

Almacenes Éxito S.A.

Interim consolidated financial statements

At September 30, 2017

Almacenes Éxito S.A.**Interim consolidated financial statements****Notes to the interim consolidated financial statements**

At September 30, 2017, September 30, 2016 and December 31, 2016

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Almacenes Éxito S.A.
Interim consolidated statements of financial position
 At September 30, 2017 and December 31, 2016
 (Amounts expressed in millions of Colombian pesos)

	Notes	September 30, 2017	December 31, 2016 (1)
Current assets			
Cash and cash equivalents	7	2,059,010	6,117,844
Trade receivables and other accounts receivable	8	1,505,420	1,132,750
Prepaid expenses	9	192,398	119,733
Accounts receivable from related parties	10	67,768	73,743
Inventories	11	5,977,547	5,778,173
Tax assets	22	506,291	875,185
Other financial assets	12	39,753	100,879
Non-current assets held for trading	42	17,803,793	18,429,787
Total current assets		28,151,980	32,628,094
Non-current assets			
Property, plant and equipment, net	13	12,225,481	12,256,656
Investment property, net	14	1,957,251	1,843,593
Goodwill, net	15	5,583,692	5,616,136
Intangible assets other than goodwill, net	16	5,647,591	5,663,422
Investments accounted for using the equity method	17	915,086	1,068,087
Trade receivables and other accounts receivable	8	608,253	586,485
Prepaid expenses	9	51,132	60,488
Accounts receivable from related parties	10	20,282	15,684
Tax assets	22	1,244,388	581,947
Other financial assets	12	829,299	703,105
Other non-financial assets		398	398
Total non-current assets		29,082,853	28,396,001
Total assets		57,234,833	61,024,095
Current liabilities			
Financial liabilities	19	2,314,497	2,963,111
Employee benefit provisions		5,238	3,276
Other provisions	20	33,549	36,545
Trade payables and other accounts payable	21	9,028,078	11,537,028
Accounts payable to related parties	10	208,328	230,303
Tax liabilities	22	195,635	303,418
Other financial liabilities	23	635,676	805,413
Other non-financial liabilities	24	190,842	382,297
Non-current liabilities held for trading	42	13,687,869	14,592,207
Total current liabilities		26,299,712	30,853,598
Non-current liabilities			
Financial liabilities	19	4,145,449	4,354,879
Employee benefit provisions		26,872	26,872
Other provisions	20	2,459,964	2,706,629
Trade payables and other accounts payable	21	47,639	42,357
Accounts payable to related parties	10	8,265	12,733
Deferred tax liabilities	22	1,425,076	1,508,720
Tax liabilities	22	631,944	502,452
Other financial liabilities	23	2,378,724	1,835,159
Other non-financial liabilities	24	74,050	69,487
Total non-current liabilities		11,197,983	11,059,288
Total liabilities		37,497,695	41,912,886
Shareholders' equity, see attached statement		19,737,138	19,111,209
Total liabilities and shareholders' equity		57,234,833	61,024,095

(1) Some minor reclassifications to trade receivables and other accounts receivable, tax assets, property, plant and equipment, investment properties, trade payables and other accounts payable, other non-financial liabilities, deferred tax liabilities and tax liabilities were included in these financial statements for comparison to 2017.

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



Carlos Mario Giraldo Moreno
Parent's Legal Representative



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



Sandra Milena Buitrago E.
Parent's Statutory Auditor
Professional Card 67229-T
Appointed by Ernst and Young Audit S.A.S. TR-530

Almacenes Éxito S.A.

Interim consolidated statements of income

For the nine-month and three-month periods ended September 30, 2017 and September 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to September 30, 2017	January 1 to September 30, 2016 (1)	July 1 to September 30, 2017	July 1 to September 30, 2016 (1) (2)
Continuing operations					
Revenue from ordinary activities	27	40,713,177	36,668,832	13,919,543	12,823,243
Cost of sales	11	(30,712,228)	(27,803,534)	(10,725,888)	(9,789,580)
Gross profit		10,000,949	8,865,298	3,193,655	3,033,663
Distribution expenses	28	(4,076,355)	(3,772,515)	(1,339,075)	(1,263,549)
Administration and sales expenses	28	(506,743)	(473,503)	(178,012)	(169,875)
Employee benefit expenses	29	(3,778,840)	(3,408,382)	(1,268,034)	(1,193,385)
Other recurring operating revenue	30	49,223	13,970	40,437	934
Other operating expenses	30	(271,052)	(225,846)	(121,253)	(20,788)
Other net gains (losses)	30	(83,471)	(25,279)	(37,096)	(13,690)
Impairment (loss)		(1,481)	-	-	-
Profit from operating activities		1,332,230	973,743	290,622	373,310
Financial revenue	31	244,926	455,913	51,202	80,788
Financial expenses	31	(1,055,650)	(1,365,839)	(301,828)	(427,166)
Share of profits in associates and joint ventures accounted for using the equity method.	32	(41,381)	50,175	(8,097)	13,196
Earnings before income tax from continuing operations		480,125	113,992	31,899	40,128
Income tax (expense)	22	(134,286)	(142,920)	(38,813)	(99,695)
Net period profit (loss) from continuing operations		345,839	(28,928)	(6,914)	(59,567)
Net period earnings (loss) from discontinued operations	42	173,779	(804,838)	57,072	(282,786)
Net earnings (loss) for the period		519,618	(833,766)	50,158	(342,353)
Net earnings (loss) attributable to non-controlling interests		489,279	(685,795)	81,489	(242,075)
Net (loss) profit attributable to the shareholders of the controlling entity		30,339	(147,971)	(31,331)	(100,278)
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share attributable to the shareholders of the controlling entity	33	67.78	(330.58)	(69.99)	(224.03)
Earnings (loss) per basic share from continuing operations attributable to the shareholders of the controlling entity	33	46.68	(204.50)	(78.20)	(176.80)
Earnings (loss) per basic share from discontinued operations attributable to the shareholders of the controlling entity	33	21.10	(126.08)	8.20	(47.23)
Earnings per diluted share (*):					
Earnings (loss) per diluted share attributable to the shareholders of the controlling entity	33	67.78	(330.58)	(69.99)	(224.03)
Earnings (loss) per diluted share from continuing operations attributable to the shareholders of the controlling entity	33	46.68	(204.50)	(78.20)	(176.80)
Earnings (loss) per diluted share from continuing operations attributable to the shareholders of the controlling entity	33	21.10	(126.08)	8.20	(47.23)

(*) Amounts expressed in Colombian pesos.

(1) Amounts include the effect of the classification of discontinued operations of Via Varejo S.A. and Cnova N.V. for comparison to 2017. Please refer to Note 43 for a reconciliation of this statement of income to the statement of income at September 30, 2016, presented in 2016.

(2) Amounts include the effect of the restatement of the results of Companhia Brasileira de Distribuição - CBD resulting from the adjustment in this subsidiary related with the investigation on Cnova N.V., and include the effect of adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and over Libertad S.A. pursuant to IFRS 3 - Business combinations.

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


Carlos Mario Giraldo Moreno
Parent's Legal Representative


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


Sandra Milena Bultrago E.
Parent's Statutory Auditor
Professional Card 67229-T
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Almacenes Éxito S.A.

Interim consolidated statements of comprehensive income

For the nine-month and three-month periods ended September 30, 2017 and September 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to September 30, 2017	January 1 to September 30, 2016 (1)	July 1 to September 30, 2017	July 1 to September 30, 2016 (1) (2)
Net earnings (loss) for the period		519,618	(833,766)	50,158	(342,353)
Other comprehensive income for the period					
Components of other comprehensive income that will not be reclassified to period results, net of taxes					
Gain from new measurement of defined benefit plans	26	34	-	-	-
Total other comprehensive income that will not be reclassified to period results, net of taxes		34	-	-	-
Components of other comprehensive income that will be reclassified to period results, net of taxes					
(Loss) gain from translation exchange differences	26	(116,817)	1,502,923	(156,916)	(162,820)
(Loss) from investment hedging in foreign businesses	26	-	(2)	-	(2)
Cash flow hedges	26	(9,632)	-	411	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, which will be reclassified to period results	26	(5,968)	39,548	(505)	(8,158)
Total other comprehensive income that will be reclassified to period results, net of taxes		(132,417)	1,542,469	(157,010)	(170,980)
Total other comprehensive income		(132,383)	1,542,469	(157,010)	(170,980)
Total comprehensive income		387,235	708,703	(106,852)	(513,333)
Profit attributable to:					
(Loss) profit attributable to the shareholders of the controlling entity		(70,092)	199,408	(170,992)	(114,145)
Earnings attributable to non-controlling interests		457,327	509,295	64,140	(399,188)
Earnings per share (*)					
Earnings per basic share attributable to the shareholders of the controlling entity (*):					
Earnings (loss) per basic share in total comprehensive income	33	(156.59)	445.50	(382.01)	(255.01)
Earnings per diluted share attributable to the shareholders of the controlling entity (*):					
(Loss) earnings per diluted share in total comprehensive income	33	(156.59)	445.50	(382.01)	(255.01)

(*) Amounts expressed in Colombian pesos.

(1) Amounts include the effect of the classification of discontinued operations of Via Varejo S.A. and Cnova N.V. for comparison to 2017.

(2) Amounts include the effect of the restatement of the results of Companhia Brasileira de Distribuição - CBD resulting from the adjustment in this subsidiary related with the investigation on Cnova N.V., and include the effect of adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and over Libertad S.A. pursuant to IFRS 3 - Business combinations.



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Almacenes Éxito S.A.

Interim consolidated statements of cash flows

For the nine-month periods ended September 30, 2017 and September 30, 2016

(Amounts expressed in millions of Colombian pesos)

	January 1 to September 30, 2017	January 1 to September 30, 2016 (1)
Cash flows provided by operating activities		
Net earnings (loss) for the period	519,618	(833,766)
Period profit reconciliation adjustments		
Income tax	157,637	141,869
Financial costs	900,640	1,131,956
Financial revenue	(5,865)	(6,848)
(Increase) decrease in inventories	(1,169,848)	16,364
(Increase) in trade receivables	(2,164,606)	(1,389,918)
Decrease (increase) in other accounts receivable provided by operating activities	127,771	(803,583)
(Decrease) in trade payables	(2,511,441)	(5,012,680)
Increase in prepaid expenses	(72,005)	(90,831)
(Increase) in other assets	(45,376)	(31,144)
(Increase) in deposits under legal proceedings	(264,847)	(159,179)
(Decrease) in other accounts payable provided by operating activities	(1,517,041)	(774,315)
Depreciation and amortization of fixed assets and intangible assets	803,325	927,061
Provisions	874,322	1,038,147
Net unrealized loss from exchange difference	(9,364)	(17,788)
Share-based payments	23,151	16,437
Loss (gain) from reappraisal at fair value	5,231	(2,935)
Undistributed (earnings) loss from application of the equity method	22,861	(70,073)
Other adjustment from items other than cash	389,088	(3,168)
Loss from the disposal of non-current assets	87,061	35,574
(Gain) from the sale of subsidiaries	-	(75,962)
(Increase) in taxes recoverable	(413,940)	-
Other profit reconciliation adjustments	(1,852)	3,626
Total period profit reconciliation adjustments	(4,785,098)	(5,127,390)
Net cash flows (used in) operating activities	(4,265,480)	(5,961,156)
Dividends received	143,536	-
Income tax paid	(163,947)	(375,739)
Net cash flows (used in) operating activities	(4,285,891)	(6,336,895)
Cash flows provided by investment activities		
Cash flows (used in) provided by the loss of control over subsidiaries or other businesses	(293)	77,282
Cash flows (used) to gain control over subsidiaries or other businesses	(2,875)	-
Proceeds from the sale of property, plant and equipment	100,287	64,596
Acquisition of property, plant and equipment	(1,307,326)	(1,187,999)
Acquisition of intangible assets	(262,381)	(229,315)
Proceeds from the sale of other long-term assets	658	-
Acquisition of other long-term assets	-	(10,917)
Interest received	17,435	18,563
Dividends received	371	-
Net cash flows (used in) investment activities	(1,454,124)	(1,267,790)
Cash flows provided by financing activities		
Borrowings	6,937,762	5,894,865
(Repayment) of financial liabilities	(7,196,462)	(3,759,211)
(Repayment) of finance lease liabilities	(68,186)	(47,590)
Dividends (paid)	(118,155)	(292,356)
Interest (paid)	(1,124,921)	(791,343)
Payments to acquire companies	(7,377)	(69,325)
Transactions with non-controlling entities	6,483	1,825
Other cash (outflows)	-	(478)
Net cash flows provided by financing activities	(1,570,856)	936,387
Net (decrease) increase in cash and cash equivalents, before the effects of changes in exchange rates	(7,310,871)	(6,668,298)
Effects of the variation in the exchange rates on cash and cash equivalents	37,900	865,578
Net (decrease) in cash and cash equivalents	(7,272,971)	(5,802,720)
Cash and cash equivalents at the beginning of period provided by non-current assets held for trading	3,710,833	-
Cash and cash equivalents at the beginning of period	6,117,844	10,068,717
Less cash at the end of period provided by non-current assets held for trading	(496,696)	(581,239)
Cash and cash equivalents at the end of period	2,059,010	3,684,758

(1) Amounts include the effect of the classification of discontinued operations of Via Varejo S.A. and Cnova N.V. for comparison to 2017.

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Almacenes Éxito S.A.

Interim consolidated statements of changes in shareholders' equity

For the nine-month period ended September 30, 2016

(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
Balance at December 31, 2015	4,482	4,843,466	(2,734)	7,857	1,358,140	22,000	31,419	895	1,420,311	(379,247)	1,672,715	(41,026)	7,517,967	10,658,057	18,176,024
Cash dividend declared	-	-	-	-	-	-	(15,709)	-	(15,709)	-	(286,748)	-	(302,457)	(72,001)	(374,458)
Net period profit	-	-	-	-	-	-	-	-	-	-	(147,971)	-	(147,971)	(685,795)	(833,766)
Other comprehensive income	-	-	-	-	-	-	-	-	-	347,379	-	-	347,379	1,195,090	1,542,469
Appropriation for reserves	-	-	-	-	279,937	-	-	6,810	286,747	-	(286,747)	-	-	-	-
Increase from changes in interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	-	-	48,208	48,208
Increase from other contributions of non- non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	10,601	10,601
(Decrease) from other distributions to non- non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,279)	(3,279)
Adjustments from the restatement of business combinations	-	-	-	-	-	-	-	-	-	(6,056)	8	193	(5,855)	(893)	(6,748)
Measurement of the <i>Put option</i> at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	28,444	28,444
Other developments in shareholders' equity	-	-	-	-	-	-	-	3,085	3,085	-	1,836	(8,272)	(3,351)	16,129	12,778
Balance at September 30, 2016	4,482	4,843,466	(2,734)	7,857	1,638,077	22,000	15,710	10,790	1,694,434	(37,924)	953,093	(49,105)	7,405,712	11,194,561	18,600,273



Carlos Mario Giraldo Moreno
Parent's Legal Representative



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Interim consolidated statements of changes in shareholders' equity

For the nine-month period ended September 30, 2017

(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
	(Note 25)	(Note 25)	(Note 25)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)	(Note 26)					
Balance at December 31, 2016	4,482	4,843,466	(2,734)	7,857	1,644,887	22,000	15,710	5,672	1,696,126	138,303	1,144,736	(102,692)	7,721,687	11,389,522	19,111,209
Cash dividend declared	-	-	-	-	-	-	-	-	-	-	(21,771)	-	(21,771)	(29,027)	(50,798)
Net period profit	-	-	-	-	-	-	-	-	-	-	30,339	-	30,339	489,279	519,618
Other comprehensive income	-	-	-	-	-	-	-	-	-	(100,431)	-	-	(100,431)	(31,952)	(132,383)
Appropriation for reserves	-	-	-	-	21,757	-	-	-	21,757	-	(21,757)	-	-	-	-
Increase from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	-	-	22,385	22,385
Decrease from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,519)	(2,519)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	131,173	131,173
Other developments in shareholders' equity	-	-	-	-	(1,435)	-	-	2,229	794	-	77,453	43,368	121,615	16,838	138,453
Balance at September 30, 2017	4,482	4,843,466	(2,734)	7,857	1,665,209	22,000	15,710	7,901	1,718,677	37,872	1,209,000	(59,324)	7,751,439	11,985,699	19,737,138

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Professional Card 67018-T

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Note 1. General information

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

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

The Parent's main corporate purpose is:

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

The Parent's ultimate controlling entity is Casino Guichard Perrachon S.A. (France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At September 30, 2017, the controlling entity had a 55.30% interest (December 31, 2016 - 55.30%) in the share capital of the Parent.

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

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

Below is a detail of the stock ownership in subsidiaries included in the consolidated financial statements at September 30, 2017 and December 31, 2016:

Name	Segment	Country	Currency Functional currency	Stock ownership 2017			Stock ownership 2016		
				Direct	Indirect	Total	Direct	Indirect	Total
Distribuidora de Textiles y Confecciones S.A.	Colombia	Colombia	Colombian peso	94.00%	3.75%	97.75%	94.00%	3.75%	97.75%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gemex O & W S.A.S.	Colombia	Colombia	Colombian peso	85.00%	0.00%	85.00%	85.00%	0.00%	85.00%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	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%
Cdiscount Colombia S.A.S.	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 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	5.18%	43.26%	48.44%	5.18%	43.26%	48.44%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva Villavicencio	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo San Pedro Etapa I	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Centro Comercial	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Iwana	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Fideicomiso Girardot plot of land	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Centro Comercial Viva Riohacha	Colombia	Colombia	Colombian peso	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
Spice Investment Mercosur S.A.	Uruguay	Uruguay	Uruguayan peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Larenc S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Inversiones S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lanin S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Lublo S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
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%
Maostar S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%
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%
Ducelmar S.A. (a)	Uruguay	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	62.49%	62.49%

Name	Segment	Country	Currency Functional currency	Stock ownership 2017			Stock ownership 2016		
				Direct	Indirect	Total	Direct	Indirect	Total
Actimar S.A. (a)	Uruguay	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	62.49%	62.49%
Híper 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%
Maraluz S.A. (a)	Uruguay	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	31.87%	31.87%
Setara S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Mablicor S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Vía Artika S. A.	Argentina	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Spice España de Valores Americanos S.L.	Argentina	Spain	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Geant Argentina S. A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Gelase S. A.	Argentina	Belgium	Euro	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Libertad S.A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Ceibotel S.A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
Onper Investment 2015 S.L.	Brazil	Spain	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%
Oregon LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Pincher LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Bengal LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Wilkes Participações S.A.	Brazil	Brazil	Brazilian real	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Companhia Brasileira de Distribuição - CBD (b)	Brazil	Brazil	Brazilian real	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
Sendas Distribuidora S.A. (b)	Brazil	Brazil	Brazilian real	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
Bellamar Empreend. e Participações Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. ("GPA M&P") (b)	Brazil	Brazil	Brazilian real	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
CBD Holland B.V. (b)	Brazil	Holland	Euro	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
GPA 2 Empreend. e Participações Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
GPA Logística e Transporte Ltda. (b)	Brazil	Brazil	Brazilian real	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L. (b)	Brazil	Luxembourg	Euro	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
Companhia Brasileira de Distribuição Netherlands Holding B.V. (b)	Brazil	Holland	Euro	0.00%	18.71%	18.71%	0.00%	18.72%	18.72%
Novasoc Comercial Ltda. (c)	Brazil	Brazil	Brazilian real	0.00%	18.71%	18.71%	0.00%	1.87%	1.87%
Via Varejo Luxembourg Holding S.A.R.L.	Brazil	Luxembourg	Euro	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Via Varejo Netherlands Holding B.V.	Brazil	Holland	Euro	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
CNova Comércio Eletrônico S.A.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
E-Hub Consult. Particip. e Com. S.A.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Nova Experiência PontoCom S.A.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Via Varejo S.A.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Indústria de Móveis Bartira Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
VVLOG Logística Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Globex Administracao e Serviços Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Lake Niassa Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Globex Administradora de Consórcio Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.10%	8.10%	0.00%	8.11%	8.11%
Cnova Finança B.V.	Brazil	Holland	Brazilian real	0.00%	6.56%	6.56%	0.00%	6.56%	6.56%
Cnova N.V.	Brazil	Holland	Euro	0.19%	6.37%	6.56%	0.19%	6.37%	6.56%

(a) A process to wind-up some entities has begun as result of corporate reorganization, and consequently during the first quarter of 2017 Maraluz S.A., a company of the Grupo Disco del Uruguay S.A., was closed.

(b) The decrease basically results from the increase in preferred shares upon the share-based payment to the employees and management of Companhia Brasileira de Distribuição - CBD.

(c) The increase represents the acquisition of 100 % of this subsidiary by Companhia Brasileira de Distribuição - CBD

Note 1.2. Colombian and foreign operating subsidiaries

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

Distribuidora de Textiles y Confecciones S.A.

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

Almacenes Éxito Inversiones S.A.S.

Incorporated by private document on September 27, 2010, and its life span is indefinite.

Its main corporate purpose is:

- Incorporate, fund, promote, invest on its own or with other individuals or legal entities in the incorporation of companies, enterprises or businesses which core activity is the manufacture or trading of goods, things, merchandise, articles or elements, or the provision of services related to the exploitation of commercial establishments, and participate

in such companies as associate, through contributions in cash, in kind or in services.

- Promote, invest on its own or with other individuals or legal entities in the provision of telecommunication networks, services and value chain, particularly in all activities legally permitted in Colombia or abroad, related with telecommunications, mobile telephone and added-value services.

At September 30, 2017 the subsidiary accrues earnings amounting to \$1,910 (At December 31, 2016 losses amounted to \$9,050), thus overcoming the situation incurred at December 31, 2016 of special grounds for dissolution foreseen in section 457 of the Code of Commerce, when its net equity was below 50% of share capital. Since 2016, subsidiary management committed to take the measures required to overcome this situation and as part of such commitment on March 18, 2016 submitted to the General Meeting of Shareholders a business plan aimed at generating profits. The plan has proven positive, reason why there is a decrease in total accumulated losses.

Éxito Viajes y Turismo S.A.S.

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

Gemex O & W S.A.S.

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

At September 30, 2017, the subsidiary accrued losses amounting to \$17,076 (\$11,254 at December 31, 2016) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management are committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016.

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

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

At September 30, 2017 the subsidiary accrues losses in amount of \$1,913 (At December 31, 2016 losses amounted to \$3,926), that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce; this situation has continued since December 31, 2016. Subsidiary management are committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the extraordinary General Meeting of Shareholders on December 22, 2016. The plan has proven positive, reason why there is a decrease in accumulated losses.

Cdiscount Colombia S.A.S.

Incorporated by private document on June 26, 2014.

Its main corporate purpose is:

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

At September 30, 2017, the subsidiary accrued losses amounting to \$44,874 (\$61,590 at December 31, 2016) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, during the ordinary meeting held on March 16, 2016, the General Meeting of Shareholders approved a capitalization in amount of \$51,000, to increase subscribed and paid-in capital (including a premium on the placement of shares) from \$32,150 to \$83,150, increasing shareholders' equity to \$33,852, thus overcoming the grounds for dissolution. Under this circumstance, equity is not negative at September 30, 2017.

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

At the date of presentation of these financial statements the subsidiary is in process of transition regarding its trade operation and continues handling settlements with suppliers, customer claims and/or warranties. Additionally, and with the purpose of continuing with the defined redirection, subsidiary management are reviewing the diversification of business and the potential integration of other trade activities already carried out successfully by some subsidiaries of its Parent, seeking to generate earnings, maximize profitability and achieving soundness for these new businesses.

Patrimonio Autónomo Viva Laureles

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

Patrimonio Autónomo Viva Sincelejo

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

Patrimonio Autónomo Viva Villavicencio

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

Patrimonio Autónomo San Pedro Etapa I

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

Patrimonio Autónomo Centro Comercial

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

Patrimonio Autónomo Iwana

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

Patrimonio Autónomo Centro Comercial Viva Barranquilla

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

Patrimonio Autónomo Viva Palmas

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

Patrimonio Autónomo Viva Malls

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

Patrimonio Autónomo Centro Comercial Viva Riohacha

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

Companhia Brasileira de Distribuição - CBD

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

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

The parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.71% of the share capital and 49.97% of the voting rights of Companhia Brasileira de Distribuição - CBD.

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

Libertad S.A.

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

Supermercados Disco del Uruguay S.A.

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

Devoto Hermanos S.A.

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

Mercados Devoto S.A.

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

Note 1.3. Listing in public registries

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

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

Subsidiary Via Varejo S.A. (classified as a discontinued operation since November 2016) is a joint stock corporation subsidiary of Companhia Brasileira de Distribuição - CBD, admitted to the so-called "Corporate Governance Level 2" of the special offer segment of the Sao Paulo Stock Exchange - "BM&FBovespa", subject to the Regulations for Issuers Quote and Admission to the Trading of Securities.

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

Note 2. Basis for preparation

The financial statements for the nine-month periods ended September 30, 2017 and September 30, 2016, and for the year ended December 31, 2016, have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and reporting assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 2131. Parent and subsidiaries did not apply any of the exceptions to the IFRS contained in such decrees.

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

Financial statements herein presented

These interim consolidated financial statements of the Parent and its subsidiaries are made of the statements of financial position at September 30, 2017 and December 31, 2016, the statements of income and of comprehensive income for the nine-month and three-month periods ended September 30, 2017 and September 30, 2016, and the statements of changes in shareholders' equity and the statements of cash flows for the nine-month periods ended September 30, 2017 and September 30, 2016.

These financial statements are presented based on interim financial reporting requirements under IAS 34, and do not include all reporting disclosures required for annual financial statements under IAS 1.

Statement of accountability

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

Estimates and accounting judgment

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

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

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

Distinction between current and non-current items

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

Functional currency

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

Functional currencies used by the Parent and by each of its subsidiaries are not part of highly inflationary economies, and consequently the financial statements are not adjusted for inflation. In the case of subsidiary Libertad S.A., based in Argentina, the Professional Council for Economic Sciences of the Province of Santafé issued a president's resolution setting out, among other, that the accounting statements for annual and interim periods closed prior to March 31, 2017, will not be restated in uniform currency. Further, the same resolution sets out the qualitative and quantitative characteristics of the economic environment that should be assessed to identify whether the accounting statements are to be adjusted to be expressed in a currency of purchasing power on the relevant dates, which will be applied to accounting statements for the annual periods closed as of and including March 31, 2017 and to interim periods after such annual closing. At September 30, 2017, and following an assessment of such qualitative and quantitative characteristics of Argentina environment, decision was made that this subsidiary's financial statements are not to be restated for inflation.

Foreign currency transactions

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

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

Non-monetary items are not translated at the closing exchange rate but are measured at historical cost (at the exchange rates in force on the date of each transaction), except for non-monetary items measured at fair value such as forwards and swaps, which are translated using the exchange rates in force on the date of measurement of their fair value.

(*) Market Representative Exchange Rate means the average of all market rates negotiated during the closing day (closing exchange rate), equivalent to the international "spot rate", as also defined by IAS 21 - Effects of changes in foreign exchange rates, as the spot exchange rate in force at the closing of the reporting period.

Translation to the reporting currency

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

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

- Assets and liabilities are translated to Colombian pesos at period closing exchange rate;
- Income-related items are translated to Colombian pesos using the period's average exchange rate;
- Equity transactions in foreign currency are translated to Colombian pesos at the exchange rate in force on the date of each transaction.

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

Accounting accrual basis

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

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

Fair value measurement

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

Measurements of the fair value are carried out using a fair value hierarchy that reflects the importance of inputs used in determining measurements.

- Based on (unadjusted) prices quoted in active markets for identical assets or liabilities (level 1).
- Based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities (level 2).
- Based on the Parent's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Basis for consolidation

Consolidated financial statements include the financial statements of the Parent and all 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 and balances of intercompany accounts.

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

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

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

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

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

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

For the purpose of consolidating the financial statements of Spice Investments Mercosur S.A., a company with domicile in Uruguay, which in turn has control over all other subsidiaries domiciled in Uruguay except Vía Artika S.A., the accounting policies and principles adopted by the Parent were standardized in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2450 of 2015, "Sole Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015, by Regulatory Decree 2496 and on December 22, 2016 by Regulatory Decree 2131, without applying any of the exceptions to the IFRS therein contained; further, they were translated into Colombian pesos.

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

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

	Closing rates		Average rates	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
US Dollar	2,936.67	3,000.71	2,939.62	3,050.98
Uruguayan peso	100.63	102.26	103.24	101.37
Brazilian real	921.51	920.80	926.04	877.88
Argentine peso	169.09	189.62	181.60	207.11
Euro	3,471.73	3,164.99	3,275.75	3,375.00

Note 4. Significant accounting policies

The attached interim consolidated financial statements at September 30, 2017 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, 2016, pursuant to accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS), officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Sole Regulatory Decree on accounting, financial reporting and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496 and on December 22, 2016 by Regulatory Decree 2131 and without applying any of the exceptions to the IFRS therein contained.

The following accounting policies were used in preparing the attached financial statements, a summary of which was included with the financial statements for the period ended 31 December 2016:

- Investments in subsidiaries, associates and joint arrangements
- Related parties
- Business combinations and goodwill

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

- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading and discontinued operations
- Leases
 - * Finance leases
 - * Operating leases
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
 - * Financial assets measured at fair value through income
 - * Financial assets measured at amortized cost
 - * Financial assets at fair value through other comprehensive income
 - * Derecognition
 - * Effective interest method
 - * Impairment of financial assets
 - * Loans and accounts receivable
 - * Cash and cash equivalents
- Financial liabilities
 - * Financial liabilities measured at fair value through income
 - * Financial liabilities measured at amortized cost
 - * Derecognition
 - * Effective interest method
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
 - * Cash flow hedges
 - * Fair value hedges
 - * Foreign net investment hedges
- Share-based payments
- Employee benefits
 - * Defined contribution plans
 - * Defined post-employment benefit plans
 - * Long-term employee benefits
 - * Short-term employee benefits
 - * Employee termination benefits
- Provisions, contingent assets and liabilities
- Taxes
 - * Colombia
 - * Brazil
 - * Argentina
 - * Uruguay
- Taxes
 - * Current income tax
 - * Deferred income tax
- Share capital
- Ordinary revenue
- Loyalty programs
- Costs and expenses
- Operation segments
- Earnings per share

Note 5. New and modified standards and interpretations

Note 5.1. Standards not yet in force, issued during the nine-month period ended September 30, 2017

No Regulatory Decrees enabling the application of the new International Financial Reporting Standards authorized by the International Accounting Standards Board IASB were enacted in Colombia during the nine-month period ended September 30, 2017.

No new standards or amendments to already published standards were issued by the IASB during the nine-month period ended September 30, 2017.

Note 5.2. Standards applied earlier during the six-month period ended September 30, 2017

During the nine-month period ended September 30, 2017, and based on section 5.1, no Standards have been adopted earlier.

Note 5.3. Standards effective as of January 1, 2017

During the year ended December 31, 2016, the IASB issued several standards, as detailed in section 5.4. Out of such standards issued, the following started to be applied as of January 1, 2017 according to the adoption date by the IASB:

- Amendment to IAS 12, in force as of January 2017.
- Amendment to IAS 7, in force as of January 2017.

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

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

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

The amendments are effective for periods commencing on or after January 1, 2017. Earlier application was permitted. No earlier application was considered by the Parent and its subsidiaries

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

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

The amendments are effective for periods commencing on or after January 1, 2017. Earlier application is permitted. No earlier application was considered by the Parent and its subsidiaries.

Note 5.4. Standards not yet effective at September 30, 2017

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 nine-month period ended September 30, 2017.

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following new standards and amendments, which are not in force at June 30, 2017:

- IFRIC 22 - Foreign currency transactions and advance consideration, in force as of January 2018.
- Amendment to IAS 40, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.
- Amendment to IFRS 2, in force as of January 2018.
- IFRS 16 - Leases, in force as of January 2019.
- IFRS 15 - Revenue from ordinary activities under contracts with customers, in force as of January 2018.

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

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

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

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

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

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

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

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

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

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

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

The amendment relates to the following aspects:

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

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

IFRS 16 - Leases (January 2016)

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

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

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

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

An entity recognizes revenue from ordinary activities pursuant to such basic principle, by applying the following stages:

- Stage 1: Identify customer contract.
- Stage 2: Identify the performance obligations under the contract.
- Stage 3: Define the transaction price.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize the ordinary revenue when (or in as much as) the entity fulfills a performance obligation.

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

The standard is effective for periods commencing on or after January 1, 2018. Management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set out by the standard. The Company does not consider early application thereof.

Note 5.5. Standards applied earlier at December 31, 2016

During the year ended December 31, 2016, and based on section 5.4, no Standards were applied earlier.

Note 6. Business combinations

Note 6.1. Business combinations achieved during the nine-month period ended September 30, 2017

No business combinations were achieved during the nine-month period ended September 30, 2017.

Note 6.2. Business combinations achieved during the annual period ended December 31, 2016

Note 6.2.1. Sumelar S.A. business combination

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

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

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

Goodwill arising from the operation amounts to:

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

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

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

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

The goodwill has shown the following variations from the time of business acquisition to the balance carried at September 30, 2017:

Goodwill from the acquisitions at September 1, 2016	1,216
Effect of exchange difference	11
Goodwill at December 31, 2016 (Note 15)	1,227
Effect of exchange difference	(20)
Goodwill at September 30, 2017 (Note 15)	1,207

Note 6.2.2. Control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.

With the advisory of an independent third party, on August 31, 2016 the Parent completed the Purchase Price Allocation process started in 2015 and related with the acquisition of control over Companhia Brasileira de Distribuição - CBD and Libertad S.A., pursuant to IFRS 3 - Business combinations.

Information on the consideration paid for these interests, the goodwill generated from the acquisition and the fair value of assets acquired and liabilities taken on at the date of gaining control, taken from the books, and business combination adjustments identified until August 31, 2016, which are detailed as measurement period adjustments, were disclosed in the financial statements at the closing of the annual period ended December 31, 2016.

Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	September 30, 2017	December 31, 2016
Cash at hand and in banks	1,028,713	1,702,012
Term deposit certificates (1)	944,101	4,331,939
Fiduciary rights	86,194	81,840
Current investments	2	2,053
Total cash and cash equivalents	2,059,010	6,117,844

(1) Relates to fixed-term deposits of subsidiary Companhia Brasileira de Distribuição - CBD, with yields of 11.53% E.A.R. (2016 - 12.66% E.A.R.) equivalent to 98.26% of the Interbank Deposit Certificate - IDC. They mature in less than 90 days of negotiation date.

At September 30, 2017 and December 31, 2016, cash and cash equivalents were not 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:

	September 30, 2017	December 31, 2016
Trade accounts receivable (8.1)	1,326,177	949,544
Other accounts receivable (8.2)	787,496	769,691
Total trade receivables and other receivables	2,113,673	1,719,235
Current (8.3)	1,505,420	1,132,750
Non-current (8.3)	608,253	586,485

Note 8.1. Trade accounts receivable

The balance of trade receivables is as follows:

	September 30, 2017	December 31, 2016
Trade accounts receivable (1)	1,149,551	777,469
Rentals and dealers	93,691	100,553
Accounts receivable from suppliers (2)	58,468	87,476
Employee funds and lending	47,610	3,909
Impairment loss (3)	(23,143)	(19,863)
Current trade receivables	1,326,177	949,544

- (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 impairment of receivables is independently analyzed for large customers and jointly analyzed for those customers whose balances are not material taken separately, based on debts overdue exceeding historic payment. Impairment is recognized as expense in period results. However, even if impaired, the Parent and its subsidiaries believe these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings, when they are available in credit databases recognized in the market. The net effect of the impairment of receivables on the statement of income at September 30, 2017 relates to an expense in amount of \$3,280 (at December 31, 2016 it represented revenue from recovery in amount of \$310,136).

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

Balance at December 31, 2016	19,863
Recognized impairment loss	504,882
Receivables written-off	(447,644)
Reclassifications to non-current assets held for trading	(46,302)
Reversal of impairment loss	(7,654)
Effect of exchange difference	(2)
Balance at September 30, 2017	23,143

Note 41 - Policies on financial risk management, includes an analysis of the credit risk for trade debtors.

Note 8.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	September 30, 2017	December 31, 2016
Accounts Receivable - Paes Mendonça S.A. (1)	490,397	489,867
Accounts receivable from the sale of companies (2)	73,458	63,188
Employee funds and lending	60,991	63,513
Taxes receivable	28,602	5,140
Accounts receivable from insurance companies	19,122	9,003
Business agreements	17,221	52,504
Sale of property, plant and equipment, intangible assets and other assets	16,510	18,694
Money transfer services	4,400	1,227
Money remittances	3,613	3,026
Tax claims	1,360	1,442
Other	71,822	62,087
Total other accounts receivable	787,496	769,691

- (1) Since 1999, certain stores owned by Paes Mendonça S.A. (a supermarket network in Brazil) were leased through subsidiary Novasoc Comercial Ltda. Novasoc Comercial Ltda. paid certain of Paes Mendonça S.A.'s liabilities, and even though the later has made partial payments, Companhia Brasileira de Distribuição - CBD still shows a receivable from the transaction. Pursuant to payment agreements entered between the parties, balances receivable are updated from a monetary point of view by the IGP-M (Market Price General Index) and are secured with some stores operated by Novasoc Comercial Ltda. We are not aware of objective evidence showing impairment of such accounts receivable. Maturity of these accounts receivable is tied to lease agreements under the same conditions originally agreed upon; they are deemed non-current assets given the possibility of turning such accounts into trade rights on the leased stores.
- (2) Relates to accounts receivable arising from the exercise of the purchase option of certain fuel stations sold by subsidiary Companhia Brasileira de Distribuição - CBD. The amount of the account receivable is updated from a monetary point of view since the execution of the agreement on May 28, 2012, by 110% of the IDC (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:

	September 30, 2017	December 31, 2016
Current		
Trade accounts receivable	1,149,551	633,926
Rentals and dealers	92,649	98,195
Employee funds and lending	47,610	47,014
Accounts receivable from suppliers	58,468	87,476
Taxes receivable	28,602	5,140
Sale of property, plant and equipment, intangible assets and other assets	16,510	18,694
Business agreements	17,222	52,454
Accounts receivable from insurance companies	19,122	9,003
Money transfer services	4,400	1,227
Tax claims	1,360	1,442
Money remittances	3,613	3,026
Accounts receivable from the sale of companies	-	973
Other	89,456	194,043
Impairment loss	(23,143)	(19,863)
Total current accounts receivable	1,505,420	1,132,750
Non-current		
Accounts Receivable - Paes Mendonça S.A.	490,397	489,867
Accounts receivable from the sale of companies	73,458	62,215
Other	21,203	11,643
Employee funds and lending	22,153	20,402
Rentals and dealers	1,042	2,358
Total non-current accounts receivable	608,253	586,485

Note 8.4. Trade receivables and other accounts receivable by age

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

Period	Total	Not due	Overdue			
			< 30 days	31 - 60 days	61 - 90 days	> 90 days
September 30, 2017	2,136,816	1,967,688	96,368	17,309	3,886	51,565
December 31, 2016	1,739,098	1,500,575	172,508	38,070	1,677	26,268

Note 9. Prepaid expenses

The balance of prepaid expenses was comprised of:

	September 30, 2017	December 31, 2016
Taxes	41,764	3,683
Leases	78,516	81,902
Bank expenses	23,701	23,020
Advertising	22,911	6,991
Services	17,748	4,604
Maintenance	14,920	10,740
Employee benefits	1,090	10,129
Insurance	30,388	22,746
Licenses in use	248	921
Sales commissions	626	1,843
Other	11,618	13,642
Total prepaid expenses	243,530	180,221
Current	192,398	119,733
Non-current	51,132	60,488

Note 10. Accounts receivable from and accounts payable to related parties

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

	Accounts receivable		Accounts payable		Other financial liabilities	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Controlling entity (1)	3,372	10,661	44,958	71,393	-	-
Associates (2)	18,921	13,318	11,543	12,580	-	-
Key management personnel	23	29	-	-	-	-
Members of the Board	-	-	166	93	-	-
Joint ventures (3)	59,750	56,574	-	558	28,914	27,812
Grupo Casino companies (4)	5,984	8,845	159,926	158,412	-	-
Total	88,050	89,427	216,593	243,036	28,914	27,812
Current portion	67,768	73,743	208,328	230,303	28,914	27,812
Non-current portion	20,282	15,684	8,265	12,733	-	-

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

- Cost sharing agreement entered by and between Companhia Brasileira de Distribuição - CBD 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 the provision of goods procurement intermediation services.
- Expense reimbursement agreement entered into by and between Companhia Brasileira de Distribuição - CBD and Casino Guichard-Perrachon S.A. related with the provision of goods procurement intermediation service agreement.
- Loan in American dollars known as "Triple S" with HSBC repaid by Casino Guichard-Perrachon S.A. to HSBC on behalf of Libertad S.A. In addition, there are some debts of subsidiary Libertad S.A. arising from expatriate personnel services.
- Consultancy, technical assistance, insurance and administration support services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. to the Parent and its Colombian subsidiaries. It also includes dividend-related accounts payable.

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

(2) Accounts receivable mainly relate to balances with 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.

Accounts payable mainly relate to balances with Financiera Itaú CBD - FIC Promotora de Vendas Ltda., arising from credit management expenses.

(3) The balance of accounts receivable refers to royalties, reimbursement of shared expenses and coupon collection-related charges, that will be paid in the short term. 2016 includes a balance receivable from the subscription of shares in Compañía de Financiamiento Tuya S.A. on December 27, 2016 in amount of \$15,973. Given that at December 31, 2016 Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase, the amount disbursed by the Parent was recorded as an account receivable. This balance was capitalized during the first quarter of 2017.

The balance of other financial liabilities includes collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 23).

(4) Relates to accounts payable arising from the provision of energy efficiency solution services, under an agreement executed on May 8, 2015 by and between Companhia Brasileira de Distribuição - CBD and Green Yellow Colombia S.A.S.

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

Note 11. Inventories and cost of sales

Note 11.1. Inventories

The balance of inventories is as follows:

	September 30, 2017	December 31, 2016
Inventories available for trading	5,737,295	5,692,621
Inventories in transit	208,776	39,981
Inventories of property under construction (1)	23,385	58,066
Materials, small spares, accessories and packaging material	17,003	17,790
Product in process	3,239	4,050
Raw materials	2,916	4,824
Inventory impairment (2)	(15,067)	(39,159)
Total inventories	5,977,547	5,778,173

(1) For 2017, relates to the Figue real estate projects owned by Companhia Brasileira de Distribuição – CBD, and Cota Hotel, owned by the Parent, currently under construction for trading purposes. However, Cota Hotel project is in a construction reorganization stage since 2015.

For 2016, relates to Cota Hotel and Univalledupar real estate projects, under construction for trading purposes. However, since 2015 these projects were in a construction reorganization stage. It also includes the Figue project, owned by Companhia Brasileira de Distribuição – CBD, under construction.

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

Balance at December 31, 2016	39,159
Reversal of impairment losses	(24,092)
Balance at September 30, 2017	15,067

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

Pursuant to Parent's and its subsidiaries' policies, inventories are valued at cost or at fair value less selling costs, whichever is less. The adjustments to this valuation are included in the costs of sale 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 September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Cost of goods sold without impairment	30,737,168	27,794,180	10,733,217	9,796,309
Impairment loss (reversal) recognized during the period	4,611	12,726	3,761	(5,757)
Reversal of impairment loss recognized during the period (1)	(29,551)	(3,372)	(11,090)	(972)
Total cost of goods sold	30,712,228	27,803,534	10,725,888	9,789,580

(1) The circumstances that gave rise to the reversal of impairment mainly relate to logistic adaptations and optimization of the goods storage space at the distribution center, limiting the exposure of goods at the warehouses. 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 other activities.

Note 12. Other financial assets

The balance of other financial assets is as follows:

	September 30, 2017	December 31, 2016
Financial assets measured at fair value through income (1)	741,320	622,285
Derivative financial instruments designated as hedge instruments (2)	46,642	96,684
Financial assets measured at amortized cost (3)	78,538	75,220
Financial assets measured at fair value through other comprehensive income	248	248
Derivative financial instruments (4)	2,304	9,547
Total other financial assets	869,052	803,984
Current	39,753	100,879
Non-current	829,299	703,105

(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 Brasileira de Distribuicao - CBD given that they are restricted to be used for payment under some legal proceedings filed against it. Balance thereof is monthly updated in the statement of income, using an interest rate.

	September 30, 2017	December 31, 2016
Deposit for tax legal proceedings	184,302	166,665
Deposit for labor legal proceedings	475,020	381,212
Deposit for civil legal proceedings	29,488	23,941
Deposit for regulatory legal proceedings	38,703	36,832
Total	727,513	608,650

- (b) Legal deposits in amount of \$237 (2016 - \$230) relevant to subsidiary Libertad S.A.

- (c) Investment in bonds in amount of \$12,271 (2016 - \$ 12,263) relevant to subsidiary Grupo Disco del Uruguay S.A.

- (d) Investments in equity securities of Fondo Valorar Futuro to manage liquidity in amount of \$1,299 (2016 - \$1,142), which are measured at fair value based on the Fondo's unit value. Changes in fair value are recognized as revenue or expense in period results.

- (2) Derivatives designated as hedge instruments reflect the fair value of swap contracts for 100% of liabilities denominated in US Dollars at a fixed interest rate, of Companhia Brasileira de Distribuição – CBD, exception made of DCCI (Direct consumer credit through an intermediary), exchanging such obligations at a floating IDC rate. The term of these contracts equals that of the debt and hedge both principal and interests. Average IDC annual rate at September 30, 2017 was 11.53% (14.00% at December 31, 2016). 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:

		<u>Less than 1</u> <u>month</u>	<u>From 1 to 3</u> <u>months</u>	<u>From 3 to 6</u> <u>months</u>	<u>From 6 to 12</u> <u>months</u>	<u>More than 12</u> <u>months</u>	<u>Total</u>
September 30, 2017	Swap	-	28,734	-	-	17,908	46,642
December 31, 2016	Swap	54,327	-	-	34,070	8,287	96,684

- (3) Financial assets measured at amortized cost include investments in bonds in amount of \$77,427 (2016 -\$75,157) issued by Compañía de Financiamiento Tuya S.A., which the Parent has the intention and capability of maintaining until maturity. These investments are part of Tarjeta Éxito corporate collaboration agreement, with nominal value of \$74,500, a term of between 1 and 10 years and a yield of CPI + 6%.

- (4) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants 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) at fair value, on each accounting closing date. The variation between December 31, 2016 and September 30, 2017 relates to the increase in the valuation of closing rates for forwards and swaps, above the average of the rates agreed upon with various financial players, giving rise to a right (asset) but not to an obligation (liability).

The detail of maturities of these instruments at September 30, 2017 is as follows:

	<u>Less than 1</u> <u>month</u>	<u>From 1 to 3</u> <u>months</u>	<u>From 3 to 6</u> <u>months</u>	<u>From 6 to 12</u> <u>months</u>	<u>More than 12</u> <u>months</u>	<u>Total</u>
Forward	100	678	67	1,459	-	2,304

The detail of maturities of these instruments at December 31, 2016 is as follows:

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

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

	September 30, 2017	December 31, 2016
Current		
Derivative financial instruments	2,304	4,800
Derivative financial instruments designated as hedge instruments	28,734	88,397
Financial assets measured at amortized cost	8,478	7,452
Financial assets measured at fair value through income	237	230
Total current	39,753	100,879
Non-current		
Derivative financial instruments designated as hedge instruments	17,908	8,287
Financial assets measured at amortized cost	70,060	67,768
Financial assets measured at fair value through other comprehensive income	248	248
Financial assets measured at fair value through income	741,083	622,055
Derivative financial instruments	-	4,747
Total non-current	829,299	703,105

No restrictions or liens have been imposed on other financial assets that limit negotiability or realization thereof, exception made of (a) the investment of Parent 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 investments was impaired during these periods.

Note 13. Property, plant and equipment, net

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

	September 30, 2017	December 31, 2016
Land	2,460,717	2,496,768
Buildings	4,083,060	4,164,276
Machinery and equipment	3,439,606	3,318,480
Furniture and fixtures	1,614,057	1,562,913
Assets under construction	301,701	291,473
Premises	837,976	770,937
Improvements to third party properties	5,279,228	4,986,744
Vehicles	21,555	21,266
Computers	234,544	227,424
Other property, plant and equipment	175,095	170,752
Total property, plant and equipment	18,447,539	18,011,033
Accumulated depreciation	(6,222,058)	(5,754,377)
Total net property, plant and equipment	12,225,481	12,256,656

The development of the cost of property, plant and equipment, and depreciation thereof, during the reporting periods, 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, 2016	2,496,768	4,164,276	3,318,480	1,562,913	291,473	770,937	4,986,744	21,266	227,424	170,752	18,011,033
Additions	-	67,717	114,987	38,363	494,767	68,599	174,848	311	5,193	17,593	982,378
Loan costs (1)	-	8,294	-	-	-	-	-	-	-	-	8,294
Increase (decrease) from movements between property, plant and equipment accounts	7,663	4,765	32,589	18,662	(92,587)	1,623	22,201	(241)	5,325	-	-
Increase (decrease) from transfers from (to) other balance sheet accounts	-	33,337	100,938	30,559	(383,455)	12,039	209,283	4,630	-	(7,408)	(77)
(Disposal) of property, plant and equipment	(29,075)	(170,214)	(107,049)	(19,740)	(3,007)	(12,722)	(96,015)	(4,818)	(528)	(5,014)	(448,182)
(Derecognition) of property, plant and equipment	-	(7,382)	(1,040)	(675)	-	(25)	(5,092)	(1)	(152)	-	(14,367)
(Decrease) in assets from classification to non-current assets held for trading	-	-	(17,595)	(12,965)	(3,704)	(926)	(12,039)	926	-	(926)	(47,229)
Effect of exchange differences from translation to reporting currency	(14,639)	(17,733)	(1,705)	(3,060)	(1,786)	(1,549)	(955)	(518)	(2,717)	98	(44,564)
Other changes	-	-	1	-	-	-	253	-	(1)	-	253
Balance at September 30, 2017	2,460,717	4,083,060	3,439,606	1,614,057	301,701	837,976	5,279,228	21,555	234,544	175,095	18,447,539
Accumulated depreciation											
Balance at December 31, 2016		1,106,176	1,600,014	787,678		316,431	1,696,454	10,907	138,381	98,336	5,754,377
Depreciation expense/cost		70,763	220,988	94,535		35,966	199,091	2,558	23,825	15,408	663,134
Increase (decrease) from transfers from (to) other balance sheet accounts		-	-	(926)		926	-	-	-	-	-
(Disposal) of property, plant and equipment		(46,925)	(78,759)	(13,909)		(4,640)	(26,855)	(1)	(528)	(4,630)	(176,247)
(Derecognition) of property, plant and equipment		(751)	(777)	(598)		(10)	(3,899)	(1)	(144)	-	(6,180)
Effect of exchange differences from translation to reporting currency		(4,662)	(1,725)	(2,482)		(831)	(1,101)	(256)	(1,938)	24	(12,971)
Other changes		(139)	(401)	(186)		-	677	(34)	28	-	(55)
Balance at September 30, 2017		1,124,462	1,739,340	864,112		347,842	1,864,367	13,173	159,624	109,138	6,222,058

(1) The rate used to determine the amount of loan costs capitalized was 6.593%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of September 30, 2017.

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

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

At September 30, 2017, Companhia Brasileira de Distribuição - CBD has assets delivered as collateral to third parties to secure lawsuits in amount of \$800,793 (2016 - \$794,652).

Except for the above, there are no limitations or liens imposed on property, plant and equipment that limit realization or negotiability thereof. For the periods reported, the Parent and its subsidiaries have no commitments to acquire, construct or develop property, plant and equipment.

During the nine-month period ended September 30, 2017, \$277 (2016 - \$6,588) were received from third parties as compensations related with assets damaged in accidents.

During the nine-month period ended September 30, 2017 an impairment loss was recognized on Torre Sur Building in amount of \$1,481, resulting from demolition thereof. Information about the methodology applied to test for impairment is disclosed in Note 35.

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

	September 30, 2017	December 31, 2016
Computers	6,494	7,366
Buildings	18,909	18,416
Machinery and equipment	4,782	8,907
Furniture and fixtures	2,803	5,525
Other property, plant and equipment	14,144	14,119
Total	47,132	54,333

Note 14. Investment property, net

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

	September 30, 2017	December 31, 2016
Land	485,887	489,048
Buildings	1,391,878	1,319,568
Construction in progress	203,403	135,859
Total investment property	2,081,168	1,944,475
Accumulated depreciation	(123,917)	(100,882)
Total investment property, net	1,957,251	1,843,593

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

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2016	489,048	1,319,568	135,859	1,944,475
Additions	-	25,752	133,230	158,982
Capitalization of loan costs (1)	-	-	6,176	6,176
Increase (decrease) from movements between investment property.	-	69,611	(69,611)	-
(Derecognition) of investment property	-	(1,610)	-	(1,610)
Effect of exchange differences from translation to reporting currency	(3,161)	(20,810)	(2,251)	(26,222)
Other changes	-	(633)	-	(633)
Balance at September 30, 2017	485,887	1,391,878	203,403	2,081,168

Accumulated depreciation	Buildings
Balance at December 31, 2016	100,882
Depreciation expense	26,063
Effect of exchange differences from translation to reporting currency	(3,173)
Other changes	145
Balance at September 30, 2017	123,917

(1) The rate used to determine the amount of loan costs capitalized was 6.593%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of September 30, 2017.

Except for the Envigado property, owned by the Parent, which is in the construction stage and will be contributed to Patrimonio Autónomo Viva Malls in 2018, no restrictions or liens are levied on property, plant and equipment that limit realization or tradability thereof. For the reporting periods included in these consolidated financial statements, the Parent and its subsidiaries have no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties; no compensations have been received from third parties arising from damaged or lost investments; no impairment has been recognized.

Note 15. Goodwill, net

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

	September 30, 2017	December 31, 2016
Companhia Brasileira de Distribuição – CBD (1)	2,552,143	2,550,181
Spice Investment Mercosur S.A. (2)	1,448,230	1,466,948
Carulla Vivero S.A. (3)	827,420	827,420
Super Inter (4)	453,649	453,649
Libertad S.A. (1)	129,225	144,913
Cafam (5)	122,219	122,219
Other (6)	50,806	50,806
Total	5,583,692	5,616,136

- (1) Refers to goodwill generated from the business combination completed in August 2015 for the acquisition of the operations of Companhia Brasileira de Distribuição - CBD in Brazil and Libertad S.A. in Argentina, through the Spanish company Onper Investments 2015 S.L.
- (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 (2016 - \$287,844). The value is the cost attributable in the opening balance 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 \$260,927 (2016 - \$265,135).
 - Goodwill from the business combination accomplished by the Parent with Grupo Disco del Uruguay S.A. resulting from the acquisition of control at January 1, 2015 in amount of \$898,252 (2016 - \$912,742).
 - Goodwill from the business combination with Grupo Disco del Uruguay S.A. to acquire Sumelar S.A. in 2016 in amount of \$1,207 (2016 - \$1,227). Note 6.2.1.
- (3) Relates to the business combination arising from the merger with Carulla Vivero S.A. in 2007. The value was determined as the deemed cost in the opening balance in exercise of the exemption of not to restate business combinations.
- (4) Represents the acquisition of 46 trade establishments under the banner Super Inter, of which 19 were acquired at the end of 2014 and the remaining 29 during April 2015. It also includes the acquisition of 7 trade establishments accomplished between February 23, 2015 and June 24, 2015, and the loss from the sale of two assets under condition acquired in the business combination in amount of \$1,714.
- (5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that the Parent had been operating since 2010. The trade establishments acquired were subsequently turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: \$80,134 to Éxito, \$29,075 to Carulla and \$13,010 to Surtimax.
- (6) Refers to the non-significant acquisition of trade establishments that subsequently were turned into Éxito, Carulla and Surtimax stores, and for impairment testing purposes such goodwill was allocated as follows at December 31, 2015: \$10,540 to Éxito, \$28,566 to Surtimax and \$10,683 to Súper Inter. The goodwill from the business combination with Gemex O&W S.A.S. in amount of \$1,017 is also included.

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

Balance at December 31, 2016	5,616,136
Effect of exchange differences from translation to reporting currency	(32,444)
Balance at September 30, 2017	5,583,692

Goodwill was not impaired during the reporting periods.

Note 16. Intangible assets other than goodwill, net

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

	September 30, 2017	December 31, 2016
Trademarks (1)	3,521,588	3,525,265
Rights (2)	1,417,566	1,409,678
Computer software	1,416,316	1,324,953
Customer-related intangible assets (3)	35,939	35,911
Other	1,568	1,522
Total intangible assets other than goodwill	6,392,977	6,297,329
Accumulated amortization	(745,386)	(633,907)
Total intangible assets other than goodwill, net	5,647,591	5,663,422

(1) Refers to the trademarks of:

Operating segment	Banner	Useful life	September 30, 2017	December 31, 2016
Food	Extra (a)	Indefinite	1,652,857	1,651,918
Food	Pão de Açúcar (a)	Indefinite	960,214	959,476
Food	Assai (a)	Indefinite	686,526	685,998
Uruguay	Sundries (b)	Indefinite	106,570	108,289
Argentina	Libertad (c)	Indefinite	34,290	38,453
Surtimax-Superinter	Surtimax (d)	Indefinite	17,427	17,427
Surtimax-Superinter	Super Inter (e)	Indefinite	63,704	63,704
			3,521,588	3,525,265

(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 Viviero.

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

(2) Relates to the carrying amount of the following rights:

a) \$1,392,778 (2016 - \$1,384,886) 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; from a trade viewpoint, such rights have an undefined useful life.

b) Rights of Libertad \$28 (2016 - \$32).

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

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

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

Cost	Trademarks	Rights	Computer software	Customer-related intangible assets	Other	Total
Balance at December 31, 2016	3,525,265	1,409,678	1,324,953	35,911	1,522	6,297,329
Additions	-	6,848	160,482	-	51	167,381
Effect of exchange differences from translation to reporting currency	(3,677)	1,040	256	28	(5)	(2,358)
Transfers	-	-	(66,257)	-	-	(66,257)
Disposals and derecognition	-	-	(3,118)	-	-	(3,118)
Balance at September 30, 2017	3,521,588	1,417,566	1,416,316	35,939	1,568	6,392,977

Accumulated amortization	Trademarks	Rights	Computer software	Customer-related	Other	Total
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			intangible assets		
Balance at December 31, 2016	17	626,414	5,985	1,491	633,907
Amortization expense/cost	3	109,613	3,386	15	113,017
Transfers	-	(33)	-	-	(33)
Effect of exchange differences from translation to reporting currency	(1)	(225)	(12)	(1)	(239)
Disposals and derecognition	-	(1,266)	-	-	(1,266)
Balance at September 30, 2017	19	734,503	9,359	1,505	745,386

No limitations or liens have been imposed on the reported intangible assets that restrict realization or tradability thereof. For the periods reported in these consolidated financial statements, neither the Parent nor its subsidiaries have commitments to acquire or develop intangible assets, nor impairment losses have been recognized.

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

	September 30, 2017	December 31, 2016
Software of Companhia Brasileira de Distribuição - CBD	133,619	146,408

Note 17. Investments accounted for using the equity method

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

Company	Classification	September 30, 2017	December 31, 2016
Cnova N.V.	Associate	561,500	686,922
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	Associate	255,232	290,973
Compañía de Financiamiento Tuya S.A.	Joint venture	97,183	90,192
Puntos Colombia S.A.S.	Joint venture	1,171	-
Total		915,086	1,068,087

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

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

Note 18. Changes in the classification of financial assets

During the nine-month period ended September 30, 2017, there were no changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 19. Financial liabilities

Book balances are made as follows:

	September 30, 2017	December 31, 2016
Current		
Bank overdrafts	75,422	-
Bank loans (1)	1,809,305	2,546,724
Put option	359,075	364,867
Finance leases	50,142	41,415
Letters of credit	20,553	10,105
Total current financial liabilities	2,314,497	2,963,111
Non-current		
Bank loans (1)	4,001,971	4,179,703
Finance leases	143,478	175,176
Total non-current financial liabilities	4,145,449	4,354,879

(1) In August 2015, the Parent entered into credit agreements with local banks in amount of \$3.25 trillion and with foreign banks in amount of \$1.21 trillion (USD 400 million at the exchange rate of \$3,027.2 Colombian pesos) for the acquisition of the operations of Companhia Brasileira de Distribuição – CBD and Libertad S.A. through the Spanish company Onper Investment 2015 S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of \$14,332.

Under both agreements, the Parent 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 liabilities wherever the result is breach of the credit agreement and/or without prior authorization from creditors; creditors shall automatically grant authorization if the occurrence index is complied with, measured using the latest financial statements released by the Parent, among others.

During January 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 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 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 and in August 2017, it repaid \$200,000 and \$50,000, respectively, of current bank loans (syndicated revolving credit).

The balance also includes short-term loans acquired by Companhia Brasileira de Distribuição - CBD in amount of \$1.2 trillion (2016 - \$5.6 trillion), and long-term loans in amount of \$0.6 trillion (2016 - \$0.9 trillion).

Below is a detail of annual maturities for non-current bank loans and finance leases discounted at present value, for the nine-month period ended September 30, 2017:

Year	Total
2018	2,347,116
2019	734,926
2020	384,315
Later than 2021	679,092
	4,145,449

Note 19.1. Commitments undertaken under credit contracts (financial liabilities)

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

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

- (a) Sale of assets: When at any time during the term the Parent dispose of its own assets, in one single or several transactions, which in the aggregate exceed 20% of the assets included in (i) 2014 financial statements, or (ii) the latest available annual financial statements, whichever is higher, it shall prepay an amount equivalent to 40% or 80% of the net proceeds of such sales, except (i) arising from disposals in the ordinary course of business, or (ii) if the net cash proceeds of the sale are reinvested in other assets within 12 months of receipt.
- (b) Insurance compensations: When at any time, during the term, the Parent receive one or several insurance compensations as payment for one or several claims arising from the loss or damage of one or several of its assets, whose aggregate amount exceed 20% of the assets included in the latest available annual financial statements, the Parent shall prepay an amount equivalent to 40% or 80% of the net payments received, in accordance with the time when the prepayment is to be made, except if reinvestment of such resources begins within 18 months of receipt of the net cash compensation.
- (c) Prepayments under bridge credit agreements: Wherever the Parent intends to prepay bank credits in foreign currency, the Parent shall prepay the short-term trench in proportion to the amount prepaid of bank credits in foreign currency, and in proportion to each creditor.

Note 19.2. Obligations undertaken under credit contracts (financial liabilities)

- (a) Financial: The Parent is committed to maintain a financial leverage ratio of maximum 3.5x. Such ratio will be measured annually on April 30 based on audited consolidated financial statements at each period closing.
- (b) Indebtedness: Refrain from: (i) incurring new debts in the event of being in default of the financial liability and/or if incurring the new debt would result in failure to comply with an existing financial liability, and (ii) incurring additional debt without the authorization of creditors.

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

Note 20. Other provisions

The balance of other provisions is made as follows:

	September 30, 2017	December 31, 2016
Legal proceedings (1)	480,642	426,960
Taxes other than income tax (2)	1,931,993	2,221,272
Restructuring (3)	6,788	6,824
Other (4)	74,090	88,118
Total other provisions	2,493,513	2,743,174
Current (20.1)	33,549	36,545
Non-current (20.1)	2,459,964	2,706,629

The Parent and its subsidiaries have not recognized provisions from contracts for consideration during the reporting periods.

The detail of provisions is as follows:

- (1) Provisions for lawsuits are recognized to cover estimated potential losses arising from lawsuits brought against the Parent and its Subsidiaries, related with labor, civil, administrative and regulatory matters, which are assessed based on the best estimation of cash outflows required to settle a liability on the date of preparation of the financial statements. The balance is comprised of \$350,612 (2016 - \$288,912) for labor proceedings, \$97,902 (2016 - \$107,797) for civil proceedings, \$32,071 (2016 - \$30,183) for administrative and regulatory proceedings and \$57 (2016 - \$68) for other proceedings.

Provisions for labor lawsuits mainly include the Parent's proceedings in amount of \$9,336 (2016 - \$10,155) and subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries' proceedings in amount of \$340,037 (2016 - \$278,082); the later are updated using a table provided by the TST ('Tribunal Superior do Trabalho') plus a monthly interest of 1%.

Provisions for civil, administrative and regulatory proceedings mainly include Parent's legal proceedings in amount of \$4,546 (2016 - \$5,415) and subsidiary Companhia Brasileira de Distribuição - CBD and its subsidiaries' legal proceedings in amount of \$124,404 (2016 - \$129,833). Balance includes the following lawsuits:

- a) Legal actions seeking the revision of contracts and renewals on lease instalments agreed upon. A provision was recognized for the difference between amounts paid and amounts disputed by the counterparty in the legal action, when in the opinion of in-house and external counsels there is a probability of adjustment to the instalments paid. At September 30, 2017, the provisions to protect against such legal actions amounted to \$53,448 (2016 - \$45,119) for which there are no legal deposits covering said amount; should there be such deposits, they are recognized as other financial assets.
- b) Fines imposed by regulatory agencies, mainly Brazilian consumer defense agencies PROCONs and INMETRO, and local mayor's offices. At September 30, 2017, such provision amounted to \$31,331 (2016 - \$29,466).

- (2) The provisions for taxes other than income tax relate to:

- Tax proceedings of Companhia Brasileira de Distribuição - CBD and its subsidiaries in amount of \$1,915,973 (2016 - \$2,205,399), which are subject to monthly monetary correction at the indexation rates used by each tax jurisdiction;
- Industry and trade tax of the Parent in amount of \$3,006 (2016 - \$4,986);
- Real estate tax-related proceedings amounting to \$5,571 (2016 - \$5,571), value added tax in amount of \$534 (2016 - \$534) and other minor legal proceedings of the Parent in amount of \$6,909 (2016 - \$4,782).

The most important tax lawsuits of Companhia Brasileira de Distribuição CBD and its subsidiaries, include:

- a) 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 provision recognized at September 30, 2017 amounts to \$67,270 (2016 - \$136,279).
- b) 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 \$134,541 (2016 - \$140,883).
- c) Complementary Law No. 110/2001: The right of not to recognize the contributions set forth in Complementary Law No. 110/2001, established to support the costs of the Fundo de Garantia do Tempo de Serviço (FGTS) is being discussed through judicial action. The provision recognized at September 30, 2017 amounts to \$55,291 (2016 - \$70,902).
- d) Other provisions relate to the following proceedings, in amount of \$105,051 (2016 - \$327,805):
 - (i) Proceedings referred to the purchase, industrialization and export of soy and derivative products (PIS, CONFIS and IRPJ);
 - (ii) Investigation regarding the failure to apply the Fator Acidentário de Prevenção (FAP) for 2011;
 - (iii) Investigation regarding the Fundo de Combate à Pobreza, implemented by the Rio de Janeiro State;
 - (iv) Investigations related with procurement from suppliers deemed disqualified from the registry with Secretaria da Fazenda Estadual, mistake in application of aliquot and ancillary obligations by state tax authorities;
 - (v) Tax provisions of e-commerce companies abroad;
 - (vi) Provisions relevant to Bartira's business combination; and
 - (vii) Other less relevant matters.

- (f) Provisions for taxes other than income tax in amount of \$1,424,048 (2016 - \$1,529,530), refer to an adjustment arising from the Purchase Price Allocation process related with the acquisition of subsidiaries Companhia Brasileira de Distribuição - CBD y de Libertad S.A. The provisions recognized relate to proceedings associated with the following taxes: Social contribution for the funding of social security - COFINS, \$109,100 (2016 - \$165,200); Provisional contribution on financial transactions - CPMF, \$0 (2016 - \$50,393); Tax on the circulation of goods and services - ICMS, \$1,213,100 (2016 - \$1,212,167); Tax on industrial products - IPI, \$69,520 (2016 - \$69,467); Brazilian tax on real estate - IPTU, \$31,755 (2016 - \$31,730) and other in amount of \$573 (2016 - \$573).
- (3) The restructuring provision relates to the reorganization processes announced to Parent's employees of stores and distribution centers in amount of \$3,423 (2016 - \$3,141) and to the employees of subsidiary Companhia Brasileira de Distribuição CBD in amount of \$3,199 (2016 - \$3,683) and other in amount of \$166 (2016 - \$0), that will affect these companies' activities. The provision is estimated based on the cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation date are expected to occur in 2017. The restructuring provision was recognized in period results as other expenses.
- (4) Provisions were recognized in amount of \$69,899 (2016 - \$80,500) because of the Purchase Price Allocation process of subsidiaries Companhia Brasileira de Distribuição - CBD and Libertad S.A., covering external counsel fees related with the defense of tax proceedings, whose compensation is tied to a success fee upon the legal closing thereof. Such percentages may vary, in accordance with qualitative and quantitative factors of each proceeding.

The development of provisions during the period is as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2016	426,960	2,221,272	6,824	88,118	2,743,174
Increase	564,345	63,109	29,217	3,979	660,650
Uses	(280)	-	-	(901)	(1,181)
Payments	(202,480)	(32,411)	(25,579)	(1,909)	(262,379)
Reversals (not used)	(177,411)	(184,410)	(3,682)	(15,206)	(380,709)
Increase (decrease) from the passing of time	98,160	(4,630)	-	-	93,530
Effect of exchange differences from translation to reporting currency	(104)	2,413	8	9	2,326
Decrease from the classification as held for trading	(228,732)	(21,299)	-	-	(250,031)
Other changes	184	(112,051)	-	-	(111,867)
Balance at September 30, 2017	480,642	1,931,993	6,788	74,090	2,493,513

Note 20.1. Other provisions classified as current and non-current

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

	September 30, 2017	December 31, 2016
Current		
Legal proceedings	5,983	6,650
Taxes other than income tax	1,186	1,247
Restructuring	6,788	6,824
Other	19,592	21,824
Total other current provisions	33,549	36,545
Non-current		
Legal proceedings	474,659	420,310
Taxes other than income tax	1,930,807	2,220,025
Other	54,498	66,294
Total other non-current provisions	2,459,964	2,706,629

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Parent is responsible at September 30, 2017 will be:

	Proceedings Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	5,983	1,186	6,788	19,592	33,549
From 1 to 5 years	204,998	1,644,217	-	54,498	1,903,713
5 years and more	269,661	286,590	-	-	556,251
Total estimated payments	480,642	1,931,993	6,788	74,090	2,493,513

Note 21. Trade payables and other accounts payable

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

	September 30, 2017	December 31, 2016
Current		
Suppliers	7,385,441	9,596,228
Employee benefits	843,183	776,589
Costs and expenses payable	347,539	497,934
Acquisition of property, plant and equipment	99,558	269,213
Dividends payable	24,294	51,711
Taxes collected payable	72,418	-
Other	255,645	345,353
Total current accounts payable	9,028,078	11,537,028
Non-current		
Acquisition of property, plant and equipment	-	3,683
Other	47,639	38,674
Total non-current accounts payable	47,639	42,357

Note 22. Income tax

Note 22.1. Tax regulations applicable to the Parent and to Colombian subsidiaries

During the nine-month period ended September 30, 2017, no changes have been implemented regarding tax rules applied at the closing of the year ended December 31, 2016, exception made of the following, which were enacted with the tax reform pursuant to Law 1819 of December 29, 2016:

a. Income tax

Introduces an increase in the general income tax rate for domestic companies. The current rate of 25% is increased to 34% for 2017, and to 33% for 2018 onwards.

Introduces an income tax surcharge of 6% for 2017 and 4% for 2018, to be levied on domestic companies, applicable to tax profits higher than \$800.

Eliminates the income tax rate for equality CREE and the surcharge thereon as of 2017.

b. Tax on dividends

Introduces a tax on dividends paid to individuals resident in Colombia at a rate of 5% if the amount distributed is between 600 UVT (\$19 for 2017) and 1000 UVT (\$31 for 2017) and 10% on higher amounts when such dividends have been taxed upon the distributing companies.

For individuals non-resident in Colombia and foreign companies, the tax rate is 5% when such dividends have been taxed upon the distributing companies.

When the earnings that give rise to dividends have not been taxed upon the distributing company, the tax rate applicable to shareholders will be 35%.

The above will apply to earnings obtained as of 2017.

c. IFRS base for tax purposes

Accounting under International Financial Reporting Standards accepted in Colombia is adopted as the base for tax purposes, with certain exceptions related with the realization of revenue, recognition of costs and expenses and the merely accounting effects of the opening balance sheet upon adoption of these standards.

d. Presumptive income

Presumptive income is increased from 3% to 3.5% of tax equity as of 2017.

e. Foreign controlled entities

Under the special regime applicable to foreign subsidiaries that are investment vehicles, the standard sets out that passive revenue obtained by such vehicles must be included in the year of accrual and not in the year of effective distribution of profits as authorized until 2016.

f. Tax losses and closing of tax returns

A term of 12 periods after a loss is defined as the maximum term to offset such tax loss. Until 2016 there was no time limit. Also, the general term to close tax returns is increased from 2 to 3 years, and from 2 to 6 years for taxpayers required to report transfer pricing information. Tax returns including offsetting of tax losses will be closed in 6 years.

g. Entities under the special tax regime

Several measures are introduced seeking to improve the control over entities under the special tax regime, including an exhaustive list of qualifying activities and the requirement of obtaining a qualification from the National Tax and Customs Direction DIAN to act as entities under the special tax regime. Those entities that fail to comply with the requirements will become income taxpayers under the ordinary tax regime.

h. Tax on financial transactions

The tax on financial transactions becomes a permanent tax.

Note 22.2. Tax regulations applicable to foreign subsidiaries

Tax regulations in force applicable to foreign subsidiaries foresee the following income tax rates:

- Uruguay: 25%,
- Brazil: 25% applicable to the controlling entity and 34% applicable to subsidiaries,
- Argentina: 35%.

Note 22.3. Current tax assets and liabilities

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

Current tax assets

	September 30, 2017	December 31, 2016
Current tax assets of subsidiary Onper Investment 2015 S.L. (1)	317,510	611,161
Income tax advances and self-withholdings of Parent and its Colombian subsidiaries (2)	121,522	142,787
Current tax assets of subsidiary Spice Investment Mercosur S.A. (3)	47,613	58,812
Industry and trade tax advances and withholdings	10,962	12,427
Income tax for equality - CREE advances and self-withholdings (4)	-	26,658
Income tax balance receivable from excess assessments	7,030	-
Income tax for equality - CREE balance receivable from excess assessments	1,654	-
Income tax for equality - CREE paid in advance	-	23,097
Other	-	243
Total current tax assets	506,291	875,185

(1) The balance is comprised of:

	September 30, 2017	December 31, 2016
Current tax assets	371,696	627,766
Current taxes payable	(54,186)	(16,605)
Total	317,510	611,161

(2) The balance is made as follows:

	September 30, 2017	December 31, 2016
Income tax withholdings	144,920	166,438
Tax discount to be requested	16,921	19,376
Subtotal	161,841	185,814
Less income tax (expense) (Note 22.5)	(40,319)	(43,027)
Total income tax balance receivable	121,522	142,787

(3) The balance is comprised of:

	September 30, 2017	December 31, 2016
Current tax assets	77,943	78,871
Current taxes payable	(30,330)	(20,059)
Total	47,613	58,812

(4) The balance is comprised of:

	September 30, 2017	December 31, 2016
Income tax for equality CREE withholdings	-	51,150
Less income tax for equality CREE (expense) (Note 22.5)	-	(24,492)
Total income tax for equality - CREE balance receivable	-	26,658

Current tax liabilities

	September 30, 2017	December 31, 2016
Taxes of subsidiary Onper Investment 2015 S.L. other than income tax	163,518	245,070
Taxes of subsidiary Spice Investment Mercosur S.A. other than income tax	-	11,233
Industry and trade tax payable	29,761	44,719
Other taxes payable	2,356	2,396
Total current tax liabilities	195,635	303,418

Note 22.4. Non-current tax assets and liabilities

Non-current tax assets

The balance of 1,244,388 (2016 - \$581,947) relates to taxes receivable of foreign subsidiaries, basically the ICMS tax (Tax on the Movement of Goods and Services) and the Social Security National Tax.

Non-current tax liabilities

The balance of \$631,944 (2016 - \$502,452) relates to federal taxes payable and instalment incentive payment program of foreign subsidiaries.

Note 22.5. Income tax

The reconciliation of accounting income to tax income and the tax expense estimation are as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016	December 31, 2016
Earnings before income tax	480,125	113,992	31,899	40,128	380,270
Add:					
Tax on wealth	20,419	52,459	-	0	52,622
(Recovery of receivables) receivables written-off	10,218	2,222	434	962	(4,707)
IFRS adjustments with no tax effects	(35,659)	101,972	(42,813)	45,919	(52,590)
Tax on financial transactions	7,092	6,952	1,909	2,051	9,313
Non-deductible expenses	2,761	186	97	(271)	14,498
Inventory loss	3,252	-	1,437	-	-
Taxes taken on and revaluation	1,545	4,828	60	2,416	7,259
Fines, penalties and litigation expenses	1,119	2,740	23	1,422	3,171
Non-deductible taxes	15	397	-	378	19
Tax losses for the period	637	81,350	637	33,414	36,043
Excess presumptive income	-	-	-	-	159,370
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	117	4,624	117	-	90,404
Provision for industry and trade tax	-	-	-	-	3,418
Presumptive Interests	-	55	-	55	-
Net income - recovery of depreciation of fixed assets sold	970	8,901	970	-	21,356
Less:					
Subsidiaries effect	(528,202)	(178,708)	(66,143)	(69,152)	(310,718)
Goodwill tax deduction, in addition to the accounting deduction	(143,829)	(14,214)	38,499	-	(18,362)
40% deduction of investment in income-generating assets	(84,908)	(129,759)	(26,363)	(52,141)	(128,076)
Tax-exempt dividends received from subsidiaries	(52,081)	-	(1,932)	-	-
Amortization of tax losses	(10,073)	-	(122)	-	(8,209)
Derecognition of gain from the sale of fixed assets reported as occasional gain	(5,094)	(19,711)	(1,440)	-	(72,984)
Disabled employee deduction	(725)	(629)	(167)	(209)	(811)
Recovery of provisions	(483)	(1,857)	21	-	(1,988)
Industry and trade tax from prior years paid during current year	-	(11,012)	-	3,399	-
Allowance for doubtful accounts	-	(6,281)	-	360	-
Net income (loss)	(332,784)	18,507	(62,878)	8,731	179,298
Presumptive income of the Parent and of certain Colombian subsidiaries for the current period	111,335	-	22,467	-	-
Net income of certain Colombian subsidiaries for the current period	7,649	-	2,164	-	-
Net taxable income	118,984	18,507	24,631	8,731	179,298
Income tax rate	33%	25%	33%	25%	25%
Subtotal income tax (expense)	(39,379)	(4,627)	(7,299)	(2,183)	(44,825)
Adjustment to effective rate	-	(23,361)	-	(10,450)	-
Occasional gains tax (expense)	(347)	(888)	(79)	-	(1,988)
Income tax surcharge	(593)	-	(204)	-	-
Tax discounts	-	3,553	-	-	3,786
Total income tax (expense)	(40,319)	(25,323)	(7,582)	(12,633)	(43,027)
Income tax for equality - CREE (expense)	-	(17,383)	-	(8,308)	(13,868)
Income tax for equality - CREE surcharge (expense)	-	(9,730)	-	(4,026)	(10,624)
Current tax (expense) prior year	118	(1,714)	(20)	-	(1,720)
Total income tax (expense) of the Parent and its Colombian subsidiaries	(40,201)	(54,150)	(7,602)	(24,967)	(69,239)
Total foreign subsidiaries current tax (expense)	(161,369)	(111,930)	53,872	(38,363)	(139,610)
Total current income tax revenue (expense)	(201,570)	(166,080)	46,270	(63,330)	(208,849)

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Current income tax revenue (expense)	(201,570)	(166,080)	46,270	(63,330)
Deferred income tax revenue (expense) (Note 22.6)	67,284	23,160	(85,083)	(36,365)
Total income tax revenue (expense)	(134,286)	(142,920)	(38,813)	(99,695)

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net equity of Colombian subsidiaries	3,755,400	-	1,172,624	-
Less net shareholders' equity to be excluded	(64,286)	-	(20,581)	-
Shareholders' equity base	3,691,114	-	1,152,043	-
Presumptive income of Colombian subsidiaries	111,335	-	22,467	-

Note 22.6. Deferred tax

The Parent and its subsidiaries recognize deferred taxes receivable or payable, arising from temporary differences representing a lower or higher payment of the current year income tax, estimated at the recovery rates expected (tax rates in force 2017 - 34%; 2018 onwards - 33%), provided there is reasonable expectation that such differences will revert in future. Should deferred tax assets be generated, an analysis will be made of whether there will be enough taxable income in future that allow offsetting the asset, in full or in part

Deferred taxes recognized in the statement of financial position relate to the following items:

	September 30, 2017			December 31, 2016		
	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets (liabilities)	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets (liabilities)
Land	5,559	(41,886)	(36,327)	5,559	(44,590)	(39,031)
Buildings	145,892	(228,871)	(82,979)	132,782	(222,035)	(89,253)
Investment property	137	(18,289)	(18,152)	-	(16,150)	(16,150)
Construction in progress	145,342	(180,000)	(34,658)	145,193	(167,834)	(22,641)
Intangible assets	23,681	(109,968)	(86,287)	33,450	(144,935)	(111,485)
Other fixed assets	583,396	(448,170)	135,226	587,588	(449,160)	138,428
Non-operating real estate property	103	-	103	103	-	103
Equity investments	240,423	(324,984)	(84,561)	198,624	(272,838)	(74,214)
Investments at amortized cost	-	-	-	1,116	(1,118)	(2)
Deferred charges	98,802	(84,986)	13,816	108,517	(99,566)	8,951
Real estate for trading	-	-	-	-	(83)	(83)
Inventories	1,846	-	1,846	31,725	(5,696)	26,029
Accounts receivable	23,367	(7,724)	15,643	14,380	(11,542)	2,838
Financial liabilities	5,878	(1,522,760)	(1,516,882)	2,019	(1,466,878)	(1,464,859)
Other liabilities	48,798	(12,162)	36,636	54,669	(63,161)	(8,492)
Tax consolidation and readjustment	15,867	-	15,867	19,407	-	19,407
Excess presumptive income and tax losses	215,633	-	215,633	121,734	-	121,734
Total	1,554,724	(2,979,800)	(1,425,076)	1,456,866	(2,965,586)	(1,508,720)

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Deferred income tax	80,691	12,343	(72,072)	(33,691)
Deferred CREE tax	-	(12,952)	-	(15,392)
Deferred CREE tax surcharge	-	8,120	-	703
Deferred occasional gains tax	(13,463)	11,614	(13,011)	12,015
Retained earnings Uruguay and Brazil	56	4,035	-	-
Total deferred tax revenue (expense)	67,284	23,160	(85,083)	(36,365)

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Gain from derivative financial instruments denominated as hedge instruments	4,766	-	196	-
Total	4,766	-	196	-

The reconciliation of the development of the net deferred tax (liabilities), between December 31, 2016 and September 30, 2017 to the statement of income and the statement of other comprehensive income is as follows:

	September 30, 2017
Revenue from deferred tax recognized in income for the period.	67,284
Revenue from deferred tax recognized in other comprehensive income for the period.	4,766
Effect of the translation of the deferred tax recognized in other comprehensive income for the period (1)	11,594
Total decrease in net deferred tax (liabilities) between December 31, 2016 and September 30, 2017	83,644

(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. See Note 26.

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

	September 30, 2017	December 31, 2016
Subsidiaries domiciled abroad	(231,886)	(187,362)
Subsidiaries domiciled in Colombia	(14,166)	(27,620)
Other	(9,731)	(13,133)
Total	(255,783)	(228,115)

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at September 30, 2017 amount to \$1,569,338 (2016 - \$1,522,480).

Note 22.7. Effects of the income tax on the distribution of dividends.

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

Note 23. Other financial liabilities

The balance of other financial liabilities is as follows:

	September 30, 2017	December 31, 2016
Bonds issued (1)	2,810,094	1,788,198
Trade papers (2)	-	488,025
Derivative financial instruments designated as hedge instruments (3)	95,500	250,458
Derivative financial instruments (4)	25,548	17,608
Collections received on behalf of third parties (5)	83,258	96,283
Total	3,014,400	2,640,572
Current	635,676	805,413
Non-current	2,378,724	1,835,159

(1) Companhia Brasileira de Distribuição – CBD uses the issuance of bonds to strengthen working capital, maintain its cash strategy and extend its debt and investment profile. Bonds issued are not convertible, have no renegotiation clauses and are unsecured, exception made of the issue of bonds by subsidiaries, which are endorsed by the subsidiary. Amortization of bonds varies in accordance with the issue.

Amortization of bonds varies in accordance with the issue. The following amortization methods are foreseen:

- Repayment only upon maturity with annual compensation (10th issue of CBD);
- Repayment only upon maturity with biannual compensation (11th issue of CBD);
- Annual instalments as of the fourth year of issue (12th issue of CBD) and biannual repayments.

12th and 13th issues are entitled to early redemption at any time in accordance with the conditions set by the issue instrument.

The 2nd issue of trade papers of Companhia Brasileira de Distribuição – CBD was released on August 1, 2016. The issue consisted of 200 certificates with unit value of \$2,302 for total \$460,401. Net resources from the issue were entirely used to reinforce working capital.

On December 20, 2016, Companhia Brasileira de Distribuição – CBD released the 13th issue of straight bonds, not convertible, unsecured, with unique serial number that were privately placed with Ares Serviços Imobiliários Ltda., which in turn assigned and transferred them to Ápice Securitizadora S.A., which acquired the bonds and credit rights of Agronegocio (CRA) with the purpose of linking them to the 2nd series of the 1st issue of certificates receivable of Agronegocio. Resources raised will be solely devoted to the purchase of agricultural products such as fruits, vegetables, dairy products, poultry and other animal proteins directly from rural producers and rural cooperatives. The attracted amount of \$932,773 matures on December 20, 2019, and bears an interest of 97.5% of the IDC payable biannually.

Subsidiary Companhia Brasileira de Distribuição – CBD is required to maintain financial ratios related with issues released. Such ratios are estimated based on consolidated financial information prepared pursuant to accounting 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 company complied with such ratios at December 31, 2016.

- (2) The balance at December 31, 2016 relates to debt certificates issued by subsidiary Companhia Brasileira de Distribuição - CBD on August 1, 2016 maturing on January 30, 2017.
- (3) Derivative instruments designated as hedge instrument reflect swap transactions carried out by the Parent and its subsidiaries under contracts executed with financial entities which 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 become capable of being determined in local currency. The fair values of these instruments are determined based on valuation models, commonly used by market participants.

The detail of maturities of these instruments at September 30, 2017 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	More than 6 months	Total
Swap	-	-	51,366	44,134	95,500

The detail of maturities of these instruments at December 31, 2016 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	More than 6 months	Total
Swap	56,169	49,723	-	144,566	250,458

- (4) Derivative financial instruments reflect the variation in the fair value of forward and swap contracts designated to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. Derivative financial instruments (forward and swap) are measured at fair value in the statement of financial position, on each accounting closing date.

The detail of maturities of these instruments at September 30, 2017 is as follows:

Derivative	Less than 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	6,203	10,629	3,602	-	20,434
Swap	-	-	2,416	2,698	5,114
					25,548

The detail of maturities of these instruments at December 31, 2016 is as follows:

Derivative	Less than 1 year	More than 1 year	Total
Forward	16,346	-	16,346
Swap	1,262	-	1,262
			17,608

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

	September 30, 2017	December 31, 2016
Collections received on behalf of third parties (1)	28,749	24,672
Éxito Card collections	28,914	27,812
Non-banking correspondent	15,427	34,376
Direct trading (Market Place)	3,962	3,967
Money transfer services	1,146	1,364
Other collections	5,330	4,092
Total	83,258	96,283

(1) Relates to:

- Insurance premiums, extended warranties, telephone companies cell phone recharges and non-banking correspondent collections by subsidiary Companhia Brasileira de Distribuição - CBD on behalf of Financiera Itaú CBD - FIC Promotora de Vendas Ltda. in amount of \$12,419 (2016 - \$13,812).
- (2) Relate to 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 \$16,330 (2016 - \$10,860).

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

	September 30, 2017	December 31, 2016
Bonds issued	476,549	34,990
Trade papers	-	488,025
Derivative financial instruments	22,850	17,608
Derivative financial instruments designated as hedge instruments	53,019	168,507
Collections received on behalf of third parties	83,258	96,283
Current	635,676	805,413
Bonds issued	2,333,545	1,753,208
Derivative financial instruments designated as hedge instruments	42,481	81,951
Derivative financial instruments	2,698	-
Non-current	2,378,724	1,835,159

Note 24. Other non-financial liabilities

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

	September 30, 2017	December 31, 2016
Current		
Customer loyalty programs (1)	88,145	91,218
Revenue received in advance (2)	72,982	233,234
Extended warranty	22,692	22,099
Advance payments under contracts and other projects	4,281	31,718
Instalments received under "plan reservalo"	1,040	1,266
Other (4)	1,702	2,762
Total other current non-financial liabilities	190,842	382,297
Non-current		
Advance payments under contracts and other projects	58,918	47,387
Extended warranty	4,363	10,129
Other (3)	10,769	11,971
Total other non-current non-financial liabilities	74,050	69,487

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

The following are the balances of these programs:

	September 30, 2017	December 31, 2016
"Puntos Éxito" and "Supercliente Carulla" programs	36,593	37,334
"Hipermillas" and "Tarjeta Mas" programs	26,665	26,862
"Puntos Extra" and "Pao de Azucar" programs	24,384	25,782
Club Libertad	503	1,240
Total	88,145	91,218

- (2) Mainly relates to revenue received in advance from third parties on the sale of various means of payment products and strategic alliances.

	September 30, 2017	December 31, 2016
Lease of real estate (a)	26,250	78,411
Gift card	23,523	43,264
Cafam comprehensive card	10,109	9,035
Exchange card	2,945	3,326
Data and telephone minutes purchased in advance	1,370	1,213
Fuel card	866	932
Repurchase coupon	630	49
Commitment to sell property (b)	-	92,080
Other	6,899	4,924
Total current	72,352	233,234

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

- (b) 2016 also includes a balance of \$92,080, relevant to an advance payment received on a distribution center sales commitment.

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

Note 25. Share capital, own shares repurchased and premium on the issue of shares

The Parent's authorized capital is represented in 530,000,000 ordinary shares with par value of \$10 (*) each; subscribed and paid-in capital amounts to \$4,482 at September 30, 2017 and December 31, 2016. The number of outstanding shares is 447,604,316 and the number of repurchased own shares is 635,835 with value of \$2,734 on the same reporting dates.

The rights attached to the shares are speaking and voting rights per each share. No privileges have been granted on the shares, nor are they restricted in any way. Additionally, there are no option contracts on the Parent's shares.

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to \$4,843,466 at September 30, 2017 and December 31, 2016. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in Colombian pesos.

Note 26. Reserves, retained earnings and other comprehensive income

Reserves

Reserves are appropriations of prior period results by the Parent's General Meeting of Shareholders on the results of prior periods. In addition to the legal reserve, there is an occasional reserve for the reacquisition of shares and the payment of future dividends.

Retained earnings

Retained earnings include the effect on shareholders' equity of the converge to IFRS in amount of \$1,070,092 resulting from the opening financial statement prepared in 2014 under IFRS 1, included in the accounting and financial information standards accepted in Colombia, set out in Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 2131.

Other accumulated comprehensive income

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

	September 30, 2017			December 31, 2016		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Measurement of financial assets at fair value through other comprehensive income (1)	(2,976)	-	(2,976)	(2,976)	-	(2,976)
Measurement of defined benefit plans (2)	(2,049)	676	(1,373)	(2,083)	676	(1,407)
Translation exchange differences (3)	1,268,687	-	1,268,687	1,385,504	-	1,385,504
Gain (loss) from the hedging of cash flows (4)	(14,398)	4,766	(9,632)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	54,734	-	54,734	60,702	-	60,702
Total other accumulated comprehensive income	1,303,998	5,442	1,309,440	1,441,147	676	1,441,823

- (1) Relates to accumulated gains or losses arising from the valuation at fair value of investments in financial instruments through equity. Changes in fair value are not reclassified to income for the period.
- (2) Represents the accumulated value of actuarial gains or losses arising from the Company's defined benefit plans. The net value of the new measurements is transferred to retained earnings and is not reclassified to period results.
- (3) Represents the accumulated value of exchange differences arising from the translation to the Parent's reporting currency of assets, liabilities, equity and results of foreign operations. Accumulated translation differences are reclassified to period results upon disposition of the operation abroad. Includes the effect of translation of deferred tax assets and liabilities in amount of \$11,523. See Note 22.
- (4) Represents the accumulated value of the effective portion of gains or losses arising from the 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 transactions influence period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a non-financial hedged entry.
- (5) Relates to the Parent's share of other comprehensive income of its investments in associates and joint ventures.

Note 27. Revenue from ordinary activities

The balance of revenue from ordinary activities generated during the period is as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Retail sales (Note 40)	40,079,420	36,139,367	13,692,439	12,655,713
Revenue from service and industry activities	595,057	426,170	216,356	138,573
Other ordinary revenue (1)	38,700	103,295	10,748	28,957
Revenue from ordinary activities	40,713,177	36,668,832	13,919,543	12,823,243

(1) Other ordinary revenue relates to:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Royalty revenue	6,079	54,592	3,088	17,644
Other revenue (a)	32,621	48,703	7,660	11,313
Total other ordinary revenue	38,700	103,295	10,748	28,957

(a) Relates to:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Revenue from the use of goods	8,644	6,525	1,107	3,906
Revenue from Latam strategic direction	5,240	3,631	1,535	-
Revenue from financial services	1,457	1,298	336	295
Other	17,280	37,249	4,682	7,112
Total other revenue	32,621	48,703	7,660	11,313

Note 28. Distribution expenses and administration and sales expenses

The balance of distribution expenses during the period is as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Leases	1,028,088	911,973	339,302	304,895
Depreciation and amortization	603,724	526,166	203,666	181,571
Fuels and power	542,224	542,047	172,849	164,723
Services	237,782	190,379	12,649	10,282
Advertising	294,173	281,222	86,103	72,186
Commissions on debit and credit cards	292,186	259,498	98,543	86,743
Repairs and maintenance	276,468	259,693	96,567	85,721
Taxes other than income tax	231,001	218,250	65,679	63,527
Outsourced employees	103,627	161,788	103,627	161,788
Fees	56,904	46,600	22,916	18,693
Transport	51,510	53,662	17,863	23,094
Packaging and marking materials	44,368	37,042	14,390	7,438
Insurance	35,630	25,491	10,062	8,771
Legal expenses	45,945	50,070	24,026	22,169
Travel expenses	16,016	13,981	6,525	5,762
Allowance for trade receivables	7,814	4,366	2,782	433
Other	208,895	190,287	61,526	45,753
Total distribution expenses	4,076,355	3,772,515	1,339,075	1,263,549

The balance of administration and sales expenses during the period is as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Depreciation and amortization	146,648	120,871	52,378	44,717
Fees	94,290	97,734	31,861	33,937
Outsourced personnel	79,172	119,125	26,995	30,951
Services	51,636	17,047	17,904	10,590
Taxes other than income tax	35,706	32,048	10,814	10,653
Repairs and maintenance	19,843	19,020	8,033	4,464
Travel expenses	16,381	13,315	6,238	4,710
Leases	8,085	17,447	2,030	14,278
Fuels and power	6,217	4,913	2,531	1,333
Legal expenses	4,648	7,323	1,362	2,726
Insurance	3,338	2,958	1,177	1,107
Transport	2,631	3,247	808	713
Contributions and affiliations	2,324	2,067	1,547	1,190
Other	35,824	16,388	14,334	8,506
Total administration and sales expenses	506,743	473,503	178,012	169,875

Note 29. Employee benefit expense

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Wages and salaries	2,403,990	2,170,073	782,224	760,847
Contributions to the social security system	535,309	469,363	186,728	162,747
Other short-term employee benefits	216,624	197,301	86,944	78,180
Total short-term employee benefit expenses	3,155,923	2,836,737	1,055,896	1,001,774
Post-employment benefit expenses, defined contribution plans	103,327	95,813	35,842	26,516
Post-employment benefit expenses, defined benefit plans	2,225	2,020	679	613
Total post-employment benefit expenses	105,552	97,833	36,521	27,129
Termination benefit expenses	182,331	171,967	63,536	54,047
Other long-term employee benefits (1)	168	(8,443)	53	86
Other personnel expenses	334,866	310,288	112,028	110,349
Total employee benefit expenses	3,778,840	3,408,382	1,268,034	1,193,385

(1) Since 2015 The Parent and some employees agreed to the elimination of the time-of-service bonus, and to receiving instead a single and special bonus; such agreement gave rise to a significant change in the long-term benefit plan, which resulted in an actuarial assessment at June 30, 2016, the outcome of which was a saving of \$9,011.

Note 30. Other operating revenue, other operating expenses and other net gains (losses)

The operating revenue, other operating expenses and other net gains line items include the effects of the most significant events occurred during the period which would distort the analysis of the Parent's and its subsidiaries' recurrent profitability; these are defined as unusual revenue-generating significant elements whose occurrence is exceptional and the effects of the items that given its nature are not included in an assessment of operating performance for the Parent and its subsidiaries, such as impairment losses, disposal of non-current assets and the impact of business combinations, among other.

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Other recurring operating revenue				
Recurring				
Revenue from insurance compensation	4,405	-	416	-
Recovery of allowance for trade receivables	3,753	5,009	-	-
Reimbursement of tax-related costs and expenses	1,980	1,051	1,980	1,051
Recovery of other provisions	1,682	-	1,682	(1)
Recovery of other provisions related to civil lawsuits	960	1,634	940	93
Recovery of other provisions related to labor lawsuits	592	4,429	491	(191)
Reimbursement of ICA-related costs and expenses	488	1,796	41	(40)
Total other recurring operating revenue	13,860	13,919	5,550	912
Non-recurring				
Recovery of other provisions (1)	35,086	51	34,887	22
Insurance compensations for damages	277	-	-	-
Total non-recurring	35,363	51	34,887	22
Total other operating revenue	49,223	13,970	40,437	934
Other operating expenses				
Restructuring expenses (2)	(143,441)	(52,277)	(53,205)	(12,086)
Provision for tax proceeding expenses (3)	(83,434)	(74,842)	(47,355)	11,478
Tax restructuring expense	(19,015)	(5,975)	(19,015)	(5,975)
Tax on wealth expense (4)	(20,030)	(52,624)	-	-
Other expenses	(5,132)	(40,128)	(1,678)	(14,205)
Total other operating expenses	(271,052)	(225,846)	(121,253)	(20,788)
Other (loss) gains, net				
(Loss) from the sale of property, plant and equipment	(82,214)	(14,332)	(36,638)	(13,159)
(Loss) from the derecognition of property, plant and equipment	(1,257)	(7,080)	(458)	(531)
(Loss) from subsidiaries not included in the consolidation	-	(3,867)	-	-
Total other (loss) gains, net	(83,471)	(25,279)	(37,096)	(13,690)

(1) For 2017, mainly relates to recoveries under tax-related proceedings at Companhia Brasileira de Distribuição – CBD.

(2) Includes \$119,284 (2016 - \$43,386) relevant to the results of 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. Additionally, includes expenses from the Parent's restructuring plan, which include the purchase of seniority bonuses, operating excellence plan and corporate retirement plan, in amount of \$24,197 (2016 - \$8,891).

(3) Mainly refers to legal proceedings of subsidiary Companhia Brasileira de Distribuição - CBD, related with the income tax and other taxes such as ICMS, PIS/COFINS.

(4) Refers to the tax on wealth introduced by the Colombian National Government by means of Law 1739 of December 23, 2014, applicable to the Parent and its Colombian subsidiaries. Includes also the tax on wealth of subsidiaries in Uruguay.

Note 31. Financial revenue and expenses

The balance of financial revenue and expenses is as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Gain from derivative financial instruments (1)	16,302	19,549	(50,563)	17
Gain from exchange difference (1)	69,195	246,827	56,498	17,493
Other financial revenue	115,141	119,452	46,867	55,581
Revenue from interest, cash and cash equivalents	44,288	70,085	(1,600)	7,697
Total financial revenue	244,926	455,913	51,202	80,788
Interest, borrowings and finance lease expenses	(730,807)	(846,326)	(218,927)	(304,580)
Loss from derivative financial instruments (1)	(115,107)	(198,804)	(32,514)	(27,580)
Loss from exchange difference (1)	(41,003)	(146,354)	2,961	(24,883)
Other financial expenses	(79,982)	(84,712)	(32,631)	(29,980)
Commission expense	(88,751)	(89,643)	(20,717)	(40,143)
Total financial expenses	(1,055,650)	(1,365,839)	(301,828)	(427,166)

(1) The valuation of debt, hedge instruments and assets and liabilities in foreign currency shows a variance as compared to 2016, mainly from changes in the devaluation curve and from variations in exchange rates during 2017.

Note 32. Share of profits in associates and joint ventures that are accounted for using the equity method

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

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	47,652	50,175	17,323	13,196
Cnova N.V. (1)	(78,714)	-	(27,246)	-
Compañía de Financiamiento Tuya S.A. (2)	(8,615)	-	3,532	-
Puntos Colombia S.A.S.	(1,704)	-	(1,706)	-
Total	(41,381)	50,175	(8,097)	13,196

(1) In December 2016, Cnova Comercio Electronico S.A. became a wholly-owned subsidiary of Via Varejo S.A., which in turn ceased having an interest in Cnova N.V., losing control over this subsidiary and consequently ceasing to consolidate the subsidiaries that represent the foreign e-commerce business, thus becoming an associate because of the interest held by Companhia Brasileira de Distribuição – CBD.

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

Note 33. Earnings per share

Earnings per share are classified as basic and diluted. The purpose of basic earnings is to give a measure of the participation of each ordinary share of the controlling entity in the Parent's performance during the reporting periods. The purpose of diluted earnings is to give a measure of the participation of each ordinary share in the performance of the Parent taking into consideration the dilutive effect (decrease in earnings or increase in losses) of outstanding potential ordinary shares during the period.

The Parent has not carried out transactions with potential ordinary shares for the reported periods, or between the closing date and the date of release of these financial statements.

Below is information regarding earnings and number of shares used in the calculation of earnings on basic and diluted shares:

In period results

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net (loss) profit attributable to the shareholders of the controlling entity	30,339	(147,971)	(31,331)	(100,278)
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic earnings (loss) per share and diluted (in pesos)	67.78	(330.58)	(69.99)	(224.03)

January 1 to September 30,	January 1 to September 30,	July 1 to September 30,	July 1 to September 30,
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	2017	2016	2017	2016
Net period profit (loss) from continuing operations	345,839	(28,928)	(6,914)	(59,567)
Net earnings from discontinued operations attributable to non-controlling interests	324,946	62,606	28,088	19,568
Net gains from continuing operations attributable to shareholders of the controlling entity	20,893	(91,534)	(35,002)	(79,135)
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic earnings (loss) per share and diluted (in pesos) from continuing operations attributable to shareholders of the controlling entity	46,68	(204.50)	(78.20)	(176.80)
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net period earnings (loss) from discontinued operations	173,779	(804,838)	57,072	(282,786)
Net earnings from discontinued operations attributable to non-controlling interests	164,333	(748,401)	53,401	(261,644)
Net (loss) earnings from discontinued operations attributable to shareholders of the controlling entity	9,446	(56,437)	3,671	(21,142)
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic earnings (loss) per share and diluted (in pesos) from discontinued operations attributable to shareholders of the controlling entity	21.10	(126.08)	8.20	(47.23)
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net period profit (loss) from continuing operations	345,839	(28,928)	(6,914)	(59,567)
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in pesos) from continuing operations	772.64	(64.63)	(15.45)	(133.08)
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net period earnings (loss) from discontinued operations	173,779	(804,838)	57,072	(13,786)
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in pesos) from discontinued operations	388.24	(1,798.10)	127.50	(631.78)
<u>In total comprehensive income for the period</u>				
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Net (loss) profit attributable to shareholders of the controlling entity	(70,092)	199,408	(170,992)	(114,145)
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic (loss) earnings per share and diluted (in pesos) in total comprehensive income	(156.59)	445.50	(382.01)	(255.01)

Note 34. Transactions with related parties

Note 34.1. Key management personnel compensation

Transactions between the Parent and its subsidiaries and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered between the parties.

Compensation of key management personnel recognized during the nine-month periods ended September 30, 2017 and September 30, 2016 is as follows:

	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016

Short-term employee benefits	98,395	95,854	28,202	32,001
Share-based payment plans	19,635	6,056	3,092	2,684
Post-employment benefits	1,498	2,214	178	719
Termination benefits	119	465	119	465
Total	119,647	104,589	31,591	35,869

Note 34.2. Transactions with related parties

Transactions with related parties relate to revenue from the sale of goods and services, as well as to costs and expenses related to risk management and technical assistance support, and to the purchase of goods and services received. The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

	Revenue			
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Controlling entity (1)	5,240	3,631	1,535	-
Associates (2)	50,843	38,430	14,216	14,651
Grupo Casino companies (3)	17,770	5,731	652	(63)
Joint ventures (4)	20,748	-	7,048	-
Total	94,601	47,792	23,451	14,588

	Costs and expenses			
	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Controlling entity (1)	46,194	57,323	13,064	19,801
Associated companies	-	19,124	-	4,396
Grupo Casino companies (3)	60,785	59,063	28,166	7,936
Joint ventures (4)	1,867	-	563	-
Members of the Board	903	4,512	371	3,849
Total	109,749	140,022	42,164	35,982

(1) Revenues basically relate to the strategic direction agreement entered with Casino Guichard Perrachon S.A.

Costs and expenses mainly refer to the reimbursement of expenses incurred by professionals and companies of Grupo Casino to the benefit of Companhia Brasileira de Distribuição - CBD under a "cost sharing agreement". It also includes other expenses incurred with the controlling entity from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V.

(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 suppliers centralized negotiation with IRTS.

Costs and expenses mainly relate to expenses incurred by Companhia Brasileira de Distribuição - CBD with Grupo Casino companies under the cost sharing agreement, and to costs related with energy efficiency services with Green Yellow de Colombia S.A.S.

(4) Transactions with joint ventures mainly refer to revenue from the lease of premises, expenses from commissions on means of payment and revenue from royalties with Compañía de Financiamiento Tuya S.A.

Note 35. Asset impairment

Note 35.1. Financial assets

No significant losses arising from impairment of financial assets were recognized during the reporting periods.

Note 35.2. Non-financial assets

The Company tested non-financial assets for impairment, based on external and in-house information available at September 30, 2017. During the nine-month period ended September 30, 2017, no significant losses were recognized from the impairment of financial assets, except for the loss identified at Torre Sur building.

In June 30, 2017 the Parent tested such property for impairment given that it was currently in the process of being demolished for the construction of Centro Comercial Viva Envigado. At September 30, 2017, the building has been fully demolished. This asset was allocated to the Colombia segment. The recoverable value of the building was estimated using the depreciated replacement cost method, which consists of establishing a fair value of the asset based on an estimation of the total cost of a similar asset at market prices less accumulated depreciation, implementing a system that takes into consideration the age and state of preservation of the asset appraised, in this case affected by dismantling costs. Such appraisal determined \$539 as the recoverable value of the asset, and the Parent recognized impairment in its financial statements in amount of \$1,481.

No significant losses arising from impairment of non-financial assets were recognized for other non-current assets. The Parent conducted the annual impairment testing at December 31, 2016 by cash-generating units.

Note 36. Fair value measurement

Below is a comparison of book values and fair values of financial assets and liabilities at September 30, 2017 and December 31, 2016 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	September 30, 2017		December 31, 2016	
	Book value	Fair value	Book value	Fair value
Financial assets				
Loans at amortized cost	32,346	25,647	20,283	17,612
Investments in private equity funds	1,300	1,300	1,142	1,142
Forward contracts measured at fair value through income	845	845	4,800	4,800
Swap contracts measured at fair value through income	1,459	1,459	4,747	4,747
Derivative swap contracts denominated as hedge instruments	46,642	46,642	96,684	96,684
Investment in bonds	77,663	76,241	87,408	87,813
Equity investments	248	248	248	248
Financial liabilities				
Financial liabilities and finance leases	6,080,320	6,059,020	6,953,123	6,924,053
Put option (1)	359,075	359,075	364,867	364,867
Bonds and trade papers issued	2,810,094	2,787,570	2,276,223	2,252,282
Swap contracts denominated as hedge instruments	95,501	95,501	250,458	250,458
Forward contracts measured at fair value through income	20,178	20,178	16,346	16,346
Swap contracts measured at fair value through income	5,370	5,370	1,262	1,262

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

Balance at December 31, 2016	364,867
Changes in fair value recognized in Investments (a)	(5,792)
Balance at September 30, 2017	359,075

(a) Changes arising mainly from the variations in the US Dollar - Uruguayan peso and US Dollar - Colombian peso exchange rates between valuation dates.

The following methods and assumptions were used to estimate the fair values:

	Hierarchy level	Valuation technique Valuation	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the 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
<i>Forward</i> contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the " <i>forward</i> " agreed upon rate and the " <i>forward</i> " 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 " <i>forward</i> " rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the " <i>forward</i> " contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar " <i>forward</i> " market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
<i>Swap</i> contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses <i>swap</i> 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 <i>swap</i> market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the <i>swap</i> net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. <i>Swap LIBOR curve</i> . Treasury Bond curve. CPI 12 months
Derivative <i>swap</i> 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 <i>swap</i> IDC market rates, both as displayed by BM&FBovespa.	IDC Curve Swap IDC rate
Investment in bonds	Level 1	Market quote prices	Fair value of such investments is calculated as reference to quotes displayed in active markets for the relevant financial instrument.	N/A

	Hierarchy level	Valuation technique Valuation	Description of the valuation technique	Significant input data
Assets				
Equity investments	Level 2	Deemed cost	Investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is not material and that measurement using a valuation technique commonly used by market participants may result in higher costs than benefits.	N/A

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Put option	Level 3	Given formula	The fair value is measured using a given formula under an agreement entered with non-controlling interests of Grupo Disco, using level 3 input data.	Net Income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015 Uruguayan peso-US Dollar exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A.
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basis points LIBOR rate + Negotiated basis points
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity dates.	CPI 12 months
<i>Forward</i> contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the " <i>forward</i> " agreed upon rate and the " <i>forward</i> " 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 " <i>forward</i> " rate is determined based on the quote of the two-way closing price (" <i>bid</i> " and " <i>ask</i> ").	Peso/US Dollar exchange rate set out in the " <i>forward</i> " contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar " <i>forward</i> " market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
<i>Swap</i> contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses <i>swap</i> 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 <i>swap</i> 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

Not observable material data input and a valuation sensitivity analysis on the valuation of the "put option" refer to:

	Non-observable significant 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, 2015 and 2016	\$97,758 - \$110,713	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	Ebitda of Supermercados Disco del Uruguay S.A., consolidated over 24 months	\$136,716 – \$146,689	
	Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months	(\$85,190) - (\$86,059)	
	Fixed contract price	\$419,607 - \$424,857	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	\$28,495 – \$29.34	
	US Dollar-Colombian peso exchange rate on the date of valuation	\$3,000.71 - \$3,038.26	
	Total shares Supermercados Disco del Uruguay S.A.	443.071.594	

There were no transfers between level 1 and level 2 hierarchies during the period.

Note 37. Contingent assets and liabilities

Note 37.1. Contingent assets

The Parent and its subsidiaries have not recognized material contingent assets at September 30, 2017.

Note 37.2. Contingent liabilities

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.

Contingent liabilities relate to:

	September 30, 2017	December 31, 2016
Legal proceedings (a)	374,780	358,192
Taxes (b)	7,263,335	7,354,775
Other contingent liabilities (c)	579,632	676,868
Total	8,217,747	8,389,835

(a) Contingent liabilities arising from legal proceedings relate to:

- A requirement by the National Social Security Institute of Brazil INSS to Companhia Brasileira de Distribuição CBD in amount of \$371,369 (2016 - \$358,192) on the grounds of its failure to pay social contributions on benefits granted to its employees, among other matters. The requirements are being discussed in administrative and judicial proceedings.
- Parent's third-party liability lawsuit amounting to \$1,531 (2016 - \$0) for alleged injuries to a customer at Éxito Santa Marta store premises.
- Alleged failure of the Parent to comply with a concession contract, on the grounds of having withdrawn the concessionaire's elements with no prior authorization or agreement between the parties, in amount of \$1,880 (2016 - \$0).

(b) Tax-related contingent liabilities refer to the following proceedings:

- Imposto de Renda Pessoa Juridica (IRPJ), Imposto de Renda Retido na Fonte (IRRF), Contribuição Social sobre o Lucro Líquido (CSLL), Imposto sobre operações financeiras (IOF), Imposto de renda sobre o lucro líquido (ILL): They 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 and Abílio Diniz. Contingent liabilities amount to \$737,209 (2016 - \$895,941).
- Tax proceedings resulting from the deduction of amortization expenses during 2012 and 2013, of the goodwill gained upon acquisition of the Ponto Frio trademark in 2009. These proceedings are valued at \$77,407 (2016 - \$72,743).
- 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 aliquot or exempt - acquired from third parties, other offsetting requests, collection of taxes with a bearing on soy exports, payment differences, excess payments, fines from the failure to comply with ancillary obligations, non-recognition of COFINS and PIS credits on products predominantly single-phase, among other issues. Such proceedings are pending administrative and judicial ruling. These contingent liabilities amount to \$1,497,607 (2016 - \$1,685,456).
- 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; (v) arising from the trading of extended warranty; (vi) among other. Such proceedings are pending final administrative and judicial ruling. Such proceedings amount to \$4,801,600 (2016 - \$ 4,560,342).
- Tax on services (ISS), Brazilian tax on real estate (IPTU), tax rates and other: Refer to requirements on third party withholdings, differences in the payment of IPTU, fines from the failure to comply with ancillary obligations, ISS - compensation for advertising expenses, and miscellaneous levies. Such proceedings are pending administrative and judicial ruling. They amount to \$130,431 (2016 - \$120,202).
- The following nullity of resolutions and restoration of rights proceedings, seeking that the Parent be exempted from paying the amounts claimed by the complainant entity:
 - * Proceedings seeking nullity of the resolution on changes to the Parent's Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of \$11,830 (2016 - \$11,830).
 - * Proceedings on the assessment of the Parent's real estate revaluation, in amount of \$1,163 (2016 - \$1,163).
 - * Proceedings seeking nullity of resolutions on the improper offsetting of the Carulla Vivero S.A. 2008 income tax, at the Parent, in amount of \$1,088 (2016 - \$1,088).

- * Proceedings seeking nullity of the resolution on changes to the Parent's Bogotá Industry and Trade tax returns for the bi-monthly periods 2, 3, 4, 5 and 6 of 2012 in amount of \$5,000 (2016 - \$5,000). The purpose of the nullity and restoration of rights action is that the Parent be exempted from paying the amounts claimed by the tax authority.

(c) Other contingent liabilities relate to:

- \$477,342 (2016 - \$663,898) 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), Instituto Nacional de Metrologia, Normalização e Qualidade Industrial – INMETRO, Agência Nacional de Vigilância Sanitária - ANVISA, among other.
- \$99,659 (2016 - \$12,970) 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.
- \$2,631 (2016 - \$0) of the Parent arising from the guarantee granted on behalf of Almacenes Éxito Inversiones S.A.S. on June 1, 2017 to cover potential failure to comply with its obligations with one of its main suppliers.
- The memorandum of understanding executed on September 23, 2016 with Fondo Inmobiliario Colombia ("FIC") to capitalize the real estate business through Patrimonio Autónomo Viva Malls was formalized on December 23, 2016. By means of the capitalization, the Parent gained 51% of the interest in such Patrimonio Autónomo. As part of memorandum of understanding, the Parent shall contribute the property Viva Envigado on March 31, 2018.

Note 38. Dividends declared and paid

At September 30, 2017

The Parent's General Meeting of Shareholders held on March 31, 2017, declared a dividend of \$21,771, equivalent to an annual dividend of \$48.64 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2017, and January 2018.

Dividends paid during the nine-month period ended September 30, 2017 amounted to \$86,280.

(*) Expressed in Colombian pesos

Dividends declared and paid during the nine-month period ended September 30, 2017 to the holders of non-controlling interest in subsidiaries are as follows:

	Dividends declared	Dividends paid
Grupo Disco del Uruguay S.A.	19,236	11,318
Patrimonio Autónomo Viva Villavicencio	6,378	5,596
Patrimonio Autónomo Viva Malls	2,982	1,995
Patrimonio Autónomo Viva Sincelejo	2,082	2,242
Patrimonio Autónomo Centro Comercial	2,061	5,983
Éxito Viajes y Turismo S.A.S.	1,654	1,654
Distribuidora de Textiles y Confecciones S.A.	1,291	1,291
Patrimonio Autónomo Viva Laureles	1,031	992
Patrimonio Autónomo San Pedro Etapa I	874	803
Patrimonio Autónomo Viva Palmas	618	-
Patrimonio Autónomo Iwana	-	1
Total	38,207	31,875

At December 31, 2016

The Parent's General Meeting of Shareholders held on March 30, 2016, declared a dividend of \$302,457, equivalent to an annual dividend of \$675.72 per share (*), payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2016, and January 2017. Dividends paid during the year ended December 31, 2016 amounted to \$291,680.

Dividends paid during the nine-month period ended September 30, 2016 amounted to \$216,109.

(*) Expressed in Colombian pesos

Dividends declared and paid to the owners of non-controlling interests in the following subsidiaries during the year ended December 31, 2016 are as follows:

	Dividends declared	Dividends paid
Grupo Disco del Uruguay S.A.	63,467	64,855
Patrimonio Autónomo Viva Villavicencio	9,481	9,620
Patrimonio Autónomo Centro Comercial	5,007	2,793
Patrimonio Autónomo Viva Sincelejo	2,774	3,002
Companhia Brasileira de Distribuição - CBD	1,984	1,984
Patrimonio Autónomo Viva Laureles	1,512	1,551
Patrimonio Autónomo San Pedro Etapa I	1,247	1,273
Patrimonio Autónomo Viva Palmas	558	420
Patrimonio Autónomo Iwana	54	62
Total	86,084	85,560

Note 39. Seasonality of transactions

The Parent's and its subsidiaries' operation cycles indicate seasonality in operating and financial results, focused during the first half of the year mainly on the carnivals and Easter holidays, and during the last quarter of the year, mainly on Christmas season; and at the Parent on the second most important promotional event of the year called "Special Price Days".

Note 40. 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-Superinter & 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 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-Superinter: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Surtimax and Super Inter. Until March 31, 2017 this segment was named Descuento.
- 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 banner 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 banner Disco, Devoto and Géant.

The accounting policies of segments being reported are the same as the Parent's accounting policies described in Note 4.

The Parent discloses information by segment pursuant to IFRS 8 - Operating Segments, which are defined as a component of an entity with separate financial information assessed by senior management on an ongoing basis.

The retail sales by each of the segments for the nine-month periods ended September 30, 2017 and September 30, 2016, are as follows:

Geographic segment	Operating segment	January 1 to September 30, 2017	January 1 to September 30, 2016	July 1 to September 30, 2017	July 1 to September 30, 2016
Colombia	Éxito	5,239,367	5,322,613	1,754,060	1,814,828
	Carulla	1,096,486	1,140,957	363,673	383,439
	Surtimax-Superinter (1)	1,137,695	1,224,730	371,648	406,783
	B2B	215,412	226,255	84,457	66,858
Brazil	Food	29,534,066	25,550,555	10,171,471	9,114,806
Argentina		982,062	960,717	341,195	308,380
Uruguay		1,884,257	1,722,643	611,919	566,162
Total sales		40,089,345	36,148,470	13,698,423	12,661,256
Eliminations		(9,925)	(9,103)	(5,984)	(5,543)
Consolidated total (Note 27)		40,079,420	36,139,367	13,692,439	12,655,713

(1) Until March 31, 2017 this segment was named Descuento.

Below is additional information by geographic segment:

At September 30, 2017							
	Colombia	Brazil (1)	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	7,688,960	29,534,066	982,062	1,884,257	40,089,345	(9,925)	40,079,420
Trade margin	1,972,142	7,037,512	354,991	639,328	10,003,973	(3,024)	10,000,949
Total recurring expenses	(1,767,769)	(5,728,842)	(342,516)	(511,975)	(8,351,102)	3,024	(8,348,078)
ROI	204,373	1,308,670	12,475	127,353	1,652,871	-	1,652,871
Recurring Ebitda	388,614	1,844,490	24,305	145,833	2,403,242	-	2,403,242

At September 30, 2016							
	Colombia	Brazil (1)	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	7,914,555	25,550,555	960,717	1,722,643	36,148,470	(9,103)	36,139,367
Trade margin	2,019,340	5,900,009	344,432	601,916	8,865,697	(399)	8,865,298
Total recurring expenses	(1,683,646)	(5,169,482)	(320,169)	(467,583)	(7,640,880)	399	(7,640,481)
ROI	335,694	730,527	24,263	134,333	1,224,817	-	1,224,817
Recurring Ebitda	516,611	1,185,340	34,761	136,408	1,873,120	-	1,873,120

(1) For information presentation 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.

Note 41. Financial risk management policy

During the nine-month period ended September 30, 2017, there have not been significant changes to the Parent's and its subsidiaries' risk management policies, or changes in the analysis of risk factors that might influence 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.

Note 42. Non-current assets held for trading and discontinued operations

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

	September 30, 2017	December 31, 2016
Total assets of Via Varejo S.A. (Note 42.2)	17,797,012	18,422,182
Other assets	6,781	7,605
Total	17,803,793	18,429,787

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

September 30, 2017	December 31, 2016
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Total liabilities of Via Varejo S.A. (Note 42.2)	13,687,869	14,592,207
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The effect of non-current assets held for trading on the statement of income is as follows:

	September 30, 2017	September 30, 2016
Via Varejo S.A. net gain (loss) (Nota 42.2)	173,779	(662,268)
Cnova N.V. net (loss) (Note 42.1)	-	(142,570)
Net gain (loss) from discontinued operations	173,779	(804,838)

Note 42.1. Cnova N.V.

As part of the reorganization of the e-commerce operations, E-commerce segment, on July 24, 2016 subsidiaries Marneyelectro S.A.R.L. ("Luxco") and Marneyelectro B.V. ("Dutchco"), were split among Companhia Brasileira de Distribuição Luxembourg Holding S.A.R.L. ("CBD Luxco"), Via Varejo Luxembourg Holding S.A.R.L. ("VV Luxco") and Companhia Brasileira de Distribuição Netherlands Holding B.V. ("CBD Dutchco"), and Via Varejo Netherlands Holding B.V. ("VV Dutchco") respectively, in such a way that they held the same interest as that previously held by Companhia Brasileira de Distribuição – CBD and Via Varejo S.A. This transaction did not result in changes in share ownership nor had any effects on consolidated financial information.

Subsequently, seeking to concentrate the Non-Food segment in one single entity, a corporate reorganization was carried out as approved by all relevant corporate bodies, with participation of the ultimate controlling entity Casino Guichard Perrachon S.A. and of subsidiaries Companhia Brasileira de Distribuição - CBD, Via Varejo S.A., Cnova N.V. and Cnova Comercio Electronico S.A.

Because of the transaction, Cnova Comercio Electronico S.A. incorporated Via Varejo Dutchco, a wholly-owned subsidiary of Via Varejo S.A. Then, seeking to eliminate the reciprocal interest of Cnova Comercio Electronico S.A. and Cnova N.V., arising from such incorporation, Cnova Comercio Electronico S.A. received part of Cnova N.V.'s ownership shares by means of a reimbursement of capital. The remaining of shares was repurchased by Cnova Comercio Electronico S.A. This way the share capital of Cnova Comercio Electronico S.A. became solely held by Via Varejo S.A. Pursuant to the terms and conditions of existing loan agreements between Cnova Comercio Electronico S.A. and Cnova N.V. (valued at approximately USD 160 million at the closing of September 2016), such transaction resulted in the obligation of early repayment of such loans, which were in fact paid by Via Varejo S.A. to Cnova N.V.

Finally, on October 31, 2016, Cnova Comercio Electronico S.A. became a wholly-owned subsidiary of Via Varejo S.A., which in turn ceased having an interest in Cnova N.V. losing control over this subsidiary and consequently ceasing to consolidate the subsidiaries that represent the foreign e-commerce business.

Pursuant to IFRS 5 - Non-current assets held for trading and discontinued operations, up to October 31, 2016 the Parent shows the net income after taxes of subsidiaries representing the foreign e-commerce segment in one single line in period results, and the balances of assets and liabilities as held for trading and discontinued operations. As of this date, foreign e-commerce activities are accounted for using the equity method, given the significant influence of the Parent.

The financial information contained in the statement of income at September 30, 2016 was restated under the same concept, for comparison purposes.

	September 30, 2016
Revenue from ordinary activities	4,361,764
Cost of sales	(3,934,322)
Gross profit	427,442
Distribution, administration and sales expenses	(401,940)
Depreciation and amortization	(49,311)
Other net revenue and expenses	(30,010)
(Loss) before financial results	(53,819)
Net financial result	(80,100)
(Loss) before taxes	(133,919)
Tax (expense)	(8,651)
Net (loss)	(142,570)
(Loss) attributable to the owners of the controlling entity	(9,707)
Non-controlling interests	(132,863)

Note 42.2. Via Varejo S.A.

On November 23, 2016, the Board of Directors of Companhia Brasileira de Distribuição – CBD approved that the Administration Board started the process to sell the interest in Via Varejo S.A. in line with its long-term strategy of focusing on the development of the food segment.

Pursuant to IFRS 5 - Non-current assets held for trading and discontinued operations, the Parent believes given the effort applied, the sale is highly likely, which involves the presentation of Via Varejo S.A.'s (and its subsidiary Cnova Comercio Electronico S.A.'s) net results after taxes in one single line in the statement of income and the balances of assets and liabilities as held for trading and discontinued operations. The financial information contained in the statement of income at September 30, 2016 was restated under the same concept, for comparison purposes. Under IFRS 5 there is no material effect on cash flows.

The amount of assets and liabilities held for trading at September 30, 2017, is \$17,797,012 (2016 - \$18,422,182) y \$13,687,869 (2016 - \$14,592,207), respectively. The net result of the discontinued operation of Via Varejo S.A. is a gain of \$173,779 at September 30, 2017 and a loss of \$662,268 at September 30, 2016.

The investment in Via Varejo S.A. must be recognized at the lower of the book value of net assets and the fair value less selling costs. Calculations have shown that the fair value less selling costs is higher than Via Varejo S.A.'s carrying amounts, based on the weighing of various valuation methods, including: (i) multiple of P/E (Price/Earnings), taking into consideration listed Brazilian companies with operations in the same segment as Via Varejo S.A., (ii) discounted cash flows prepared by external advisors, under the assumption of 15.7% discount rate and perpetual growth of 5.5%, (iii) average of premium paid on share price prior to announcement of the acquisition of listed companies, and (iv) objective share prices of financial analysts. For all methods described above, the book value falls within the valuation reasonable interval, so the valuation is not highly sensitive to changes in method assumptions.

Subsidiary Via Varejo S.A. shares are listed on the BM&FBovespa, with code "VVAR11" and "VVAR3".

Below is a summary of Via Varejo S.A.'s cash flows:

	September 30, 2017	September 30, 2016
Net cash flows (used in) operating activities	(2,666,993)	(4,600,623)
Net cash flows (used in) investment activities	(181,504)	(113,329)
Net cash flows (used in) provided by financing activities	(384,306)	(479,268)
Net development of cash and cash equivalents	(3,232,803)	(5,193,220)

Below is the financial position of Via Varejo S.A.'s discontinued operation, including the effects of the placement of purchase price in the acquisitions of Globex and Casa Bahía Ltda. and expenses directly related with discontinued operations:

	September 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	496,696	3,710,833
Trade receivables and other accounts receivable	3,734,882	2,561,672
Inventories	3,834,282	2,812,130
Other assets	729,836	648,245
Total current assets	8,795,696	9,732,880
Non-current assets		
Trade receivables and other accounts receivable	3,124,843	2,885,794
Deferred tax assets	287,511	266,112
Accounts receivable from related parties and associated companies	363,997	410,678
Investments accounted for using the equity method	117,953	132,596
Property, plant and equipment	1,475,338	1,427,243
Intangible assets	3,631,674	3,566,879
Total non-current assets	9,001,316	8,689,302
Total assets	17,797,012	18,422,182
Liabilities		
Current liabilities		
Trade payables and other accounts payable	6,843,690	7,675,806
Financial obligations	3,229,895	3,252,273
Accounts payable to related parties and associated companies	114,267	164,824
Other provisions	3,144	2,900
Total current liabilities	10,190,996	11,095,803
Non-current liabilities		
Financial obligations	315,157	374,766
Deferred tax liabilities	921,680	929,980
Trade payables and other accounts payable	2,215,310	2,144,548
Other provisions	44,726	47,110
Total non-current liabilities	3,496,873	3,496,404
Total liabilities	13,687,869	14,592,207

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

	September 30, 2017	September 30, 2016
Revenue from ordinary activities	16,876,307	14,071,780
Cost of sales	(11,462,515)	(9,938,314)
Gross profit	5,413,792	4,133,466
Distribution, administration and sales expenses	(4,522,133)	(3,812,776)
Depreciation and amortization	-	(140,147)
Participation in the gains (losses) of associates and joint ventures that are accounted for using the equity method	18,521	19,897
Other (expenses), net	(196,320)	(285,870)
Gain (loss) before financial results	713,860	(85,430)
Net financial result	(516,730)	(586,540)
Earnings (loss) before taxes	197,130	(671,970)
Tax revenue (expense)	(23,351)	9,702
Net earnings (loss)	173,779	(662,268)
Earnings (loss), attributable to the owners of the controlling entity	9,446	(46,731)
Non-controlling interests	164,333	(615,537)

Note 43. Comparability of the statement of income at September 30, 2016

For the purposes of presentation of the financial statements at September 30, 2017, a reconciliation of the statement of income at September 30, 2016 is attached, as if discontinued operations had been declared as of January 1, 2016:

	January 1 to September 30, 2016 (1)	Adjustments and reclassifications (2)	January 1 to September 30, 2016
Continuing operations			
Revenue from ordinary activities	50,757,803	(14,088,971)	36,668,832
Cost of sales	(37,741,847)	9,938,313	(27,803,534)
Gross profit	13,015,956	(4,150,658)	8,865,298
Distribution expenses	(5,869,981)	2,097,466	(3,772,515)
Administration and sales expenses	(786,137)	312,634	(473,503)
Employee benefit expenses	(4,967,293)	1,558,911	(3,408,382)
Other operating revenue	12,866	1,104	13,970
Other operating expenses	(525,646)	299,800	(225,846)
Other (loss) gains, net	(25,502)	223	(25,279)
Profit from operating activities	854,263	119,480	973,743
Financial revenue	641,044	(185,131)	455,913
Financial expenses	(2,138,376)	772,537	(1,365,839)
Share of profits in associates and joint ventures accounted for using the equity method	70,073	(19,898)	50,175
(Loss) earnings before income tax from continuing operations	(572,996)	686,988	113,992
Tax expense	(132,353)	(10,567)	(142,920)
Net period profit (loss) from continuing operations	(705,349)	676,421	(28,928)
Net period (loss) from discontinued operations	(128,417)	(676,421)	(804,838)
Net period (loss)	(833,766)	-	(833,766)
Earnings attributable to non-controlling interests	(685,795)	-	(685,795)
(Loss) attributable to shareholders of the controlling entity	(147,971)	-	(147,971)

(1) Relates to the statement of income presented on September 30, 2016.

(2) Effect of discontinued operations of Via Varejo S.A. and Cnova N.V. for comparison to 2017.

Note 44. Relevant facts

At September 30, 2017

Fondo de Inversión Inmobiliario Península Arbitration Proceedings

On September 12, 2017, subsidiary Companhia Brasileira de Distribuição - CBD was served notice by the Brazil-Canada Chamber of Commerce of a request for arbitration filed by Banco Ourinvest SA, a financial institution, in its capacity as the administrator of and acting solely on behalf of the contributors to Fondo de Inversión Inmobiliario Península.

The proceeding is aimed at discussing the calculation of the rental value, as well as other matters related with stores owned by Fondo de Inversión Inmobiliario Península that are the purpose of several lease agreements and covenants entered into by and between subsidiary Companhia Brasileira de Distribuição - CBD and Fondo de Inversión Inmobiliario Península during 2005 (the "Contracts"). The Contracts grant subsidiary Companhia Brasileira de Distribuição - CBD the right to use and exploit such premises for 20 years as of execution date, and may be extended over 20 additional years at the sole option of subsidiary Companhia Brasileira de Distribuição - CBD, and govern the calculation of rental value.

The Proceeding refers to matters arising from the application of the agreements, and does not concern the continuity of rental values, which are guaranteed under the Contracts. It is the understanding of subsidiary Companhia Brasileira de Distribuição - CBD that the proceeding will be ruled for subsidiary Companhia Brasileira de Distribuição - CBD.

Damages at Éxito Buenaventura store

The structure, inventories and property and equipment of Éxito Buenaventura store (owned by the Parent) were damaged on May 19, 2017 as result of a situation of public order in the municipality of Buenaventura. At present, the Parent is in the process of providing the insurance company with supporting evidence of damages. The store was reopened on June 28, 2017.

New loyalty program "Puntos Colombia"

On April 19, 2017, The Parent executed a shareholders' agreement with Banca de Inversión Bancolombia S.A., a subsidiary of Bancolombia S.A., to create a new company whose corporate purpose is developing a loyalty program called Puntos Colombia.

This program will supersede the existing loyalty programs of the Parent and Grupo Bancolombia, and become the new loyalty program through which the customers of both companies and other partners that join the program will be able to accumulate and redeem points in the loyalty ecosystem.

The Puntos Colombia program will be operated by an independent company, based in Colombia, of which the Company and Grupo Bancolombia will be shareholders, each holding a 50% interest. The estimated initial capital investment to be contributed by the Parent amounts to \$9,000, which will be paid-in within 12 months.

It is expected that by the shareholders' agreement, during the forthcoming years the Parent will purchase points for its on-line customers using the points it currently grants under its Éxito and Carulla points programs.

Under this agreement, the Parent not only seeks to strengthen the loyalty of its existing customers, but gain the loyalty of new customers through Puntos Colombia, improving consumption of its products and services.

The creation of this new company solely devoted to managing the Puntos Colombia loyalty program will offer a powerful loyalty tool both to the Company and to Grupo Bancolombia, and to all partners who join the program, thus turning itself into a potential lever to unveil the value of an activity currently embedded in the Retail operation.

General Meeting of Shareholders

The Parent's General Meeting of Shareholders was held on March 31, 2017, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2016 and approval of dividend distribution to shareholders.

At December 31, 2016

Extension of the agreement executed by the shareholders of Grupo Disco del Uruguay S.A.

On December 28, 2016 the agreement executed by shareholders of Grupo Disco del Uruguay S.A. that ensures the exercise of control and consolidation of such company was extended until June 2019, extendable to June 2021 if neither party expresses, before December 2018, its intention of terminating the agreement.

Final agreement with Fondo Inmobiliario Colombia ("FIC")

The memorandum of understanding executed on September 23, 2016 with Fondo Inmobiliario Colombia ("FIC") to capitalize the real estate business through Patrimonio Autónomo Viva Malls was formalized on December 23, 2016. With the capitalization by Fondo Inmobiliario Colombia ("FIC") to Patrimonio Autónomo Viva Malls, the latter obtained 49% of the interests in the stand-alone trust fund and the Company now owns 51% instead of 100% thereof. The final agreement also sets out that the Company acts as the controlling trustor and will be the sole provider of real estate management, commercialization and administration services to Patrimonio Autónomo Viva Malls, under market conditions.

Acquisition of shares of Compañía de Financiamiento TUYA S.A.

On October 31, 2016, the Parent acquired 4,124,061,482 shares of Compañía de Financiamiento Tuya S.A., equivalent to 50% of outstanding shares thereof, for the price of \$79,037, thus gaining joint control.

This acquisition completed the fulfilment of the share purchase-sale agreement executed on July 1, 2015 with Bancolombia S.A., Fondo de Empleados del Grupo Bancolombia and Fundación Bancolombia.

Such acquisition was carried out jointly with subsidiary Almacenes Éxito Inversiones S.A.S.

Issue of trade papers by Companhia Brasileira de Distribuição - CBD

On October 5, 2016, Companhia Brasileira de Distribuição - CBD approved the thirteenth issue of non-convertible trade papers. Resources raised will be solely devoted to the purchase of agricultural products such as fruits, vegetables, dairy products, poultry and other animal proteins directly from rural producers and/or rural cooperatives.

Execution of a memorandum of understanding with Fondo Inmobiliario Colombia ("FIC")

On September 23, 2016, the Parent executed a memorandum of understanding with Fondo Inmobiliario Colombia ("FIC") to capitalize the real estate business, particularly the Patrimonio Autónomo Viva Malls, a real estate vehicle created by the Parent on July 15, 2016. As at this date, the Parent has contributed to the vehicle the shopping malls Puerta del Norte and Viva La Ceja, and the commercial galleries Éxito Colombia, Éxito San Antonio, Éxito La 33, Éxito Country and Éxito Occidente.

Approval of Via Varejo S.A. business reorganization

During the General Meeting held on September 12, 2016, minority shareholders of Via Varejo S.A., holders of common and preferred shares, approved the proposal of company reorganization to merge the e-commerce business operated by Cnova Comercio Electronico S.A. into the business of Via Varejo S.A., pursuant to the recommendation of the special committee appointed by Via Varejo S.A.'s board of directors.

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

The business reorganization approved on April 27, 2016 was fully merged in August 2016. As result of such merger, Xantocarpa Participações Ltda. was terminated by Sendas Distribuidora S.A. No effects resulted on the Company's consolidated financial statements as result of this final reorganization.

Issue of trade papers by subsidiary Companhia Brasileira de Distribuição - CBD

During a meeting held on July 14, 2016, the Board of Directors approved the collecting of \$455,155 (R \$500 million) via the second public issue of trade papers. The main purpose of this issue is reinforcing working capital.

Incorporation of Viva Malls

The Patrimonio Autónomo Viva Malls was incorporated by means of public deed 679 granted on July 15, 2016 before the Notary 31 of Medellín; it is a real estate vehicle, intended for developing the Parent's real estate projects. The incorporation was completed with the contribution of 5 shopping malls, namely Puerta del Norte, Viva Buenaventura, Viva Wajira, Viva Laureles and Viva Palmas, and 8 commercial galleries, namely Éxito Cartagena, Éxito Colombia, Éxito Country, Éxito La 33, Éxito La Flora, Éxito Occidente, Éxito Pasto and Éxito San Antonio. This real estate vehicle is 100% owned by the Parent.

Memorandum of understanding on the business reorganization of Via Varejo S.A.

On May 12, 2016, Via Varejo S.A. executed a non-binding memorandum of understanding with Cnova N.V. regarding the business reorganization that involves Cnova Comercio Electronico S.A. and Via Varejo S.A.

Following the approval by the interested parties, Via Varejo Dutcho will be merged into Cnova Comercio Electronico S.A. In addition, seeking to eliminate the reciprocal participation of Cnova Comercio Electronico S.A. and Cnova N.V. resulting from the merger, Cnova Comercio Electronico S.A. will receive part of the shares of ownership of Cnova N.V. through a capital reimbursement transaction. The remaining portion will be repurchased by Cnova Comercio Electronico S.A. in such a way that the capital stock of Cnova Comercio Electronico S.A. will be solely held by Via Varejo S.A.

With the completion of such transaction Cnova Comercio Electronico S.A. will become a whole subsidiary of Via Varejo S.A., which in turn will cease having an interest in Cnova N.V. As a result, Companhia Brasileira de Distribuição - CBD will cease holding a voting majority in Cnova N.V. thus losing control over this subsidiary and ceasing the consolidation of subsidiaries that represent the foreign e-commerce segment.

Reopening of Almacén Éxito Las Flores in Valledupar.

Éxito Las Flores in Valledupar resumed its operation on April 28, 2016, after 6 months of reconstruction due to the damages suffered on June 23, 2015.

Dividend distribution at Companhia Brasileira de Distribuição - CBD

During the Extraordinary General Meeting of Shareholders held on April 27, 2016, the shareholders approved the proposal to distribute the dividends relevant to the period ended December 31, 2015, in amount of \$98,969, which includes earlier dividends already declared.

Exception made of quarterly advances paid during 2015, the subsidiary will pay within 60 days as of April 27, 2016 the amount of \$3,327 relevant to the outstanding instalment of dividends for 2015. As of April 28, 2016, the shares will be negotiated without right to dividends until the date of payment thereof, which will be timely announced

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

During its Extraordinary Meeting held on April 27, 2016, the General Assembly of Shareholders approved the incorporation of the net assets of Sendas Distribuidora S.A. Such reorganization followed the required corporate action, as follows: (i) Redemption of the shares of subsidiary Barcelona retained by subsidiary Novasoc Comercial Ltda; (ii) merger approved on the same date, of total net assets of subsidiary Barcelona Comercio Varejista a Atacadista S.A. into Sendas Distribuidora S.A.; Barcelona was consequently liquidated; and (iii) splitting of part of the net assets of Sendas Distribuidora S.A., also approved on the same date at this subsidiary. The purpose of this reorganization is to simplify the corporate structure, and will be effective with the balances of these entities at April 30, 2016. The reorganization did not have any effects on this subsidiary's consolidated half-yearly information.

Revolving trench disbursement

A disbursement in amount of \$100,000 was made at the Parent in April 2016, as part of the revolving trench under the peso credit contract executed in July 2015.

Termination of a shareholders' agreement

The "Shareholders' Agreement" entered into by and between Casino Guichard Perrachon S.A. and certain of the Parent's Colombian shareholders on November 29, 2010 was terminated on April 7, 2016. Upon termination, all of obligations, commitments, charges and any other relations arising from such Agreement were extinguished to the satisfaction of the parties thereto.

Appointment of the Statutory Auditor

On March 30, 2016, the Parent's General Meeting of Shareholders approved the proposal to retain Ernst & Young Audit S.A.S. as the Parent's and its Colombian subsidiaries' Statutory Auditor for the period 2016 to 2017.

Appointment of new members of the Board of Directors.

On March 30, 2016, the Parent's General Meeting of Shareholders appointed the following Directors:

- a) Independent Members:
 1. Luis Fernando Alarcón Mantilla
 2. Daniel Cortés McAllister
 3. Felipe Ayerbe Muñoz
 4. Ana María Ibáñez Londoño

- b) Equity Members:
 1. Yves Desjacques
 2. Philippe Alarcon
 3. Bernard Petit
 4. Hervé Daudin
 5. Matthieu Santon

General Meeting of Shareholders

The Parent's General Meeting of Shareholders was held on March 30, 2016, to resolve, among other topics, on the approval of the Management Report, approval of separate and consolidated financial statements at December 31, 2015 and approval of dividend distribution to shareholders.

Service of notice by Comissão de Valores Mobiliários do Brasil - CVM

On February 18, 2016, subsidiary Via Varejo was served notice by Comissão de Valores Mobiliários do Brasil - CVM, presenting the understanding of the Company Relation Department - SEP, regarding certain accounting entries related with corporate transactions at the level of Via Varejo S.A. in 2013; in addition, Companhia Brasileira de Distribuição – CBD received notice from CVM that discloses SEP's understanding regarding an accounting entry received by Via Varejo S.A.

CVM notified its understanding, which differs from that of Via Varejo S.A. in 2013 regarding (a) the revaluation of the interest previously held in the sale of the interest of Nova PontoCom to Companhia Brasileira de Distribuição – CBD (such transaction has no effect on the consolidated financial statements); and (b) the accounting treatment of the acquisition of control of Movéis Bartira, arising from the acquisition of an additional 75% interest. Regarding Companhia Brasileira de Distribuição – CBD, the CVM notified its understanding in relation with the above-mentioned subsection (b).

Companhia Brasileira de Distribuição – CBD and its subsidiary Via Varejo S.A. intend to file an appeal before the CVM requesting a suspensive effect in the terms of Deliberation CVM 463.

Cnova class action

In January 2016, certain shareholders of Cnova N.V., some of its officers and directors, and the subscribers of its initial public offer, filed three class action lawsuits against Cnova N.V., on the grounds of alleged infringement of the U.S. Securities Act. Two cases were brought before the District Court of the United States of America, South District of New York, and one before the Supreme Court of the State of New York. The action before the courts of the State of New York was withdrawn from the District Court of the United States of America. Cnova N.V. has stated its belief that the allegations of the plaintiff lack foundation, and intends to advocate vigorously for its rights.

Such claims undergo preliminary stages and as of the date of this report the outcome cannot be reliably measured. Cnova N.V. has stated its belief that the allegations of the plaintiffs lack foundation, and intends to advocate vigorously for its rights, with the support of specialized American law firms. Neither Companhia Brasileira de Distribuição - CBD nor Via Varejo S.A. are parties to these claims.

Request for arbitration filed by Morzan

On January 27, 2016, the International Court of Arbitration - ICA issued an addendum to its decision wherein it (i) declared that the request filed by Companhia Brasileira de Distribuição – CBD and Wilkes is inadmissible; (ii) partially accepted the request filed by CBD and Wilkes to correct the estimation of fees and expenses payable to Morzan, with a reduction of USD 225,000; and (iii) partially accepted the request filed by Morzan to correct the estimation of fees and expenses payable to Morzan, with an increase of USD 30,000.

The amount initially recognized for this lawsuit was \$156,805, taken to current liabilities at the closing of December 31, 2015, under the line item "other accounts payable". On April 1, 2016, the liability updated by the indexes defined by the ICC was \$194,990, including legal expenses, and was fully paid on that date.

Investigation on Cnova N.V.

As announced by Companhia Brasileira de Distribuição – CBD and its subsidiary Cnova N.V., on November 18, 2015 certain law firms opened an investigation on the grounds of inventory management practices. Other matters have been included in the investigation, related with accounting topics as timely announced to the market.

During the first half of 2016 and as part of the investigation, other topics were included related with accounting issues regarding "suppliers" and "other accounts receivable", which were announced to the market on January 12, 2016.

With the support of a firm of lawyers, Cnova N.V. management conducted a physical count of inventories at December 31, 2015, including the seven distribution centers located in Brazil. The results of the physical count did not show significant discrepancies in the expected number of new products in stock. However, inconsistencies were identified regarding the appraisal of damaged and/or returned products, which resulted in recognition of a further defective product provision. Also, some inconsistencies were identified mainly related with accounts payable. Likewise, an overestimation of net sales and accounts receivable was identified during the review of net sales, regarding unrecorded returns of goods sold. All financial information for 2015 was adjusted retrospectively, regarding the effects of the investigation.

These adjustments are under review to be included in the current purchase price allocation process relevant to this transaction.

Revolving trench disbursement

A disbursement in amount of \$400,000 was made on January 5, 2016, as part of the revolving trench under the peso contract executed in July 2015.

Note 45. Events after the reporting period

Request for arbitration filed by Morzan

On October 3, 2017 the CVM Bar Association studied the appeal filed by the Company and unanimously decided for the comprehensive amendment of the Decision made by SRE, in the understanding that the CVM could not extend the indemnification foreseen in the Arbitral Award to minor shareholders of Globex pursuant to the Code of Civil Procedure, consistent with the legal due process and contradiction principle. In view of the final and favorable decision of the CVM Bar Association, all potential discussions regarding an extension to minority shareholders of Via Varejo S.A. of a proportion of the amount paid to Morzan as indemnification, were closed.

Action with non-controlling interests of Cnova N.V.

Associate Cnova N.V., some of its former and current directors and the subscribers of the initial public offer of Cnova N.V. - IPO, were named as defendants in an action before the New York South District Court (United States of America), in relation with the internal investigation completed on July 22, 2016, conducted by Cnova N.V., Cnova Comércio Eletrônico S.A. and counsels. On October 11, 2017, the New York South District Court (United States of America) preliminary approved an agreement with shareholders that were party to the proceeding.

Despite the terms of the agreement, Cnova N.V. will provide a USD28.5-million fund to be distributed among the former shareholders of Cnova Comércio Eletrônico S.A., as well as to the trial attorneys. A portion of such fund will be used to cover administration expenses. Additionally, still subject to the terms of the agreement, no debt burden fell on the defendants from allegations in the class action. Pursuant to the Court's instructions, the agreement will be finally approved on March 15, 2018. In the forthcoming months, notices will be sent to plaintiff attorneys containing information on the agreement