Almacenes Éxito S.A.
(BVC: EXITO)

Consolidated Financial Results
For the First quarter ended March 31, 2017

1Q17

BVC (The Colombian Stock Exchange): "ÉXITO" ADR Program: "ALAXL"
Medellín, Colombia - May 15, 2017 - Almacenes Éxito S.A. ("Éxito" or "the Company"), the largest retail company in Colombia today announced its consolidated financial results for the period ended March 31, 2017. All figures are expressed in COP -Colombian pesos.

Strong consolidated operational results despite challenging economic conditions in Latam

CONSOLIDATED

- **Sales** totaled COP$13,33 billion mainly derived from the strong sales performance in Brazil and Uruguay driven from the positive outcome of commercial activities.

- **Recurring Operating Income** reached COP$481,969 million with a margin of 3.6%.

- **Recurring Ebitda** grew 34.9% to COP$730,915 million in the first quarter 2017 for a 5.4% EBITDA margin as a percentage of Net Revenues.

- **Group Share Net Result** was -COP$7,593 million in 1Q17.

Financial Highlights

Latam

- Stronger sales and operational performance despite low inflationary trends and weak economics.
- Positive effect of transversal commercial activities favoured SSS market share gains in all countries.
- Focus and clear advances on expense controls (mainly in Bra, Col) and positive effect of commercial activities increased profitability.
- Early signs of recovery in GPA, positively influenced consolidated results.
- Synergies captured in 1Q17 in value reached the level achieved in FY 2016 (USD$25M).

Colombia

- SSS outperformed the market despite a weak consumer environment.
- Best SGA expenses performance in 2 years derived from productivity and operational excellence.
- Innovative activities for further customer monetization: Viva Malls and the new Customer Loyalty Program "Puntos Colombia".

Brazil

- Improved sales levels in Brazil quarter over quarter and outpacing inflation levels.
- Consistent market share gains in volumes at Assai and Extra.
- Ongoing dynamic conversion plan.
- Performance from efforts in expenses and the deployment of key strategies in 2016.

Uruguay

- Sustained recurring Ebitda levels despite macro winds.
- Market share gains from expansion in proximity.

Argentina

- Strong contribution of real estate compensated retail margin amidst FX effects and economic pressures.

1Q17 Operational Highlights

Capex

- **The level of Consolidated Group Capital Expenditure** for 1Q17 was COP$545,000 million. Of this amount, 41% was allocated to retail and real estate expansion as well as conversions; the remaining 59% was used in maintaining and supporting operational structures, updating IT systems and for logistics. In Colombia, Capital Expenditures reached COP$185,000 million in 1Q17 of which nearly 35% corresponded to real estate requirements.

Retail Expansion

- Grupo Éxito continued **expanding key formats** and markets across the region. In Colombia, the Company opened 1 Éxito flagship store in Bogota and added 119 allies to a total of 1.336. In Brazil, the Company opened 1 Pao de Açucar store and added 48 “Aliados CompreBem”. In Uruguay and Argentina, the focus was Proximity with the opening of 1 Devoto Express store in Uruguay and 2 Petit Libertad stores in Argentina.

- As a net result, during 1Q17, Grupo Éxito concluded with 1.559 food retail stores, geographically diversified with 563 stores in Colombia, 888 in Brazil, 80 in Uruguay and 28 in Argentina. Stores in Brazil do not include pharmacies, gas stations and stores from the discontinued business unit of Via Varejo. The Company´s consolidated selling area reached over 2,8 million square meters.

Real Estate Expansion

- In Colombia, the Company moved forward on the construction of Viva Envigado, which is at 29% completion as is expected to open by the 2H18. The construction of Viva Tunja advanced by 5% and the shopping mall is expected to open by the 4Q18.

- In Argentina, the construction of San Juan shopping mall is at 35% completion and Rivera Indarte shopping mall is at 2% completion.

Strategic Activities

- The **divestment process for Via Varejo** continues, for the Company to focus on the food business in Brazil to become the food retail leader in South America.

Loyalty Program “Puntos Colombia”

- Agreement between Grupo Éxito and Grupo Bancolombia for the incorporation of a new company to further develop a new loyalty program. “Puntos Colombia” will replace the current customer loyalty programs of Grupo Éxito and Grupo Bancolombia to become the new customer loyalty program through which the clients of both companies and other business allies joining the program in the future might earn and redeem points within the whole perimeter of this new program.

General Shareholders Meeting

- All the proposals presented before the General Shareholders Meeting held in March 31, 2017 were approved. This included:
  - A dividend pay-out ratio of 50% equivalent to the annual sum of COP$48,64 per share.
  - The amendment to the Company Bylaws, articles 4, 58, 58bis, 59 and 61.

Consolidated Income Statement

Consolidated statements of income as of March 31st of 2016 include the effects of the restatement of the discontinued operation relevant to Via Varejo S.A. and Cnova N.V. for comparison purposes to 2017. They also include the effects of the restatement of Companhia Brasileira de Distribuição – CBD results arising from the adjustment booked regarding the investigation on Cnova N.V. and the effect of the adjustments from the completion of the Purchase Price Allocation process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and of Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Grupo Éxito		
In millions of COP	1Q17	1Q16	1Q17/16
Sales	13,333,244	11,805,517	12.9%
Other Revenue	192,669	174,998	10.1%
Net Revenue	**13,525,913**	**11,980,515**	**12.9%**
Cost of Sales	-10,287,966	-9,151,922	12.4%
% of Net Revenues	-76.1%	-76.4%	
Gross Profit	**3,237,947**	**2,828,593**	**14.5%**
% of Net Revenues	23.9%	23.6%	
SG&A Expenses	-2,507,032	-2,286,754	9.6%
% of Net Revenues	-18.5%	-19.1%	
Depreciation and Amortization	-248,946	-198,768	25.2%
% of Net Revenues	-1.8%	-1.7%	
Total SG&A	**-2,755,978**	**-2,485,522**	**10.9%**
% of Net Revenues	-20.4%	-20.7%	
Recurring Operating Income (ROI)	**481,969**	**343,071**	**40.5%**
% of Net Revenues	3.6%	2.9%	
Non - Recurring income and expenses	-61,596	-85,496	-28.0%
% of Net Revenues	-0.5%	-0.7%	
Operating Income (EBIT)	**420,373**	**257,575**	**63.2%**
% of Net Revenues	3.1%	2.1%	
Net Financial Income	-280,056	-242,786	15.4%
% of Net Revenues	-2.1%	-2.0%	
Income from associates & joint ventures	-20,337	19,164	-206.1%
% of Net Revenues	-0.2%	0.2%	
EBT	**119,980**	**33,953**	**253.4%**
% of Net Revenues	0.9%	0.3%	
Income Tax	-53,273	5,710	-1033.0%
% of Net Revenues	-0.4%	0.0%	
Net Income	**66,707**	**39,663**	**68.2%**
% of Net Revenues	0.5%	0.3%	
Net Income of discontinued operations	123,175	-113,514	-208.5%
% of Net Revenues	0.9%	-0.9%	
Non-controlling interests	197,475	-74,611	-364.7%
% of Net Revenues	1.5%	-0.6%	
Net income attributable to Grupo Éxito	**-7,593**	**760**	**-1099.1%**
% of Net Revenues	-0.1%	0.0%	
Recurring EBITDA	**730,915**	**541,839**	**34.9%**
% of Net Revenues	5.4%	4.5%	
EBITDA	**669,319**	**456,343**	**46.7%**
% of Net Revenues	4.9%	3.8%	

Consolidated Financial Performance

- **Consolidated sales** totalled COP $13,3 billion in 1Q17 and grew by 12.9%. The food category increased by mid-single digit in terms of sales. In 1Q17, the food mix contributed strongly to the sales growth in Brazil (+9.5%), Uruguay (+6.7%) and Argentina (+21.5%). In Colombia, however, non-food was driver benefited by the performance of the textile line. Textiles also grew in Brazil demonstrating the effectiveness of the bussiness model.

- **Consolidated Net Revenues** grew by 12.9% in 1Q17 derived from the strong sales performance in Brazil and Uruguay driven from the positive outcome of commercial activities and higher other revenues (+10.1%) driven mainly by the contribution of Complementary Business especially the real estate in Colombia and Argentina.

- **Gross margin** gained 30 bps to reach 23.9% and reflected the improved consumer environment in Brazil and cost efficiencies at all 4 operations despite inflation in the region and the Company's overall price-driven strategy used to maintain competitiveness.

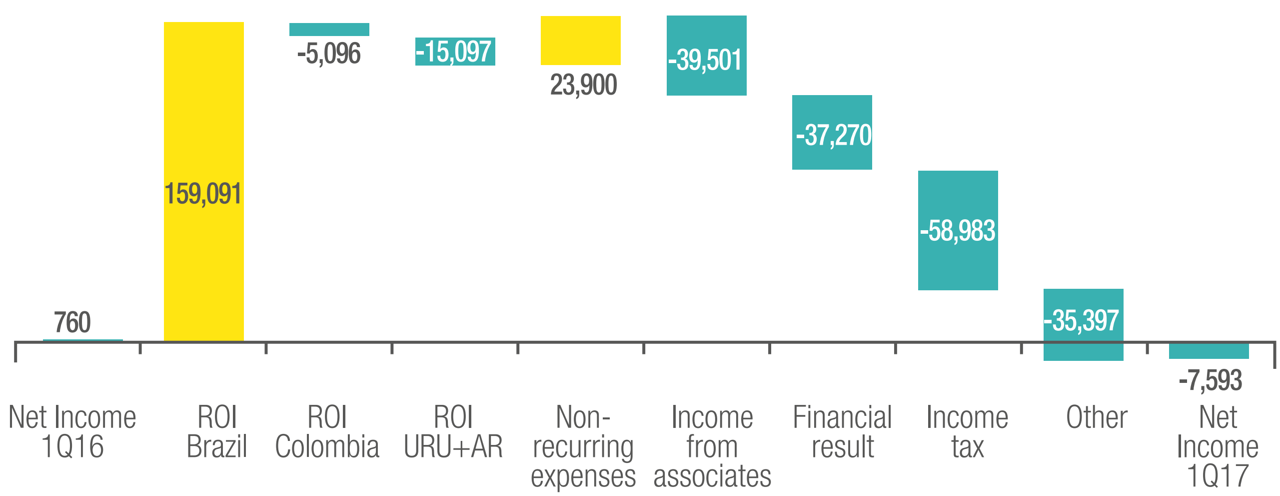
- **SG&A** decreased by 30 bps in 1Q17 versus the same period last year, reflecting productivity efforts and other cost-cutting initiatives that offset inflation in the region that caused salary levels, occupancy and utility costs to rise.

- **Recurring Operating Income Margin** grew by 40.5% to 3.6% in 1Q17 and reflected the Company´s productivity efforts despite higher inflation levels and the complex economic environment in the region.

- **Recurring EBITDA** margin grew by 34.9% to 5.4% in 1Q17 and the 90 bps improvement in margin reflected improvements at gross margin levels in all 4 countries, expenditure levels growing below sales and productivity gains.

- **The consolidated Net Loss Result** in 1Q17 was COP$7,593 million.

Consolidated Group Share Net results 1Q17

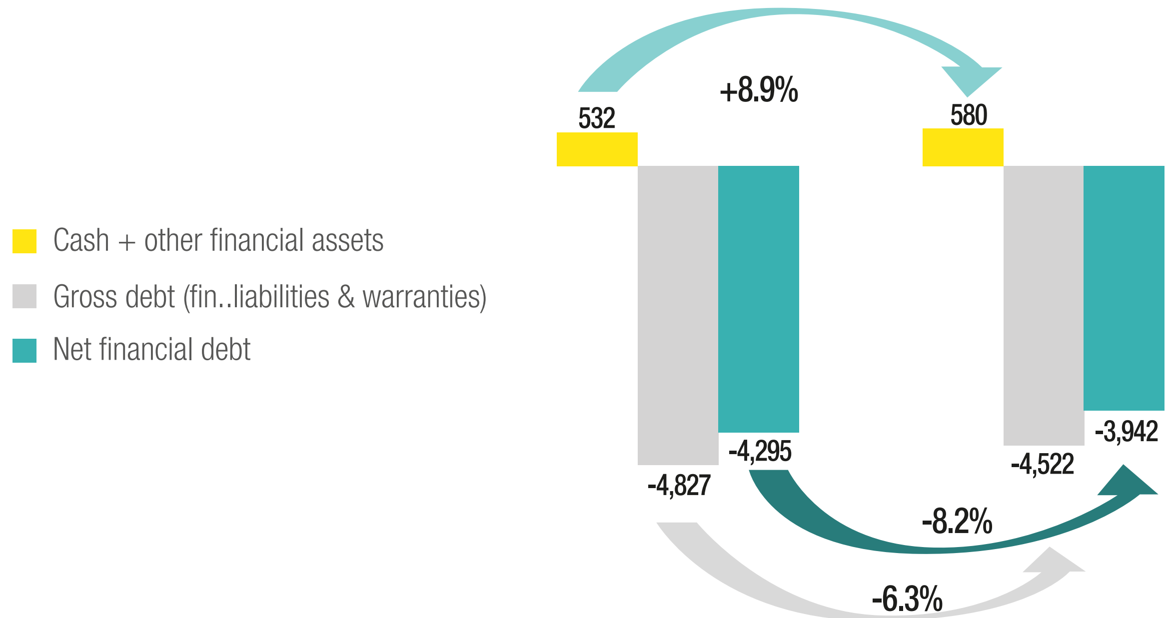


The Net Loss Result in 1Q17 of COP $7,593 million derived from:

- The **positive** quarterly variations of Recurring Operating Income of Brazil of COP$159,091 M and of the consolidated non-recurring income of COP$23,900 M, offset mainly by,

- The **negative** quarterly variations of Recurring Operating Income of Colombia, Uruguay and Argentina of COP ($20,193) M, the consolidated net financial expense of COP ($37,270 M) and the consolidated tax provisions of COP ($58,983) M.

Net Debt and Cash at Holding level



In 1Q17, the NFD at the Holding level closed at approximately COP$3.94 billion, including $450 million in USD, representing a decrease of 8.2% versus the level in 1Q16, related to the cash centralization at the holding level and optimization of receivables collection, among others.

- A long-term amortization payment of COP $97.500 M made in Feb; one more scheduled for Aug.
- Interest rates related to the Company´s debt were below IBR3M + 3.5% in COP and LIBOR3M + 1.75% in USD.
- The repo rate in 1Q17 of 7.0% was 50 bps higher than the one posted versus the same period last year (6.5%).

Cash at Holding level

- In 1Q17, the Cash and other financial assets at the holding level closed at approximately COP$580,00 million, representing an increase of 8.9% versus the level in 1Q16. The higher cash flow level by COP$48,000 M derived mainly from WK improvements related to inventory optimization.

1Q17 Sales performance

Sales in Colombia

In COP M	1Q17 Total Sales	1Q17 % Var. Total Sales	1Q17 %Var. SSS	Adjusted by the Calendar Effect[1] % Var SSS Sales	Adjusted by the Calendar Effect[1] % Var SSS
Total Colombia	**2,602,106**	**-2.4%**	**-3.5%**	**-1.0%**	**-2.2%**
Éxito	1,788,076	-1.4%	-2.9%	0.0%	-1.5%
Carulla	365,921	-2.9%	-3.5%	-1.6%	-2.2%
Discount	385,005	-6.4%	-6.4%	-4.8%	-4.8%
B2B[2] + Other	63,104	-1.2%	N/A	N/A	N/A

(1) % Var Total sales and SSS including calendar effect of -1 day in February 2017 is 1.4%.

(2) B2B: Sales from Allies, Institutional, third party sellers and Surtimayorista.

- In Colombia, economic contraction and the tax reform of 2016, negatively affected consumer confidence levels (-24.3 1Q17 vs -20.1 1Q16) and the retail confidence index (18.6 Mar/17) that reached its lowest level since August 2015.
- The subsequent 3% VAT increase led to a weak retail sales performance trend, excluding gas and vehicles, that experienced a contraction of -1.4% during the quarter.
- Grupo Éxito´s **total sales in Colombia** reached COP $2,6 billion amidst weak consumption and a decelerated inflationary trend (CPI 4.7% in 1Q17 vs 8.0% in 1Q16; CPI food 3.7% in 1Q17 vs 12.4% in 1Q16).
- Sales in the country suffered an annual contraction of 1.0% in 1Q17 versus the same period last year when adjusted by the calendar effect (-1.4% due to a one day less in February). Nevertheless, the organic expansion of 20 new stores opened during the last 12 months as well as the positive customer response towards the Company's commercial activities contributed to sales and partially offset by the very negative national retail sales trend.
- The mix share in the food category lost 90 basis points and was 73.4% in 1Q17 versus the same period last year, while the non-food category benefited from the increased share and growth of the textile category in all banners reflecting the strong acceptance of our Every Day Low Price strategy among customers. Textile continued as the best performer while entertainment showed resilience in 1Q17.
- **Same-store sales in Colombia** decreased by -2.2% in 1Q17 when adjusted by the calendar effect.
- The **Éxito** segment represented approximately 69% of sales in Colombia and experienced flat growth adjusted to the calendar effect, showing the resilient performance of hypermarkets derived from commercial strategies. Sales of the Éxito segment were stable and posted like-for-like levels of -1.5% in 1Q17 when adjusted to the calendar effect.
- In the **Carulla** segment, sales decreased by -1.6% in 1Q17 and posted a -2.2% like-for-like level both adjusted from the calendar effect.
- The **Discount** segment posted sales and same-store sales levels of -4.8% in 1Q17 when adjusted to the calendar effect. The performance of the discount segment reflected Grupo Éxito´s expansion strategy of focusing on store profitability.
- Sales in the **B2B** segment included sales from "Surtimayorista" our first cash and carry store in Bogotá that is already profitable and its sales are 2.7 times/sqm after conversion vs. the previous format. The segment also included sales from the 1,336 "aliados" reached as of 1Q17.

Operating Performance
Colombia

	1Q17	1Q16	
	Millions of COP	Millions of COP	1Q17/16
Sales	2,602,106	2,665,179	-2.4%
Other Revenues	94,036	90,786	3.6%
Net Revenues	2,696,142	2,755,965	-2.2%
Gross Profit	684,233	661,643	3.4%
Gross Margin	25.4%	24.0%	
SG&A Expenses	-595,297	-567,611	4.9%
SG&A /Net Revenues	-22.1%	-20.6%	
Recurring Operating Income	88,936	94,032	-5.4%
Recurring Operating margin	3.3%	3.4%	
Recurring EBITDA	150,185	153,776	-2.3%
Recurring EBITDA margin	5.6%	5.6%	

- Quarterly **Net Revenues** decreased by 2.2% in 1Q17 due to lagging sales levels impacted by a lower inflation trend and the weak economic performance in Colombia. Other revenues represented 3.5% as a percentage of Net Revenues in 1Q17 and the 3.6% growth mainly stemmed from the performance of the real estate business, which included additional revenues from Viva La Ceja and Viva Barranquilla.

- **Gross Margin** in 1Q17 grew by 3.4% and gained 140 basis points versus the same period last year reaching 25.4% as percentage of Net Revenues. Gross margin levels benefitted by a lower inflation rate and reflected efforts to improve productivity mainly from lower shrinkage levels that improved as percentage of sales and from lower logistic costs. The higher contribution of complementary businesses mainly related to the real estate unit also favoured the margin increase.

- **SG&A Expenses** in Colombia grew by 4.9% and represented 22.1% as a percentage of Net Revenues. SG&A included higher occupancy costs related to the increase in leases, the effect of store sale and lease backs that impacted D&A during the last 3 quarters (+2.5% 1Q17, 8.3% 4Q16, 7.0% 3Q16) and higher local taxes.

  SG&A Expenses in 1Q17 posted the lowest increase in the last two years. This positive outcome drove from Grupo Éxito´s focus on operational efficiency and the deployment of clear action plans.

- **Recurring Operating Margin** was 3.3% and **Recurring EBITDA** margin remained flat at 5.6% in 1Q17 versus the same period last year. Margins benefitted from productivity efforts that offset expenditure levels.

Sales in Brazil

	1Q17		
	Total Sales (In COP M)	% Var. of Total sales adjusted by calerndar effect	% Var. of SSS adjusted by calerndar effect
Total Brazil	9,742,308	9.5%	5.6%

(1) Variations in sales and SSS in local currency. Adjusted for calendar effects related to: February (1 day less) and March (Easter effect). The adjustment was 280 bps for GPA Food. Brazil's food figures include: Multivarejo + Assaí. Via Varejo registered as a discontinued operation.

- **Sales at GPA** related to the food business grew by 19.0% and reached COP$9.7 billion and rose by 9.5% in terms of local currency when adjusted by the calendar effect during the first quarter 2017 versus the same period last year. Sales grew by over 2x of inflation levels in Brazil, confirming the recovery at Extra hypermarkets and the consistent sales contribution and strong performance of Assaí.

- In terms of food retail expansion during 1Q17 the Company opened 1 Pao de Açúcar store while the Aliados Compre Bem model brought as a synergy from Éxito, also gained traction with 48 new partners during 1Q17 and reached 150 stores. Another 8 stores are currently under construction 7 of which are Assaí (including 5 conversions from Extra Hyper and 2 new stores) and 1 Minuto Pao de Açucar, which are scheduled to open in the second and third quarters of 2017.

  Same-store-sales growth in the food segment in Brazil was 5.6% in 1Q17 in terms of local currency after adjusted by the calendar effect. The outcome derived mainly from the strong 12.9% growth in Assaí as well as from the sequential recovery of the Extra hypermarkets. Thus, sales and LFL levels of the food business excelled in the midst of a strong declining inflation trend in Brazil that went on average from 13.1% in 1Q16 to 5.2% in 1Q17.

- **Assaí** sales grew by 28.8% in 1Q17 in terms of local currency and when adjusted to the calendar effect and increased its sales contribution to the food segment to 38.3%, an increase of 640 basis points versus the same period last year. Sales benefited by organic expansion with the opening of 12 Assaí stores in the last 12 months. These include 2 Extra Hyper stores converted to Assaí at the end of 2016 which continued delivering strong performance in 1Q17 and posted a solid 2.5x sales growth and around 50% in customer traffic. Five more stores are already in the conversion process and are expected to open in the second and third quarter of 2017, for at least 15 conversions at the end of the year.

  The banner continued to experience consistent and solid SSS growth and significantly outpaced inflation, posting 12.9% in terms of local currency when adjusted by the calendar effect in 1Q17, driven by the sustained double-digit growth in customer traffic and despite lower food inflation by 790 basis points. Store maturity and higher traffic has allowed the banner to continue gaining market share as was the case in 2016.

- **Multivarejo** posted 2.0% SSS growth in 1Q17 in terms of local currency and adjusted by the calendar effect. Multivarejo also posted an improved customer traffic trend of and a volume recovery versus the same period last year. The sales outcome is quite positive taking into account the negative effects from the lower food inflation within the period and the closure of 60 stores in the last 12 months, 20 of which were in 1Q17.

- In **Extra hypermarkets,** SSS levels increased by 5.4% in 1Q17 versus the previous quarter when adjusted by the calendar effect. This outcome was significant considering that food inflation was 520 basis points lower versus the previous quarter, reflecting the accuracy of commercial activities implemented by Grupo Éxito through its synergy plan and without putting additional pressure on gross margins. The format also posted market share gains in terms of volumes in the last 12 periods and current level is higher than the historical figure posted in 2015 as well as demonstrated accelerated growth compared to the market year-to-1Q17. In Extra supermarkets, volumes recovered with a growth in 1Q17 of around 2% and SSS were 1.0% when adjusted by the calendar effect, despite a lower food inflation level. Moreover, the format posted improved customer traffic during 1Q17 versus the previous quarter and when compared to the same quarter last year.

- **Pao de Açucar** improved its volume trend and customer traffic, however, the lower inflation level in the period offset SSS performance. The banner retained its market share in the first two months of the year.

- The **proximity** format posted sales impacted by the closure of 41 stores in the last 12 months as well as store conversions from Minimercado Extra to Minuto Pao de Açucar stores in 1Q16 that also affected LFL levels.

Operating Performance
Brazil

Food Segment	1Q17 Millions of COP	1Q16 Millions of COP	1Q17/16
Sales	9,742,308	8,184,257	19.0%
Other Revenues	67,603	54,995	22.9%
Net Revenues	9,809,911	8,239,252	19.1%
Gross Profit	2,194,959	1,825,668	20.2%
Gross Margin	22.4%	22.2%	
SG&A Expenses	-1,869,968	-1,659,768	12.7%
SG&A /Net Revenues	-19.1%	-20.1%	
Recurring Operating Income	324,991	165,900	95.9%
Recurring Operating margin	3.3%	2.0%	
Recurring EBITDA	502,666	310,188	62.1%
Recurring EBITDA margin	5.1%	3.8%	

- **Net Revenues** grew by 19.1% in Colombian Pesos during 1Q17 versus the same period last year. These sales figures confirmed the recovery at Extra hypermarkets and the consistent sales contribution and strong performance of Assaí. Other revenues were also a strong contributor as posted a 22.9% growth.
- **Gross margin** rose by 20.2% to 22.4% in 1Q17 versus the same period last year. The 20 bps margin increase stemmed from precise and successful investments in promotions, the faster maturity of the Assaí stores opened in 2016 (despite the higher share of the sales mix of Assaí) and from lower shrinkage.
- **SG&A Expenses** experienced a significant reduction of 100 bps in 1Q17 versus the same period of last year, due to the discipline and control over operating expenses from the initiatives adopted last year. In Multivarejo, expense reductions originated from efficiency projects that led to lower electricity consumption. Additionally, the staff base was optimized by reducing near 7.000 FTE´s thanks to increased team productivity at stores and DC´s and without affecting service levels. In Assaí, there was expense dilution in 1Q17 despite the strong expansion in the LTM.
- Key elements such as other operating revenues derived from asset divestments, the write-off of stores undergoing conversion and the reversal of provisions related to PIS/COFINS on ICMS benefitted the operational result of GPA. Thus, **Recurring Operating Income** grew by 95.9% and posted a 3.3% margin and **Recurring EBITDA** grew by 62.1% and posted a 5.1% margin in 1Q17 versus the same period last year.
- The performance of GPA was marked by significant operational improvements at Multivarejo and Assaí, which led to higher profitability, a strong increase of 130 bps at both the Recurring Operating and the EBITDA margins.

Operating Performance
Uruguay

	1Q17	1Q16	
	Millions of COP	Millions of COP	1Q17/16
Sales	668,377	630,450	6.0%
Other Revenues	5,124	7,321	-30.0%
Net Revenues	673,501	637,771	5.6%
Gross Profit	232,814	216,132	7.7%
Gross Margin	34.6%	33.9%	
SG&A Expenses	-172,025	-143,941	19.5%
SG&A /Net Revenues	-25.5%	-22.6%	
Recurring Operating Income	60,789	72,191	-15.8%
Recurring Operating margin	9.0%	11.3%	
Recurring EBITDA	66,903	63,216	5.8%
Recurring EBITDA margin	9.9%	9.9%	

- The macroeconomic environment has weakened affected by its main commercial partners, Argentina and Brazil. Increases in unemployment rates in Uruguay, began to reflect lower consumption levels, amidst a more restrictive fiscal policy. Inflation during 1Q17 was relatively low at 6.7%; however, the market expects inflationary pressures in the coming quarters that may force higher wage levels.

- **Sales** in Uruguay grew in line with inflation by 6.7% in local currency and reached COP $668.000 million in 1Q17 versus the same period last year. The food sales mix in Uruguay was 85% in 1Q17 and sales benefited mainly from the Company´s expansion into convenience stores with the opening of 14 Devoto Express in the last 12 months, as this format now represents nearly 2% market share.

- In Uruguay, **same-store-sales** levels were 5.0% in 1Q17 in local currency when adjusted by the calendar effect, benefitted by the strong like-for-like performance of the textile and the home categories that posted low double-digit growth.

- Quarterly **Net Revenues** rose by 5.6% and included other operational revenues related to the insurance reimbursement for damages at the Pichincha distribution centre included in the base of 2016.

- **Gross Margin** in 1Q17 grew by 7.7% in Colombian Pesos and represented 34.6% of Net Revenues. This 70 basis point growth came from efficiencies in commercial activities along with improved negotiation terms with suppliers. Additionally, there was a seasonal benefit from having the Easter holiday break in 2Q17 rather than at the end of March as it occurred in 1Q16.

- **SG&A Expenses** increased by 19.5% in 1Q17 mainly derived from growth of 60 bps in operational expenses and a change in D&A that went from an income to an expense as in 2016 there was a retroactive effect derived from the adjustment to reduce the asset life base in 2015. Operational expenses related mainly to the effect of wage increases due to union negotiations.

- **Recurring Operating Income** margin was 9.0% in 1Q17 reflected the higher gross profit level affected by a higher expenses at the operational level and changes in the D&A base (+168%) from the adjustment to reduce the asset life base in 2015.

- **Recurring EBITDA** margin grew by 5.8% and remained stable at 9.9% in 1Q17 versus the same period last year, demonstrating consistent growth and healthy profitability levels.

Operating Performance
Argentina

	1Q17 Millions of COP	1Q16 Millions of COP	1Q17/16
Sales	321,482	328,482	-2.1%
Other Revenues	26,727	22,287	19.9%
Net Revenues	348,209	350,769	-0.7%
Gross Profit	126,626	125,358	1.0%
Gross Margin	36.4%	35.7%	
SG&A Expenses	-119,373	-114,410	4.3%
SG&A /Net Revenues	-34.3%	-32.6%	
Recurring Operating Income	7,253	10,948	-33.8%
Recurring Operating margin	2.1%	3.1%	
Recurring EBITDA	11,161	14,659	-23.9%
Recurring EBITDA margin	3.2%	4.2%	

- Argentina's macro environment continued marked by weak retail sales levels and an overall lack of consumer confidence. The country experienced a lower inflationary trend as the index decreased from 35.6% in 1Q16 to 33.9% in 1Q17. Nevertheless, CPI that was nearly 40% in 2016 already created pressures at the cost and expense level.

- Libertad **Sales** totalled COP$321,000 million in 1Q17 and posted both sales and SSS growth of 21.5% in local currency when adjusted by the calendar effect. The sales performance of Libertad was affected by quarterly retail sales in Argentina that contracted by 3.7% according to CAME. Despite the macro environment, 1Q17 sales benefited from the proximity format that grew sales above inflation in local currency as well as from food sales, mainly in the fresh line.

- The food mix grew by 360 bps in 1Q17 versus the same period last year to 75% mainly driven by commercial activities. The growth of textiles in line with inflation derived from the implementation of the textile model already present at 6 stores, benefited the non-food category, however, the flattish result of entertainment and home due to the elimination of sales on credit during the 1Q17, allowed only a slightly positive result of the category. Nonetheless, this result compares to the negative single-digit outcome posted by the market during the first quarter 2017.

- In Argentina, 2 premium proximity stores opened under the Petit Libertad banner (3 in LTM), which captured the format expertise gained by Minuto Pao de Açúcar in Brazil and Carulla Express in Colombia. The Company totalled 28 stores year-to-1Q17 in the country.

- **Quarterly Net Revenues** totalled COP$348,000 million in 1Q17. The sales decrease offset higher revenues from "other" which rose by 20%, mainly from the strong performance of the real estate business.

- **Gross margin** in 1Q17 was 36.4% as a percentage of Net Revenues and the 70 bps growth derived from the strong contribution of the real estate business.

- **SG&A Expenses** grew by 4.3% in 1Q17 in Colombian pesos to 34.3% as percentage of Net Revenues. Increased expenditures reflected the inflationary effect on wages and increases in general expenses mainly related to utilities and marketing activities to boost sales.

- **Recurring Operating margin** was 2.1% in 1Q17 as a percentage of Net Revenues and **Recurring EBITDA** margin was 3.2%. Margins reflected the weak economic performance seen in the country that mainly affected the non-food category and drove the contraction in sales and the expenditures affected by high inflation levels. Nevertheless, the real estate business continued as the main Ebitda generator, offering some resilience to the outcome.

Consolidated Balance Sheet
In millions of COP

	March 2017	December 2016	% Var
ASSETS	**58,274,341**	**62,497,566**	**-6.8%**
Current Assets	**28,670,432**	**32,644,699**	**-12.2%**
Cash & Cash Equivalents	2,373,974	6,117,844	-61.2%
Inventories	5,712,661	5,778,173	-1.1%
Accounts receivable	1,285,213	1,173,351	9.5%
Assets for taxes	953,728	891,790	6.9%
Non-current assets held for sale	18,029,856	18,429,787	-2.2%
Others	315,000	253,754	24.1%
Non-current Assets	**29,603,909**	**29,852,867**	**-0.8%**
Goodwill	5,597,372	5,616,136	-0.3%
Other intangible assets	5,651,365	5,663,422	-0.2%
Property, plant and equipment	12,042,280	12,256,656	-1.7%
Investment Properties	1,900,829	1,843,593	3.1%
Investments in associates and JVs	998,765	1,068,087	-6.5%
Deferred tax assets	1,424,705	1,456,866	-2.2%
Assets for taxes	601,971	581,947	3.4%
Others	1,386,622	1,366,160	1.5%

Consolidate Balance Sheet	Mar 2017	Dec 2016	Var %
LIABILITIES	**38,957,659**	**43,386,357**	**-10.2%**
Current Liabilities	**26,970,594**	**30,856,886**	**-12.6%**
Trade Payables	8,520,430	11,537,585	-26.2%
Borrowing-Short Term	2,634,260	2,963,111	-11.1%
Other financial liabilities	1,053,518	805,555	30.8%
Non-current liabilities held for sale	13,989,342	14,592,207	-4.1%
Liabillities for taxes	308,651	320,023	-3.6%
Others	464,393	638,405	-27.3%
Non-current Liabilities	**11,987,065**	**12,529,471**	**-4.3%**
Trade Payables	42,405	42,357	0.1%
Borrowing-Long Term	3,950,601	4,354,879	-9.3%
Other provisions	2,651,209	2,706,629	-2.0%
Deferred tax liabilities	2,968,303	2,965,586	0.1%
Liabillities for taxes	486,739	502,452	-3.1%
Others	1,887,808	1,957,568	-3.6%
Shareholder´s Equity	**19,316,682**	**19,111,209**	**1.1%**
Non-controlling interests	11,616,476	11,389,522	2.0%
Shareholder´s Equity	7,700,206	7,721,687	-0.3%

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Summary Consolidated
Cash Flow Statement
(In millions of COP)

	1Q17	1Q16	%Var 17/16
Profit (loss)	**189,882**	**-73,851**	**-357.1%**
Adjustment to reconciliate Net Income	-5,619,262	-6,953,070	-19.2%
Cash Net provided (used) in Operating Activities	-5,494,843	-7,087,861	-22.5%
Cash Net provided (used) in Invesmtent Activities	-536,981	-393,684	36.4%
Cash net provided (used) in Financing Activities	-997,824	1,648,535	-160.5%
Increase (decresase) Net of cash and cash equivalents before the FX rate changes	**-7,029,648**	**-5,833,010**	**20.5%**
Effects on FX changes on cash and Cash equivalents	59,840	488,028	-87.7%
Increase (decresase) Net of cash and cash equivalents	**-6,969,808**	**-5,344,982**	**30.4%**
Opening Balance of Cash and cash equivalents	**6,117,844**	**10,068,717**	**-39.2%**
Ending Balance of Cash of Non-Current Assets held for sale	484,895		
Ending Balance of Cash and cash equivalents	**2,373,974**	**4,723,735**	**-49.7%**

Company´s International Strategy and the Synergy Processes

Grupo Éxito continued deploying its synergy plan across the region.

Joint commodity purchasing activities continued at regional levels with top multinational food and non-food vendors. The Company moved 209 containers in 1Q17 (versus 330 in 2016) with savings in food purchasing activity at the cost level. The Company benefited from the LatAm business encounters developed in the 4 countries with vendors exporting various products where the group has a retail platform and by improving terms with suppliers.

The textile strategy that began in Colombia has already been deployed at various hypermarkets in **Brazil, Argentina and Uruguay,** through a unified product sourcing across the retail platform in the 4 countries, this contributed to improve volumes, sales and EBITDA levels in the textile category.

The "Ally" model that began Colombia has been implemented in Brazil under the name "Aliados CompreBem" and has continued growing to reach 150 partners. The strategy is completely in line with the number of allies and sales levels that we expected as per the business plan.

The Company continued its expansion plan in Uruguay. Also deploying **Argentina´s commercial model** across LatAm, favouring growth in terms of tickets and volumes as well as strengthened market share across banners. Additionally, it is implementing an exchange of best practices between Colombia and Brazil that favoured shrinkage level decreases. Added back office activities also were included to adapt the business to the continuously growing integrated operation in order to operate more efficiently and to obtain cost savings.

Synergies captured in 1Q17 in value reached the level achieved in FY 2016 (USD$25M).

Grupo Éxito confirms that the expected run rate from synergies should reach at least USD$50 million in recurring gains in 2017.

2017 Outlook

Latam:

- Latam synergy outlook exceeding USD$50 million.
- Gradual decrease in interest rates (Col, Bra) to lower financial expenses and drive consumption levels.
- Mid-term economic recovery expected in Colombia, Brazil and Argentina.
- Focus on cost and expense control activities.
- Expansion focus on cash and carry (Bra, Col).
- High potential from store conversions and premium store renovations.

Brazil:

- Focus on cost and expense control.
- Assaí: 6 to 8 new stores and 10 to 15 conversions from Extra.
- Pao de Acucar focus on store renovation and customer experience.
- Ongoing divestment process of Via Varejo.

Colombia:

- Gradual recovery in consumption by 2H17.
- Focus on cost and expense control activities and in profitable expansion.
- Real estate expansion of Viva Malls (+120k sqm of GLA by 2018).
- Consistency in profitable activities to face competition (cash and carry, unbeatable, private label, fresh product model and allies).
- "Puntos Colombia", to be launched by 2018.

Uruguay:

- Continue strengthening market share and expanding in high-return formats with the opening of 10 to 15 Devoto Express stores.
- Maintain solid margin levels.

Argentina:

- Strengthening the real estate business by constructing GLA of nearly 35,000 square meters in the next 2/3 years.

Appendices

1. Debt

Net debt breakdown by country

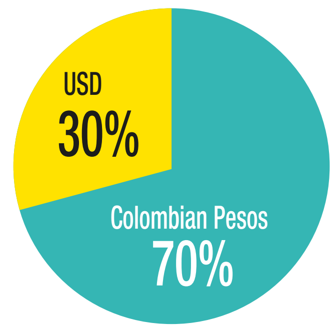
March 31,2017 (Figures in M COP)	Colombia(1)	Uruguay	Brazil	Argentina	Consolidated
Short-term debt	1,160,177	365,227	2,144,232	18,142	3,687,778
Long-term debt	3,382,003	0	2,336,899	0	5,718,903
Total gross debt (2)	4,542,180	365,227	4,481,131	18,142	9,406,680
Cash and cash equivalents	678,470	126,903	1,556,712	11,890	2,373,974
Net debt	**3,863,710**	**238,324**	**2,924,420**	**6,252**	**7,032,706**

(1)Note: Colombia includes results of Almacenes Exito S.A. and its subsidiaries in Colombia.

(2) Debt without contingent warranties and letters of credit

Holding Gross debt[3] breakdown by currency

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



Holding Gross debt breakdown by maturity

March 31,2017 (millions of COP)	Nominal amount	Nature of interest rate	Maturity	March 31, 2017
Long term	1,850,000	Floating	August 2025	1,655,010
Mid term COP	838,000	Floating	December 2020	838,000
Mid term USD(4)	1,296,108	Floating	December 2018	1,296,108
Revolving credit facility - Syndicated	500,000	Floating	August 2018	500,000
Revolving credit facility - Bilateral	100,000	Floating	August 2017	100,000
Total gross debt	**4,584,108**			**4,389,118**

(4) The loan in USD was converted to COP using the Central Bank's closing exchange rate as of march 31st, 2017 (2,880.24).

2. EBIT - EBITDA - Capex by country
In millions of COP

	Colombia 1Q17	Brazil 1Q17	Uruguay 1Q17	Argentina 1Q17	Consolidated 1Q17
Net Revenues	2,696,142	9,809,911	673,501	348,209	13,525,913
Gross Profit	684,233	2,194,959	232,814	126,626	3,237,947
% net revenues	25.4%	22.4%	34.6%	36.4%	23.9%
SG&A Expenses	-534,048	-1,692,293	-165,911	-115,465	-2,507,032
% net revenues	-19.8%	-17.3%	-24.6%	-33.2%	-18.5%
Depreciation and amortization	-61,249	-177,675	-6,114	-3,908	-248,946
Total SG&A	-595,297	-1,869,968	-172,025	-119,373	-2,755,978
% net revenues	-22.1%	-19.1%	-25.5%	-34.3%	-20.4%
Recurring Operating Income	88,936	324,991	60,789	7,253	481,969
% net revenues	3.3%	3.3%	9.0%	2.1%	3.6%
Non Recurring Income and Expenses	-36,596	-25,102	-10	114	-61,596
Operating Income (EBIT)	52,340	299,889	60,779	7,367	420,373
% net revenues	1.9%	3.1%	9.0%	2.1%	3.1%
Recurring EBITDA	150,185	502,666	66,903	11,161	730,915
% net revenues	5.6%	5.1%	9.9%	3.2%	5.4%
Non - Recurring EBITDA	113,589	477,564	66,893	11,275	669,319
% net revenues	4.2%	4.9%	9.9%	3.2%	4.9%
Net financial income	-111,811	-169,313	3,298	-2,230	-280,056
CAPEX (in million)					
In COP	184,918	331,893	18,954	9,330	545,095
In Local Currency	184,918	357	184	50	

3. Sum of the Parts Analysis

(Millions of COP)	LTM net revenues(1)	LTM recurring EBITDA	LTM ROI	Net debt (Last quarter)(2)	Éxito stake	Market Value of the Stake(4)
Colombia	11,358,063	829,159	589,999	-3,863,710	100%	
Brazil	37,979,600	2,010,812	1,350,753	-2,924,420	18.71%	2,752,613
Uruguay	2,438,157	192,096	169,225	-238,324	62.5%-100% (3)	
Argentina	1,422,807	65,341	51,061	-6,252	100%	
Total	**53,198,627**	**3,097,408**	**2,161,038**	**-7,032,706**		

(1) Do not includes Intercompany eliminations
(2) Gross Debt (Without contigent warranties and letters of credit) - Cash
(3) Éxito Owns 100% of Devoto and 62.5% of Disco
(4) Market Capitalization of GPA as at 31/03/2017

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4. Éxito Separate P&L

	1Q17	1Q16	
	Millions of COP	Millions of COP	1Q17/16
Net Revenues	2,649,650	2,716,449	-2.5%
Gross Profit	644,594	636,565	1.3%
Gross Margin	24.3%	23.4%	
SG&A Expenses	-572,522	-549,434	4.2%
SG&A /Net Revenues	-21.6%	-20.2%	
Recurring Operating Income	72,072	87,131	-17.3%
Recurring Operating margin	2.7%	3.2%	
Operating Income (Ebit)	37,546	27,596	36.1%
Operating margin	1.4%	1.0%	
Net Income from Continued Operations	-7,593	947	-901.8%
Net margin	-0.3%	0.0%	
Recurring EBITDA	125,632	141,337	-11.1%
Recurring EBITDA margin	4.7%	5.2%	
EBITDA	91,106	81,802	11.4%
EBITDA margin	3.4%	3.0%	

Quarterly **Net Revenues** decreased by 2.5% in 1Q17 mainly due to a weak sales performance negatively affected by lower inflation and the challenging economic environment in Colombia. **Total sales in Colombia** reached COP $2,6 billion and posted a decrease of 2.1%. **Other revenues** represented 2.0% as percentage of Net Revenues in 1Q17 and posted a 17.5% decrease mainly derived from lower revenues from the credit card business affected by a lesser customer appetite for credit.

Gross Margin in 1Q17 grew by 1.3% and gained 90 basis points versus the same period last year at 24.3% as percentage of Net Revenues. Gross margin levels reflected efforts to improve productivity mainly from lower shrinkage levels.

SG&A Expenses in 1Q17 grew by 4.2% and represented 21.6% as percentage of Net Revenues. The SG&A increase in 1Q17 below inflation reflected mainly higher occupancy costs related to the increase in leases partially offset by a focus on operational efficiency.

Recurring Operating Margin decreased 17.3% to a 2.7% margin and **Recurring EBITDA** decreased 11.1% to a 4.7% margin in 1Q17 versus the same period last year. The negative performance of Net Revenues and higher expenditure levels offset improvements at gross levels and affected margins.

5. Separate Balance Sheet

In millions of COP

	March 2017	December 2016	% Var
ASSETS	**15,026,874**	**15,450,108**	**-2.7%**
Current Assets	**2,169,129**	**2,695,276**	**-19.5%**
Cash & Cash Equivalents	570,245	1,098,825	-48.1%
Inventories	1,080,037	1,077,659	0.2%
Accounts receivable	162,821	223,931	-27.3%
Assets for taxes	274,049	191,292	43.3%
Others	81,977	103,569	-20.8%
Non-current Assets	**12,857,745**	**12,754,832**	**0.8%**
Goodwill	1,453,077	1,453,077	0.0%
Other intangible assets	169,783	174,413	-2.7%
Property, plant and equipment	2,468,519	2,497,016	-1.1%
Investment Properties	379,389	312,047	21.6%
Investments in associates and JVs	8,278,463	8,207,810	0.9%
Others	108,514	110,469	-1.8%

Balance Sheet	Mar 2017	Dec 2016	Var %
LIABILITIES	**7,326,668**	**7,728,421**	**-5.2%**
Current Liabilities	**3,619,653**	**3,930,675**	**-7.9%**
Trade Payables	2,001,395	2,968,840	-32.6%
Borrowing-Short Term	1,059,417	469,362	125.7%
Other financial liabilities	79,272	87,457	-9.4%
Liabillities for taxes	52,363	43,920	19.2%
Others	427,206	361,096	18.3%
Non-current Liabilities	**3,707,015**	**3,797,746**	**-2.4%**
Borrowing-Long Term	3,368,628	3,499,454	-3.7%
Other provisions	21,102	23,093	-8.6%
Deferred tax liabilities	232,412	201,049	15.6%
Others	84,873	74,150	14.5%
Shareholder´s Equity	**7,700,206**	**7,721,687**	**-0.3%**

6. Financial Indicators

Indicators at Consolidated Level	March 2017	December 2016
Assets / Liabilities	1.50	1.44
Liquidity (Current Assets / Current Liabilities)	1.06	1.06

Indicators at Holding Level	March 2017	December 2016
Assets / Liabilities	2.05	2.00
Liquidity (Current Assets / Current Liabilities)	0.60	0.69

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7. Number of stores and selling area by Country

Colombia

Brand	Stores	Selling Area (sq m)
Éxito	261	623,081
Carulla	99	84,428
Surtimax	135	76,575
Super Inter	67	61,425
Surtimayorista	1	2,093
Total Colombia	**563**	**848,202**

Brazil

Brand	Stores	Selling Area (sq m)
Pao de Acucar	185	237,312
Extra hiper	129	763,760
Extra super	194	222,148
Minimercado Extra	197	49,929
Minuto Pao de Acucar	77	18,345
Assaí	106	420,082
Total Brazil	**888**	**1,712,660**

Uruguay

Brand	Stores	Selling Area (sq m)
Devoto	49	37,207
Disco	29	31,446
Geant	2	16,439
Total Uruguay	**80**	**85,092**

Argentina

Brand	Stores	Selling Area (sq m)
Libertad	15	107,251
Mini Libertad	13	2,130
Total Argentina	**28**	**109,381**

TOTAL	**1,559**	**2,755,335**

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Almacenes Éxito S.A.

(BVC: EXITO)

Cordially invites you to participate in its
First Quarter 2017 Earnings Conference Call

Date: Tuesday, May 16, 2017
Time: 10:00 a.m. Eastern Time
9:00 a.m. Colombia Time

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

To participate, please dial:
U.S. Toll Free: 1 888 771 4371
Colombia Toll Free: 01 800 9 156 924
International (outside U.S. dial): +1 847.585.4405

Conference ID Number: 44833470

Almacenes Éxito S.A. will report its First Quarter 2017 Earnings on Monday, May 15, 2017 after the market closes.

1Q17 results will be accompanied by a webcast presentation and audio webcast that will be available on the company's website at www.grupoexito.com.co under "Investors" or http://event.onlineseminarsolutions.com/wcc/r/1416869-1/2F0BDD947695D3D7D14243854BC19F32?partnerref=rss-events

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

Note on Forward Looking Statements

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

Contact Information:
Almacenes Éxito Investor Relations
Phone: (574) 339 65 60
E-mail: exitoinvestor.relations@grupo-exito.com