintendence once the Parent has approved the offer of Casino Guichard-Perrachon S.A. to buy the indirect interest in and control over its subsidiary Companhia Brasileira de Distribuição - CBD.

(*) Expressed in Colombian pesos.

Start of the process to assess the sale of the shares held in Companhia Brasileira de Distribuição -CBD

The Audit and Risk Committee of the Parent met on July 30, 2019 to start the process of assessing the sale of the indirect interest in and control over Companhia Brasileira de Distribuição -CBD, in accordance with the terms of the purchase proposal submitted by Casino Guichard-Perrachon S.A. An independent financial advisor was appointed as part of the process to analyze the purchase proposal and present recommendations to the Board of the Parent not later than August 31, 2019.

Note 47. Information regarding the adoption of IFRS 16

The Parent and its subsidiaries started to apply IFRS 16 - Leases as of January 1, 2019. This standard requires recognizing a use right asset and a lease liability.

Use rights assets are assets representing the right of the Parent and its subsidiaries as lessees to use an underlying asset during the term of a lease agreement. The liability represents future payments under the lease agreement.

The Parent and its subsidiaries elected to apply the standard retrospectively, as if it had been applied from the start date of all lease agreements. For comparison purposes, the Parent and its subsidiaries have prepared the financial statements of prior periods including the effects of adopting IFRS 16.

As a result of adoption:

- Use right assets were recognized;
- Lease liabilities were recognized;
- Lease expenses were eliminated (fixed payments under lease agreements);
- Depreciation of use rights was recognized;
- Interest expense was recognized upon measurement of lease liabilities using the effective interest method.
- Fixed payments made and new amendments to the lease agreement were recognized under lease liabilities.
- The effects on deferred tax arising from temporary differences resulting upon recognition of use rights and lease liabilities were recognized.

The effects shown in the statement of financial position at December 31, 2018 are:

	December 31, 2018 with IFRS 16	December 31, 2018 without IFRS 16	IFRS 16 adjustment	
Current assets				
Cash and cash equivalents	5,973,764	5,973,764		
Trade receivables and other accounts receivable	1,000,267	1,000,298	(31)	(1)
Prepaid expenses	143,889	156,829	(12,940)	(2)
Accounts receivable from related parties	131,720	131,720		
Inventories	6,720,396	6,720,396		
Other financial assets	141,214	141,214		
Tax assets	724,290	724,290		
Non-current assets held for trading	23,572,841	20,289,112	3,283,729	(3)
Total current assets	**38,408,381**	**35,137,623**	**3,270,758**	
Non-current assets				
Trade receivables and other accounts receivable	135,284	135,284		
Prepaid expenses	14,751	59,912	(45,161)	(2)
Accounts receivable from related parties	28,316	28,316		
Other financial assets	754,065	754,065		
Property, plant and equipment, net	12,317,515	12,334,581	(17,066)	(4)
Investment property, net	1,633,625	1,633,625		
Use rights, net	5,141,400	-	5,141,400	(5)
Goodwill	5,436,868	5,436,868		
Intangible assets other than goodwill, net	5,199,801	5,767,176	(567,365)	(6)
Investments accounted for using the equity method	804,400	814,039	(9,639)	(7)
Tax assets	2,302,451	2,302,451		
Deferred tax assets	1,217,855	703,763	514,092	(8)
Other non-financial assets	398	398		
Total non-current assets	**34,986,729**	**29,970,478**	**5,016,251**	
Total assets	**73,395,110**	**65,108,101**	**8,287,009**	
Current liabilities				
Accounts payable to related parties	236,698	236,698		
Financial liabilities	2,291,200	2,320,284	(29,084)	(9)
Employee benefits	3,657	3,657		
Other provisions	36,997	36,997		
Trade payables and other accounts payable	13,117,074	13,226,708	(106,634)	(10)
Lease labilities	858,349	-	858,349	(11)
Tax liabilities	298,699	298,699		
Other financial liabilities	1,037,191	1,037,191		
Other non-financial liabilities	338,735	338,735		
Non-current liabilities held for trading	19,618,293	16,458,772	3,159,521	(3)
Total current liabilities	**37,836,893**	**33,957,741**	**3,879,152**	
Non-current liabilities				
Financial liabilities	4,633,554	4,732,106	(99,552)	
Employee benefits	27,680	27,680		
Other provisions	2,330,648	2,330,648		
Trade payables and other accounts payable	40,720	40,720		
Lease labilities	4,577,359	-	4,577,359	(11)
Deferred tax liabilities	2,493,721	2,069,442	424,279	(8)
Tax liabilities	397,014	397,014		
Other financial liabilities	2,583,089	2,583,089		
Other non-financial liabilities	11,963	11,963		
Total non-current liabilities	**17,095,748**	**12,192,662**	**4,903,086**	
Total liabilities	**54,932,641**	**46,150,403**	**8,782,238**	
Shareholders' equity	**18,462,469**	**18,957,698**	**(495,229)**	
Total liabilities and shareholders' equity	**73,395,110**	**65,108,101**	**8,287,009**	

(1) The adjustment represents the derecognition of the balance receivable of subsidiaries Grupo Disco del Uruguay S.A., Mercados Devoto S.A. and Devoto Hermanos S.A. for the commission to gain lease agreements, which was taken into consideration when measuring the use right.

(2) The adjustment represents the derecognition of advance payment by subsidiary Companhia Brasileira de Distribuição - CBD for the commission to gain lease agreements, which was taken into consideration when measuring the use right.

(3) The adjustment represents the recognition of adjustments arising from the retrospective application of IFRS 16 - Leases by Via Varejo S.A.

(4) The adjustment represents the reclassification to use rights of certain assets and accumulated depreciation thereof that used to be properly recognized as property, plant and equipment and were related to finance leases.

(5) The adjustment represents the recognition of use rights.

(6) The adjustment to these accounts arises from the classification as use rights of intangible assets other than goodwill and accumulated amortization thereof that represented costs required to gain lease contracts which should have been considered when measuring the use right. In addition, it also arises from the classification as use rights of certain computer software and amortization thereof.

(7) The adjustment represents the recognition of the effects of application of this standard on the equity of investments accounted for using the equity method.

(8) The adjustment represents the effects on deferred tax from the temporary difference resulting upon recognition of use rights and lease liabilities.

(9) The adjustment represents the reclassification of finance leases to lease liabilities regarding certain contracts on assets that were properly recorded as finance leases.

(10) Adjustment to these accounts arises from the reclassification of fixed-payment liabilities under lease agreements to lease liabilities.

(11) The adjustment represents the recognition of lease liabilities.

The effects shown in the statement of income at June 30, 2018 are:

	January 1 to June 30, 2018 with IFRS 16	January 1 to June 30, 2018 without IFRS 16	IFRS 16 adjustment	
Continuing operations				
Revenue from ordinary activities under contracts with customers	26,624,378	26,624,378		
Cost of sales	(19,996,369)	(20,018,326)	21,957	(12)
Gross profit	**6,628,009**	**6,606,052**	**21,957**	
Distribution expenses	(2,568,381)	(2,710,334)	141,953	(12)
Administration and sales expenses	(371,970)	(378,895)	6,925	(12)
Employee benefit expenses	(2,257,599)	(2,257,599)		
Other operating revenue	10,216	10,216		
Other operating expenses	(99,228)	(99,228)		
Other net (losses)	(52,031)	(54,234)	2,203	(13)
Profit from operating activities	**1,289,016**	**1,115,978**	**173,038**	
Financial revenue	172,500	172,088	412	
Financial expenses	(896,929)	(616,788)	(280,141)	(14)
Share of profits in associates and joint ventures accounted for using the equity method.	(22,375)	(22,428)	53	(15)
Profit from continuing operations before income tax	**542,212**	**648,850**	**(106,638)**	
Tax expense	(89,435)	(118,297)	28,862	(16)
Net period profit from continuing operations	**452,777**	**530,553**	**(77,776)**	
Net period profit from discontinued operations	202,389	178,332	24,057	
Net period profit	**655,166**	**708,885**	**(53,719)**	
(Loss) profit attributable to the shareholders of the controlling entity	**(30,552)**	**128,988**	**(159,540)**	

(12) The adjustment relates to the derecognition of fixed payments under lease agreeements and the recognition of the depreciation of use rights.

(13) The adjustment represents the recognition of revenue arising from the derecognition of use rights and liabilities from the early termination of lease agreements.

(14) The adjustment represents the recognition of interest expense upon measurement of lease liabilities using the effective interest method.

(15) The adjustment represents the recognition of the effects of application of this IFRS on the income of subsidiaries that are accounted for using the equity method.

(16) The adjustment represents the recognition of the effects of application of this IFRS on deferred tax revenue.

The effects shown in the statement of comprehensive income at June 30, 2018 are:

	January 1 to June 30, 2018 with IFRS 16	January 1 to June 30, 2018 without IFRS 16	IFRS 16 adjustment	
Net income for the period	**655,166**	**708,885**		
Other comprehensive income for the period				
Components of other comprehensive income that will not be reclassified to period results, net of taxes				
(Loss) from new measurements of defined benefit plans	-	-		
(Loss) from investments in equity instruments	(103,396)	(181,172)	77,176	(17)
Total other comprehensive income that will not be reclassified to period results, net of taxes	**(103,396)**	**(181,172)**		
Components of other comprehensive income that will be reclassified to period results, net of taxes				
(Loss) from translation exchange differences	(2,604,371)	(2,759,826)	155,455	(18)
Gain from the hedging of cash flows	6,965	6,965		
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	(177,115)	(91,427)	(85,688)	(17)
Total other comprehensive income that will be reclassified to period results, net of taxes	**(2,774,521)**	**(2,844,288)**		
Total other comprehensive income	**(2,877,917)**	**(3,025,460)**		
Total comprehensive income	**(2,222,751)**	**(2,316,575)**		

(17) The adjustment represents the recognition of the effects of application of this IFRS on deferred tax revenue.

(18) The adjustment arises from the effects on all foreign subsidiaries of adopting this IFRS .