Envigado, May 15, 2017

Grupo Éxito recorded Total Revenues of COP 13.5 billion, with an increase of 12.9%, and a recurring EBITDA of COP 731.000 million, achieving a 34.9% increase in the first quarter of the year.

The Company's internationalization strategy has begun to yield positive results thanks to the gradual recovery of Brazil, which, for this quarter, recorded an increase in sales of 9.5%[1] in local currency and contributed COP 503.000 million to the consolidated EBITDA.

- ***Grupo Éxito evidences solid and resilient operating results, despite the challenging macroeconomic conditions faced by the countries where it has a presence. The Company reported revenues of COP 13.5 billion in the first quarter of 2017, a 12.9% increase from the same period of the previous year.***
- ***Grupo Éxito and its subsidiaries increased their market share in the four countries: in Brazil, twelve months of increases were posted in line with this trend; good progress has been made in Colombia regarding terms comparable to the store's growth; ground has been gained in Uruguay thanks to the development of the express format, and; sales increases in Argentina have outstripped those of its competitors.***
- ***The consolidated recurring EBITDA totaled COP 731.000 million, with an increase of 34.9% and a 5.4% margin, mainly driven by the positive performance in Brazil.***
- ***In Brazil, food business sales rose by 9.5%[1] in local currency, equivalent to almost COP 10 billion. Particularly outstanding was Assaí, the Cash & Carry format - the current market leader grew by 28.8%[1] in local currency.***
- ***Total sales in Colombia amounted to COP 2.6 billion and EBITDA profit margins were maintained due to the implementation of several operating excellence programs.***
- ***Uruguay still shows outstanding profit levels, with a recurring EBITDA of 9.9% and on-going increases in its market share. This comes as a result of the expansion plan for the Devoto Express stores, which now make up 1.8% of the overall market.***
- ***In Argentina, the contribution of the real estate business continues standing out, which, at nearly 160,000 $m^2$of GLA, still remains the largest real estate developer regarding commercial spaces in the interior and the third-biggest in the country, with a presence in nine provinces to the north of Buenos Aires.***
- ***Synergies keep evolving and increasing, reaching USD 25 million in the first quarter of the year - equaling the total reached for all of 2016.***
- ***Fundación Éxito, alongside the children and expectant mothers of Mocoa. In April, almost COP 900 million were collected through the Goticas (Drops of help) campaign, intended for young children as part of achieving the Gen Cero (Zero Chronic Malnutrition on Children) goal in that Municipality.***

[1] Adjusted due to calendar effects, given the day less in February 2016 and Easter Week falling in April rather than in March, allowing for a comparison between the first quarter of 2016 and the same period of 2017.

Envigado, May 15, 2017

Grupo Éxito's Consolidated Results (Colombia, Brazil, Uruguay, Argentina)

In the first quarter of 2017, Grupo Éxito posted COP 13.5 billion in consolidated revenue, representing an increase of 12.9% compared to the same period of 2016. Brazil made the largest contribution to this result thanks to the consistent growth of the Assaí format and the positive evolution in volumes of the Extra brand, as well as an excellent sales performance during the holiday season in Uruguay.

Recurring EBITDA totaled COP 731.000million, with a growth of 34.9% and a margin of 5.4%. This was mainly driven by the performance of Brazil where the results of commercial strategies, expenditure optimization initiatives, and the capture of synergies started to become apparent.

Despite the good operating results, Grupo Éxito recorded a net loss of COP 7,593 million, mainly as a result of an increase in financial costs of almost COP 37.000 million, and a greater tax provision of almost COP 59.000 million.

The Company closed the first quarter of the year with 1,559 food stores, distributed as follows: 563 in Colombia, 888 in Brazil, 80 in Uruguay, and 28 in Argentina. With five new store openings, Grupo Éxito's consolidated sales area reached 2.8 million square meters. For its part, the *Aliados* (Allies) program now has 1,486 mini-markets and neighborhood store owners, of which 1,336 are part of the Allies programs of Surtimax and Super Inter in Colombia, and 150 correspond to the Allies program of CompreBem in Brazil. For its part, the proximity format continues to develop in Uruguay and Argentina; three stores opened this quarter: a Devoto Express in Uruguay, and two Petit Libertad in Argentina.

As mentioned, the company benefitted from the capture of synergies thanks to its internationalization; as such, in this first quarter, USD 25 million have been secured in agreements and good practices, equal to the total recorded in 2016. It is expected that, by the end of the fiscal year, more than USD 50 million will have been achieved regarding synergies.

"The results for the first quarter of this year reflect the benefits of the Company's internationalization strategy where the results of the diversification are now beginning to materialize, mostly thanks to the gradual and consistent recovery Brazil is evidencing. Moreover, we highlight the positive results of the ongoing synergies between the companies in the four countries: GPA in Brazil, Grupo Éxito in Colombia, Disco and Devoto in Uruguay, and Libertad in Argentina, which amounted to USD 25 million over the period. Colombia is undergoing a temporary reduction as regards consumer confidence; however, we believe that the gradual assimilation of VAT, the reduction in interest and inflation rates, and the strengthening of sectors like tourism, infrastructure, and exports allow to predict a better second semester for the consumer sector," said Carlos Mario Giraldo Moreno, CEO of Grupo Éxito.

[1] Adjusted due to calendar effects, given the day less in February 2016 and Easter Week falling in April rather than in March, allowing for a comparison between the first quarter of 2016 and the same period of 2017.

Envigado, May 15, 2017

Grupo Éxito's Consolidated Operating Result
Amounts expressed in millions of Colombian pesos

Consolidated Income Statement	Q1/2017 Millions of Colombian pesos	Q1/2016 Millions of Colombian pesos	1Q17/1Q16
Total Revenue	13,525,913	11,980,515	12.9%
Gross profit	3,237,947	2,828,593	14.5%
Gross margin	*23.9%*	*23.6%*	
SG&A Expenses	-2,755,978	-2,485,522	10.9%
Total SG&A/Revenue	*-20.4%*	*-20.7%*	
Recurring operating income	481,969	343,071	40.5%
Recurring operating margin	*3.6%*	*2.9%*	
Operating income (EBIT)	420,373	257,575	63.2%
Operating margin	*3.1%*	*2.1%*	
Net income attributable to Grupo Éxito	-7,593	760	N/A
Net margin	*-0.1%*	*0.0%*	
Recurring EBITDA	730,915	541,839	34.9%
Recurring EBITDA margin	*5.4%*	*4.5%*	
EBITDA	669,319	456,343	46.7%
EBITDA margin	*4.9%*	*3.8%*	

In Brazil, Sales Grew at Twice the Rate of Inflation

Brazil continues showing a gradual and consistent recovery, playing an important part in the 9.5%[1] local-currency increase of the Grupo Éxito's subsidiary regarding its revenue which totaled COP 10 billion; more than twice the country's rate of inflation (+4.57%).

The good sales performance was driven by the dynamism of the food business, thanks to Pao de Açúcar. This included a significant recovery in the Extra hypermarkets, which recorded a 5.4%[1] increase in local currency, as well as stores growth, reporting its best market share since 2015. Assaí also showed a positive and consistent performance, increasing its sales by 28.8%[1] in local currency during the first quarter of the year. These results reflect Assaí's dynamics of expansion over the last twelve months, whereby twelve new stores were opened, including two Extra conversions, resulting in a 2.5x increase in sales under the new brand. Assaí is a Cash & Carry or wholesale business format that has attracted Brazilian end consumers and professional customers (hotels, businesses, small traders, among others), thus generating a huge transformation in commerce in South America's biggest market.

In sum, sales result in Brazil is very positive considering the effects of the lower average inflation of 5.2% in the first quarter of 2017 compared with that (13.1%) during the first quarter of 2016, meaning that the positive results owed to greater volumes.

Recurring operating profit stood at COP 325.000 million, which represented a growth of 95.9%, almost doubling that recorded in the first quarter of 2016, recording a margin of 3.3%, 130 basis points higher from that reported in the first quarter of 2016. Recurring EBITDA increased by 62.1%, with a 5.1% margin.

The greater profit margins are explained by the implementation of new commercial strategies and expenditure control plans, which led to a below-revenue growth in operating expenses of almost 630 basis points.

In Colombia, Commercial Strategies and Operational Efficiencies were Implemented to Face a More Challenging Economic Environment

Total sales in Colombia amounted to COP 2.6 billion, which meant that the Company evidenced the highest sales in its sector during the quarter. Against the backdrop of a 1.4% downturn in the sector, according to DANE statistics, Grupo Éxito's stood at 1%[1] during the first quarter of 2017. This figure is explained by calendar effects and a fall in the consumer confidence index by more than 44 points (-24.3 in February 2017 versus 20.1 in March 2016), mainly attributable to the economic slowdown and the effect of the tax reform on consumption. Moreover, the growth dynamic in this quarter was impacted by an inflation slowdown in the food sector, falling from 12.4% in the first quarter of last year to 3.7% this quarter.

In the midst of this economic scenario in Colombia, Grupo Éxito succeeded in maintaining its operating profit margins through greater expense control, which were subject to their lowest increase of the last two years, thanks to the implementation of several operating excellence programs, including waste reduction.

Recurring operating profit rose to COP 88,936 million, with a 3.3% margin and recurring EBITDA increased to COP 150,185 million, retaining a margin of 5.6%.

During the first quarter of 2017, Grupo Éxito continued implementing and consolidating different strategies to strengthen sales, retain leadership in the Colombian market, and grow sustainably. The results of some of these strategies are described below:

- ***Los Insuperables* (Unbeatable prices):** one of our promotional strategies through which we guarantee customers the best price for 186 products distributed across all brands, as well as offering the Éxito Brand promise, and in the event customers find the same product at a lower price elsewhere, we refund twice the difference. *Los Insuperables* grew by close to 48.0% in multi-brand sales.

- ***1,2,3 Ahorro todo el mes* (1, 2, 3 Save all month):** previously known as *Quincenazo* (Fortnight Sale), is a savings strategy in which a 20% discount is offered for the purchase of a product, 50% for the purchase of two units of the same product, and, if you buy three units, you get one for free. With almost 7,500 products, this strategy posted a 47% increase in the portfolio of products during the first quarter.

[1] Adjusted due to calendar effects, given the day less in February 2016 and Easter Week falling in April rather than in March, allowing for a comparison between the first quarter of 2016 and the same period of 2017.

- One of the major distinguishing features of the Éxito brand in Colombia is the **textiles business**, which grew by almost 18% in terms of units and almost 4% in terms of sales thanks to the success of the *Precios bajos todos los dias* (Every Day Low Prices) strategy, which seeks to democratize fashion in the country by allowing consumers to buy high-quality and fashionable garments at affordable prices.

Uruguay Posts Consistent Growth and Outstanding Profit Levels

Sales in Uruguay grew by 6.7% in local currency in line with inflation, reaching COP 668,000 million, driven by an excellent summer season and a positive performance in the textile and homes categories, which posted increases above 10%.

In Uruguay, the proximity format continues to be strengthened, which, with 25 Devoto Express stores, now has a market share of almost 1.8% and accounts for more than 7% of Devoto's sales.

Profit in Uruguay remains at outstanding levels, with a recurring EBITDA margin of 9.9% in the first quarter of 2017. Recurring EBITDA rose to COP 66,903 million. Profit margins were sustained thanks to the implementation of commercial initiatives aimed at driving sales.

The Real Estate Business in Argentina, a Determining Factor to the Results

Libertad sales posted a local-currency increase of 21.5%[1], due to a positive dynamic in the fresh product and textile segments, where an average growth of nearly 32% was recorded. The textile business has been has been evidencing a steady growth. Due to synergies, implementation of the Colombian model across Libertad stores is underway and today, it is being implemented in seven stores.

As to the proximity format, which now stands at 13 stores, sales were subject to a positive dynamic, growing at a rate of 48.0% in local currency and outstripping inflation.

Despite the gradual improvements in Colombia's economic environment, as well as better control of inflation and higher confidence levels, significant challenges remain. The real estate business has been key to maintaining profit levels amidst inflation. Libertad consolidated itself as the first real estate developer in the country regarding commercial spaces in the interior, and the third-largest in the market, with close to 160,000 m^2. The Paseo San Juan and Rivera Indarte shopping malls are currently being remodeled.

Synergies Continue to Revitalize Grupo Éxito's Internationalization Process

The development of the 19 initiatives between the countries where the Grupo Éxito has a presence continue to grow stronger; as such, in the first quarter of this year, USD 25 million in synergies were posted, equaling the total for the whole of 2016. Some of the synergies include:

- The joint purchase of commodities reflected in the **209 containers** acquired, containing products such as fruit, salmon, garlic, olive oil, wine, among others, accounting for 64% of the volume procured for all of 2016 and costs savings of between 3% and 15%.

- **The *1, 2, 3 Ahorrá todo el mes* sales strategy,** which was born in Argentina and implemented in Colombia (*Quincenazo* now 1,2,3 *Ahorro todo el mes*), Uruguay (*Ahorrá* (Save) and Brazil (*1, 2, 3 passos da economía* (Three steps in Economy)), with a direct positive effect on invoicing and on the volume of transactions in each country.

- **The *Aliados* model,** which originated in Colombia, where it has 1,336 small retail store owners who, under the shared brand scheme, receive support and advice for their business growth and execution. The model is growing in Brazil and has now reached150 Allies under the CompreBem brand.

- **The Colombian textiles model** is now present in seven Libertad warehouses in Argentina and six pertaining to the Extra brand in Brazil; a 31% increase in sales was recorded in the latter. They feature garments with textile brands such as Arkitect and Bronzini, and Argentina is showing growth in sales of 15% in textile units. The textiles model will be introduced in Uruguay this year.

- **Business encounters with vendors from Colombia, Brazil, Argentina, and Uruguay** allowing several of them, including Juan Valdés, Colcafé and Corona, to export their products to their subsidiaries.

- **The first store with a Cash & Carry business format in Colombia under the Surtimayorista brand** continues to develop in a satisfactory manner, posting a 2.7 x increase in sales compared with those of the converted store.

- **Back-office project integration has been accelerated;** today, technology, supplies, and equipment are negotiated jointly, resulting in savings of up to 30%.

- **As regards damage and waste control,** the process of sharing best practices has contributed to a reduction in this indicator of 227 basis points in Brazil, and 41 in Colombia.

Puntos Colombia: A Partnership to Benefit more than 10 Million Customers

Puntos Colombia is the partnership between Grupo Éxito and Bancolombia for the creation of a new loyalty program to provide customers more and better benefits, by earning and redeeming points in several of the country's sectors, both at these companies as well as at others that will be a part of the program.

This is the first loyalty coalition established between a retailer and a bank in Latin America, and it will revolutionize loyalty programs in the country.

Puntos Colombia will replace the already known Éxito Points, Supercliente Carulla and Bancolombia Points programs, and is conceived as one of the largest loyalty strategies in Latin America, in which companies from several sectors can also enroll, such as telephony, food, fuel, healthcare and travel, among others, in order to deliver a value proposition in tune with people's everyday needs, in accordance with their likes and consumption habits thanks to the knowledge the program will have regarding their needs.

Envigado, May 15, 2017

The Fundación Éxito in Mocoa

Eradicating chronic malnutrition in 2030 remains the goal of the Fundación Éxito, which, bearing this in mind, continues to mobilize the public and private sectors. Close to 40 territorial authorities signed the *Gen Cero* agreement, including the Municipality of Sabaneta, the Department of Boyacá, and several of its municipalities. Now, approximately have joined this nationwide movement.

In the first quarter, almost 13 thousand children were attended to, and during April, the Fundación's support of children and expectant mothers in Mocoa stands out.

- The collection through the *Goticas* campaign in April amounted to almost COP 900 million, which will be used for projects to promote protective environments for the children of Mocoa.

- At the time of the emergency, Fundación Éxito donated more than COP 60 million worth of food and water through the Red Cross.

- A team from the Fundación visited Mocoa to see the scale of the tragedy and the problems first hand, speak to representatives of the Colombian Institute for Family Welfare (ICBF, for the Spanish original) and other bodies tasked with responding to the emergency, and decide the projects to be invested in.

- The Fundación also went to Mocoa in partnership with the Liga de la Leche Antioquia to promote breastfeeding. Considering that the rates of child morbidity and mortality are high during emergencies, and human milk can contribute to good nutrition in the absence of food and water.

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Almacenes Éxito S.A.

Interim consolidated financial statements

At March 31, 2017

Almacenes Éxito S.A.
Interim consolidated financial statements
Notes to the interim consolidated financial statements
At March 31, 2017 and December 31, 2016

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

	Notes	March 31, 2017	December 31, 2016 (1)
Current assets			
Cash and cash equivalents	7	2,373,974	6,117,844
Trade receivables and other accounts receivable	8	1,285,213	1,173,351
Prepaid expenses	9	258,768	119,733
Accounts receivable from related parties	10	15,553	33,142
Inventories	11	5,712,661	5,778,173
Tax assets	22	953,728	891,790
Other financial assets	12	40,679	100,879
Non-current assets held for trading	42	18,029,856	18,429,787
Total current assets		**28,670,432**	**32,644,699**
Non-current assets			
Property, plant and equipment, net	13	12,042,280	12,256,656
Investment property, net	14	1,900,829	1,843,593
Goodwill, net	15	5,597,372	5,616,136
Intangible assets other than goodwill, net	16	5,651,365	5,663,422
Investments accounted for using the equity method	17	998,765	1,068,087
Trade receivables and other accounts receivable	8	588,908	586,485
Prepaid expenses	9	51,463	60,488
Accounts receivable from related parties	10	25,812	15,684
Deferred tax assets	22	1,424,705	1,456,866
Tax assets	22	601,971	581,947
Other financial assets	12	720,041	703,105
Other non-financial assets		398	398
Total non-current assets		**29,603,909**	**29,852,867**
Total assets		**58,274,341**	**62,497,566**
Current liabilities			
Financial liabilities	19	2,634,260	2,963,111
Employee benefit provisions		3,930	3,276
Other provisions	20	34,079	36,545
Trade payables and other accounts payable	21	8,520,430	11,537,585
Accounts payable to related parties	10	189,685	229,745
Tax liabilities	22	308,651	320,023
Other financial liabilities	23	1,053,518	805,555
Other non-financial liabilities	24	236,699	368,839
Non-current assets held for trading	42	13,989,342	14,592,207
Total current liabilities		**26,970,594**	**30,856,886**
Non-current liabilities			
Financial liabilities	19	3,950,601	4,354,879
Employee benefit provisions		26,872	26,872
Other provisions	20	2,651,209	2,706,629
Trade payables and other accounts payable	21	42,405	42,357
Accounts payable to related parties	10	12,399	12,733
Deferred tax liabilities	22	2,968,303	2,965,586
Tax liabilities	22	486,739	502,452
Other financial liabilities	23	1,768,301	1,835,159
Other non-financial liabilities	24	80,236	82,804
Total non-current liabilities		**11,987,065**	**12,529,471**
Total liabilities		**38,957,659**	**43,386,357**
Shareholders' equity, see attached statement		**19,316,682**	**19,111,209**
Total liabilities and shareholders' equity		**58,274,341**	**62,497,566**

(1) Some minor reclassifications to trade receivables, other accounts receivable, tax assets, property, plant and equipment, investment properties, trade payables, other accounts payable 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.

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Almacenes Éxito S.A.
Interim consolidated statements of income
For the three-month periods ended March 31, 2017 and March 31, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	March 31, 2017	March 31, 2016 (1)
Continuing operations			
Revenue from ordinary activities	27	13,525,913	11,980,515
Cost of sales	11	(10,287,966)	(9,151,922)
Gross profit		**3,237,947**	**2,828,593**
Distribution expenses	28	(1,412,020)	(1,274,068)
Administration and sales expenses	28	(171,498)	(134,279)
Employee benefit expenses	29	(1,233,945)	(1,087,368)
Other operating revenue	30	61,485	10,193
Other operating expenses	30	(70,744)	(73,129)
Other net gains (losses)	30	9,148	(12,367)
Profit from operating activities		**420,373**	**257,575**
Financial revenue	31	130,298	262,083
Financial expenses	31	(410,354)	(504,869)
Share of profits in associates and joint ventures accounted for using the equity method	32	(20,337)	19,164
Earnings before income tax from continuing operations		**119,980**	**33,953**
Tax revenue (expense)	22	(53,273)	5,710
Net period earnings from continuing operations		**66,707**	**39,663**
Net period earnings (loss) from discontinued operations	42	123,175	(113,514)
Net earnings (loss) for the period		**189,882**	**(73,851)**
Net profit (loss) attributable to non-controlling interests		197,475	(74,611)
Net (loss) profit attributable to shareholders of the controlling entity		**(7,593)**	**760**
Earnings per share (*)			
Earnings per basic share (*):			
(Loss) earnings per basic share attributable to the controlling entity	33	(16.96)	1.70
Earnings per basic share from continuing operations	33	149.03	88.61
Earnings (loss) per basic share from discontinued operations	33	275.19	(253.60)
Earnings per diluted share (*):			
(Loss) earnings per diluted share attributable to the controlling entity	33	(16.96)	1.70
Earnings per diluted share from continuing operations	33	149.03	88.61
Earnings (loss) per diluted share from discontinued operations	33	275.19	(253.60)

(*) Amounts expressed in Colombian pesos.

(1) Amounts include the effect of the restatement of the discontinued operations of Via Varejo S.A. and Cnova N.V. for comparison to 2017; 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 reconciliation of the statement of income at March 31, 2016 to this statement of income is disclosed in Note 43.

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

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Almacenes Éxito S.A.
Interim consolidated statements of comprehensive income
For the three-month periods ended March 31, 2017 and March 31, 2016
(Amounts expressed in millions of Colombian pesos)

	March 31, 2017	March 31, 2016 (1)
Net period earnings (loss)	**189,882**	**(73,851)**
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results, net of taxes		
Profit from new measurement of defined benefit plans	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	(86,546)	707,643
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results.	1,103	22,298
Total other comprehensive income that will be reclassified to period results, net of taxes	**(84,421)**	**729,941**
Total other comprehensive income	**(84,864)**	**729,941**
Total comprehensive income	**105,018**	**656,090**
Profit attributable to:		
(Loss) profit attributable to shareholders of the controlling entity	(48,350)	69,310
Profit attributable to non-controlling interests	153,368	586,780
Earnings per share (*)		
Profit attributable to shareholders of the controlling entity		
Earnings (loss) per basic share in total comprehensive income	(108.02)	154.85
Profit (loss) attributable to shareholders of the controlling entity		
Earnings per diluted share in total comprehensive income	(108.02)	154.85

(*) Amounts expressed in Colombian pesos.

(1) Amounts include the effect of the restatement of the discontinued operations of Via Varejo S.A. and Cnova N.V. for comparison to 2017; 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 three-month period ended March 31, 2017 and March 31, 2016
(Amounts expressed in millions of Colombian pesos)

	March 31, 2017	March 31, 2016 (1)
Cash flows provided by operating activities		
Net period earnings (loss)	**189,882**	**(73,851)**
Period profit reconciliation adjustments		
Income tax	59,538	12,230
Financial costs	290,423	309,059
Financial revenue	(5,603)	(4,525)
(Increase) in inventories	(458,836)	(234,375)
(Increase) in trade receivables	(2,352,643)	(1,897,269)
Decrease (increase) in other accounts receivable provided by operating activities	112,190	(385,720)
(Increase) in prepaid expenses	(131,629)	(264,015)
(Decrease) in trade payables	(2,507,965)	(4,226,038)
(Decrease) in other accounts payable provided by operating activities	(1,170,410)	(432,114)
Depreciation and amortization of fixed assets and intangible assets	267,711	293,675
Provisions	299,972	184,442
Net unrealized gain from foreign currency transactions	1,378	10,417
Share-based payments	5,578	6,666
(Gain) loss from reappraisal at fair value	(445)	2,499
Undistributed (earnings) loss from the application of the equity method	13,829	(26,664)
(Increase) in other assets	(120,858)	(161,652)
Other adjustment from items other than cash	118,366	(25,753)
(Gain) loss from the disposal of non-current assets	(9,178)	7,858
(Increase) in deposits under legal proceedings	(30,680)	(45,829)
(Gain) from the sale of subsidiaries		(75,962)
Total period profit reconciliation adjustments	**(5,619,262)**	**(6,953,070)**
Net cash flows used in operating activities	**(5,429,380)**	**(7,026,921)**
Income tax paid	(65,463)	(60,940)
Net cash flows used in operating activities	**(5,494,843)**	**(7,087,861)**
Cash flows provided by investment activities		
Cash flows (used in) provided by the loss of control over subsidiaries or other businesses	(295)	77,282
Proceeds from the sale of property, plant and equipment	2,933	11,262
Acquisition of property, plant and equipment	(416,328)	(389,140)
Proceeds from the sale of intangible assets	-	127
Acquisition of intangible assets	(128,767)	(91,189)
Acquisition of other long-term assets	-	(7,809)
Cash advances and loans granted to (received from) third parties		595
Interest received	5,105	5,563
Dividends received	371	-
Other cash (outflows)	-	(375)
Net cash flows used in investment activities	**(536,981)**	**(393,684)**
Cash flows provided by financing activities		
Borrowings	2,689,405	3,116,559
(Repayment) of financial liabilities	(2,991,611)	(1,151,071)
(Repayment) of finance lease liabilities	(17,472)	(14,591)
Dividends (paid)	(77,409)	(65,801)
Interest (paid)	(604,456)	(236,561)
Transactions with non-controlling entities	4,055	-
Other cash (outflows) inflows	(336)	-
Net cash flows (used in) provided by financing activities	**(997,824)**	**1,648,535**
Net decrease in cash and cash equivalents, before the effects of changes in exchange rates	**(7,029,648)**	**(5,833,010)**
Effects of the variation in the exchange rates on cash and cash equivalents	59,840	488,028
Net decrease in cash and cash equivalents	**(6,969,808)**	**(5,344,982)**
Cash and cash equivalents at the beginning of period from 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 from non-current assets held for trading	**484,895**	**-**
Cash and cash equivalents at the end of period	**2,373,974**	**4,723,735**

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

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Parent's Legal Representative

Jorge Nelson Ortiz Chica
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Professional Card 67018-T

Sandra Milena Buitrago E.
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Appointed by Ernst and Young Audit S.A.S. TR-530

Almacenes Éxito S.A.
Interim consolidated statements of changes in shareholders' equity
For the three-month period ended March 31, 2016
(Amounts expressed in millions of Colombian pesos)

Includes the retrospective adjustment of the balance at March 31, 2016 to reflect the effect of the adjustments from the completion of the *Purchase Price Allocation* process relevant to the acquisition of control over Companhia Brasileira de Distribuição - CBD and over Libertad S.A., pursuant to IFRS 3 - Business combinations.

	Issued share capital (Note 25)	Premium on the issue of shares (Note 25)	Own shares repurchased (Note 25)	Legal reserve (Note 26)	Occasional reserve (Note 26)	Reacquisition of shares (Note 26)	Future dividends (Note 26)	Other reserves (Note 26)	Total reserves (Note 26)	Other accumulated comprehensive income (Note 26)	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)	(3,987)	(306,444)
Net period profit	-	-	-	-	-	-	-	-	-	-	760	-	760	(74,611)	(73,851)
Other comprehensive income	-	-	-	-	-	-	-	-	-	68,550	-	-	68,550	661,391	729,941
Appropriation for reserves	-	-	-	-	286,747	-	-	-	286,747	-	(286,747)	-	-	-	-
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	21,519	21,519
(Decrease) from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,129)	(1,129)
Other developments in shareholders' equity	-	-	-	-	-	-	-	937	937	-	941	(71)	1,807	5,727	7,534
Balance at March 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,644,887	22,000	15,710	1,832	**1,692,286**	**(310,697)**	**1,100,921**	**(41,097)**	**7,286,627**	**11,266,967**	**18,553,594**

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Interim consolidated statements of changes in shareholders' equity
For the three-month period ended March 31, 2017
(Amounts expressed in millions of Colombian pesos)

	Issued share capital (Note 27)	**Premium on the issue of shares** (Note 27)	**Own shares repurchased** (Note 27)	Legal reserve (Note 28)	Occasional reserve (Note 28)	Reacquisition of shares (Note 28)	Future dividends (Note 28)	Other reserves (Note 28)	**Total reserves** (Note 28)	**Other accumulated comprehensive income** (Note 28)	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
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)	(3,575)	(25,346)
Net period profit	-	-	-	-	-	-	-	-	-	-	(7,593)	-	(7,593)	197,475	189,882
Other comprehensive income	-	-	-	-	-	-	-	-	-	(40,757)	-	-	(40,757)	(44,107)	(84,864)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	15,140	15,140
Decrease from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(368)	(368)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	58,030	58,030
Other developments in shareholders' equity	-	-	-	-	(1,435)	-	-	-	(1,435)	-	858	49,217	48,640	4,359	52,999
Balance at March 31, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	5,672	**1,716,448**	**97,546**	**1,094,473**	**(53,475)**	**7,700,206**	**11,616,476**	**19,316,682**

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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 March 31, 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 March 31, 2017 and December 31, 2016:

				Stock ownership 2017			Stock ownership 2016		
Name	**Segment**	**Country**	**Functional currency**	**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%
Cdiscount Colombia S.A.S.	Colombia	Colombia	Colombian peso	100,00%	0,00%	100,00%	100,00%	0,00%	100,00%
Gemex O & W S.A.S.	Colombia	Colombia	Colombian peso	85,00%	0,00%	85,00%	85,00%	0,00%	85,00%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	US Dollar	100,00%	0,00%	100,00%	100,00%	0,00%	100,00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100,00%	0,00%	100,00%	100,00%	0,00%	100,00%
Patrimonio Autónomo Viva Malls	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%
Larenco S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	100,00%	100,00%	0,00%	100,00%	100,00%
Geant Inversiones S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	100,00%	100,00%	0,00%	100,00%	100,00%
Lanin S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	100,00%	100,00%	0,00%	100,00%	100,00%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	100,00%	100,00%	0,00%	100,00%	100,00%
Lublo S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	100,00%	100,00%	0,00%	100,00%	100,00%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	100,00%	100,00%	0,00%	100,00%	100,00%
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%
Ducellmar S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	62,49%	62,49%	0,00%	62,49%	62,49%

Name	Segment	Country	Functional currency	Stock ownership 2017 Direct	Indirect	Total	Stock ownership 2016 Direct	Indirect	Total
Actimar S.A.	Uruguay	Uruguay	Uruguayan peso	0,00%	62,49%	62,49%	0,00%	62,49%	62,49%
Hiper Ahorro S.R.L.	Uruguay	Uruguay	Uruguayan peso	0,00%	62,49%	62,49%	0,00%	62,49%	62,49%
Ciudad del Ferrol S.C.	Uruguay	Uruguay	Uruguayan peso	0,00%	61,24%	61,24%	0,00%	61,24%	61,24%
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	Euro	100,00%	0,00%	100,00%	100,00%	0,00%	100,00%
Ségisor S.A.	Brazil	France	Euro	0,00%	50,00%	50,00%	0,00%	50,00%	50,00%
Oregon LLC	Brazil	United States of America	Euro	0,00%	50,00%	50,00%	0,00%	50,00%	50,00%
Pincher LLC	Brazil	United States of America	Euro	0,00%	50,00%	50,00%	0,00%	50,00%	50,00%
Bengal LLC	Brazil	United States of America	Euro	0.00%	50,00%	50,00%	0,00%	50,00%	50,00%
Wilkes Partipações S.A.	Brazil	Brazil	Brazilian real	0,00%	50,00%	50,00%	0,00%	50,00%	50,00%
Companhia Brasileira de Distribuição CBD (b)	Brazil	Brazil	Brazilian real	0,00%	18,71%	18,71%	0,00%	18,72%	18,72%
Novasoc Comercial Ltda.	Brazil	Brazil	Brazilian real	0,00%	1,87%	1,87%	0,00%	1,87%	1,87%
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 Empreed. 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%
Via Varejo Luxembourg Holding S.A.R.L.	Brazil	Luxembourg	Euro	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
Companhia Brasileira de Distribuição Netherlands Holding B.V. (b)	Brazil	Holland	Euro	0,00%	18,71%	18,71%	0,00%	18,72%	18,72%
Via Varejo Netherlands Holding B.V.	Brazil	Holland	Euro	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
Cnova N.V.	Brazil	Holland	Euro	0,19%	6,37%	6,56%	0,19%	6,37%	6,56%
CNova Comércio Eletrônico S.A.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
E-Hub Consult. Particip. e Com. S.A.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
Nova Experiência PontoCom S.A.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	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%
Via Varejo S.A.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
Indústria de Móveis Bartira Ltda.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
VVLOG Logística Ltda.	Brazil	Brazil	Brazilian real	0.00%	8,11%	8,11%	0,00%	8,11%	8,11%
Globex Administracao e Serviços Ltda.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
Lake Niassa Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%
Globex Administradora de Consórcio Ltda.	Brazil	Brazil	Brazilian real	0,00%	8,11%	8,11%	0,00%	8,11%	8,11%

(a) A process to wind-up some entities has begun as result of a 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.

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 March 31, 2017, the subsidiary accrued losses amounting to $7,089 ($9,050 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 is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016. The plan has proven positive, reason why there is a decrease in accumulated losses.

Éxito Viajes y Turismo S.A.S.

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 March 31, 2017, the subsidiary accrued losses amounting to $13,331 ($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 is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016.

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

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 March 31, 2017, the subsidiary accrued losses amounting to $3,450 ($3,926 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 is committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the extraordinary General Meeting of Shareholders on December 22, 2016. 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;
- Provide all types of services, including, without limitation, management, advisory, consultancy, technical and representation agreements, aiming at the proper development of the corporate purpose; and
- Carry out any and all lawful activities.

At March 31, 2017, the subsidiary accrued losses amounting to $61,740 ($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, 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 March 31, 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.

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

Patrimonio Autónomo Viva Laureles

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 located 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", "Partiuviagens.com" and "Cdiscount.com" and the neighborhood mall banner "Conviva".

The parent acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.71% 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 years ended March 31, 2017 and March 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 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 Parent's and its subsidiaries' interim consolidated financial statements are made of the statements of financial position at March 31, 2017 and December 31, 2016, and the statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the three-month periods ended March 31, 2017 and March 31, 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 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. Consequently, pursuant to such resolution, the financial statements of this subsidiary have not been restated for inflation.

Foreign currency transactions

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

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

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

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

Translation to the reporting currency

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

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

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

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

Accounting accrual basis

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

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

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 contracts, reason why there may be entities not having such interest percentage but which activities are understood to be carried out to the benefit of the parent and the parent is exposed to all risks and benefits attached to the controlled company.

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

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

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

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

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

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

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

For the purpose of consolidating the financial statements of Spice Investments Mercosur S.A., a company with domicile in Uruguay, which in turn has control over all other subsidiaries domiciled in Uruguay except Vía Artika S.A., the accounting policies and principles adopted by the Parent were standardized in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2450 of 2015, "Sole Regulatory Decree on accounting, financial 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 the exchange rates in force on each closing date and at period average, as follows:

	Closing rates		Average rates	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
US Dollar	2,880.24	3,000.71	2,922.47	3,050.98
Uruguayan peso	100.53	102.26	102.77	101.37
Brazilian real	921.85	920.80	929.67	877.88
Argentine peso	187.27	189.62	186.61	207.11
Euro	3,080.56	3,164.99	3,114.59	3,375.00

Note 4. Significant accounting policies

The attached consolidated financial statements have been prepared using the same accounting policies, measurements and bases used to present the consolidated financial statements for the annual period ended December 31, 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 issued during the three-month period ended March 31, 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 three-month period ended 31 December 2017.

No new standards or amendments to already published standards were issued by the IASB during the three-month period ended March 31, 2017.

Note 5.2. Standards applied earlier during the three-month period ended March 31, 2017

During the three-month period ended March 31, 2017, and based on section 4.1, no standards were applied 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.

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.

Note 5.4. Standards not yet effective at March 31, 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 three-month period ended March 31, 2017.

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following standards and amendments, which are not in force at March 31, 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 at the date other than the date of initial recognition of the non-monetary asset or the non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

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

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, 2017. Management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set out by the standard. The Company does not consider early application thereof.

Note 5.5. Standards applied earlier at December 31, 2016

During the three-month period ended December 31, 2016, and based on section 5.4, no Standards were applied earlier.

Note 6. Business combinations

Note 6.1. Business combinations during the three-month period ended March 31, 2017

No business combinations were achieved during the three-month period ended 31 March 2017.

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

Note 6.2.1. Business combination Sumelar S.A.

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

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

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

Goodwill arising from the operation amounts to:

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

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

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

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

The goodwill has shown the following variations from the time of acquisition to the balance carried at March 31, 2017:

Goodwill from the acquisitions at September 1, 2016	1,216
Effect of exchange differences	11
Goodwill at December 31, 2016	**1,227**
Effect of exchange differences	(21)
Goodwill at March 31, 2017	**1,206**

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 adjustments to the measurement period, 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:

	March 31, 2017	December 31, 2016
Cash and cash equivalents		
Cash at hand and in banks	872,771	1,702,012
Term deposit certificates (2)	1,409,226	4,331,939
Fiduciary rights	81,995	81,840
Current investments	9,982	2,053
Total cash and cash equivalents	**2,373,974**	**6,117,844**

(2) Relates to fixed-term deposits of subsidiary Companhia Brasileira de Distribuição - CBD, with yields of 13.51% 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 December 31, 2016 and at March 31, 2017, 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:

	March 31, 2017	December 31, 2016
Trade accounts receivable (8.1)	1,065,194	990,029
Other accounts receivable (8.2)	808,927	769,807
Total trade receivables and other receivables	**1,874,121**	**1,759,836**
Current (8.3)	**1,285,213**	**1,173,351**
Non-current (8.3)	**588,908**	**586,485**

Note 8.1. Trade accounts receivable

The balance of trade receivables is as follows:

	March 31, 2017	December 31, 2016
Trade accounts receivable (1)	728,271	633,754
Accounts receivable from suppliers (2)	105,091	87,476
Rentals and dealers	93,742	100,553
Financing companies and the like (3)	36,374	40,601
Employee funds and lending	6,486	3,909
Other trade accounts receivable	117,998	143,599
Impairment loss (4)	(22,768)	(19,863)
Current trade receivables	**1,065,194**	**990,029**

(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) Includes balances with Compañía de Financiamiento Tuya S.A. related to the operation of Tarjeta Éxito, such as royalties, reimbursement of shared expenses and collections from recovery of coupons, to be paid in the short term.

(4) The impairment of receivables is independently analyzed for large customers and jointly analyzed for those customers whose balances are not material taken separately, based on debts overdue exceeding historic payment history. Impairment is recognized as expense in period results. However, even if impaired, the Parent believes 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 March 31, 2017 relates to an expense in amount of $2,905 (at December 31, 2016 related to 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	155,654
Reversal of impairment loss	(5,303)
Receivables written-off	(147,359)
Effect of exchange differences	(87)
Balance at March 31, 2017	**22,768**

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:

	March 31, 2017	December 31, 2016
Accounts Receivable - Paes Mendonça S.A. (1)	490,449	489,867
Sale of property, plant and equipment, intangible assets and other assets.	86,856	18,694
Account receivable from the sale of companies (2)	66,643	63,188
Employee funds and lending	56,785	58,906
Taxes receivable	16,405	4,996
Business agreements	11,447	38,971
Accounts receivable from insurance companies	9,617	9,003
Tax claims	1,360	1,405
Money transfers	1,047	3,026
Money transfer services	452	1,227
Other	67,866	80,524
Total other accounts receivable	**808,927**	**769,807**

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

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

	March 31, 2017	December 31, 2016
Current		
Trade accounts receivable	728,271	633,754
Accounts receivable from suppliers	105,091	87,476
Rentals and dealers	91,931	98,195
Sale of property, plant and equipment, intangible assets and other assets.	86,856	18,694
Employee funds and lending	41,859	42,413
Financing companies and the like	36,374	40,601
Taxes receivable	16,405	4,996
Business agreements	11,447	38,971
Accounts receivable from insurance companies	9,617	9,003
Tax claims	1,360	1,405
Money transfers	1,047	3,026
Account receivable from the sale of companies	725	973
Money transfer services	452	1,227
Other trade accounts receivable	111,081	143,599
Other	65,465	68,881
Impairment loss	(22,768)	(19,863)
Total current accounts receivable	**1,285,213**	**1,173,351**
Non-current		
Accounts Receivable - Paes Mendonça S.A.	490,449	489,867
Account receivable from the sale of companies	65,918	62,215
Employee funds and lending	21,412	20,402
Rentals and dealers	1,811	2,358
Other trade accounts receivable	6,917	-
Other	2,401	11,643
Total accounts receivable	**588,908**	**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
March 17, 2017	1,896,889	1,676,790	55,398	93,585	21,366	49,750
December 31, 2016	1,779,699	1,541,176	172,508	38,070	1,677	26,268

Note 9. Prepaid expenses

The balance of prepaid expenses was comprised of:

	March 31, 2017	December 31, 2016
Taxes	117,075	3,683
Leases	83,897	81,902
Employee benefits	27,536	10,129
Bank expenses	23,968	23,020
Insurance	14,503	22,746
Maintenance	11,775	10,740
Services	9,219	4,604
Advertising	8,389	6,991
Sales commissions	922	1,843
Licenses in use	-	921
Other	12,947	13,642
Total prepaid expenses	**310,231**	**180,221**
Current	**258,768**	**119,733**
Non-current	**51,463**	**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	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Controlling entity (1)	10,209	10,011	39,510	71,260
Associates (2)	22,205	13,318	6,453	12,580
Key management personnel	-	29	-	-
Members of the Board	-	-	34	93
Joint ventures (3)	-	16,068	-	-
Grupo Casino companies (4)	8,951	9,400	156,087	158,545
Total	**41,365**	**48,826**	**202,084**	**242,478**
Current portion	**15,553**	**33,142**	**189,685**	**229,745**
Non-current portion	**25,812**	**15,684**	**12,399**	**12,733**

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

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

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

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

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

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

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

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

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

(3) The balance of accounts receivable at December 31, 2016 relates to a subscription of shares in Compañía de Financiamiento Tuya S.A. dated December 27, 2016. Given that Compañía de Financiamiento Tuya S.A. had not received authorization from the Colombian Financial Superintendence to register a capital increase before December 31, 2016, the amount disbursed by the Parent and its subsidiary Almacenes Éxito S.A. was recorded as an account receivable until such authorization was issued. This balance was capitalized during the first quarter of 2017 upon receiving the authorization from the Colombian Financial Superintendence.

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

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

Note 11. Inventories and cost of sales

The balance of inventories is as follows:

	March 31, 2017	December 31, 2016
Inventories available for trading	5,607,851	5,692,621
Inventories of property under construction (1)	57,208	58,066
Inventories in transit	46,435	39,981
Materials, small spares, accessories and packaging material	16,350	17,790
Product in process	4,536	4,050
Raw materials	4,165	4,824
Inventory impairment (2)	(23,884)	(39,159)
Total inventories	**5,712,661**	**5,778,173**

(1) The balance mainly relates to the Figue project owned by Companhia Brasileira de Distribuição – CBD and to Hotel Cota and Univalledupar real estate projects, which are in a construction reorganization stage since 2015.

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

Balance at December 31, 2016	**39,159**
Reversal of impairment losses	(15,233)
Effect of exchange differences	(42)
Balance at March 31, 2017	**23,884**

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

Pursuant to Parent's policy, inventories are valued at cost or fair value less selling costs, whichever is less. The adjustments to this valuation are included in the costs of sale for the period.

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

	March 31, 2017	March 31, 2016
Cost of goods sold without impairment	10,302,713	9,145,453
Impairment loss recognized during the period	486	7,164
Reversal of impairment loss recognized during the period (1)	(15,233)	(695)
Total cost of goods sold	**10,287,966**	**9,151,922**

(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:

	March 31, 2017	December 31, 2016
Financial assets measured at fair value through income (1)	640,365	622,285
Derivative financial instruments designated as hedge instruments (2)	42,405	96,684
Financial assets measured at amortized cost (3)	77,427	75,220
Financial assets measured at fair value through other comprehensive income	248	248
Derivative financial instruments (4)	275	9,547
Total other financial assets	**760,720**	**803,984**
Current	**40,679**	**100,879**
Non-current	**720,041**	**703,105**

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

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

	March 31, 2017	December 31, 2016
Deposit for tax legal proceedings	170,543	166,665
Deposit for labor legal proceedings	389,944	381,212
Deposit for civil legal proceedings	27,656	23,941
Deposit for regulatory legal proceedings	38,718	36,832
Total	**626,861**	**608,650**

(b) Legal deposits in amount of $263 (2016 - $230) relevant to subsidiary Libertad S.A.

(c) Investment in bonds in amount of $12,111 (2016 -$12,263) of Grupo Disco Uruguay S.A.

(d) Investments in debt securities of Fondo Valorar Futuro to manage liquidity in amount of $1,130 (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 annual IDC rate at March 31, 2017 was 15.07% (14.00% at December 31, 2016). Fair values of these instruments are determined using valuation models, commonly used by market participants. The detail of maturities of these instruments is as follows:

	Derivative	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
March 17, 2017	*Swap*	-	-	-	32,264	10,141	**42,405**
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 using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Parent measures the derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2016 and March 31, 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 March 31, 2017 is as follows:

	Less than 1 month	1 to 3 months	3 to 6 months	More than 12 months	Total
Forward	-	-	5	-	5
Swap	270	-	-	-	270
	270	**-**	**5**	**-**	**275**

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

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

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

	March 31, 2017	December 31, 2016
Current		
Derivative financial instruments	275	4,800
Derivative financial instruments designated as hedge instruments	32,264	88,397
Financial assets measured at amortized cost	7,877	7,452
Financial assets measured at fair value through income	263	230
Total current	**40,679**	**100,879**
Non-current		
Derivative financial instruments designated as hedge instruments	10,141	8,287
Financial assets measured at amortized cost	69,550	67,768
Financial assets measured at fair value through other comprehensive income	248	248
Financial assets measured at fair value through income	640,102	622,055
Derivative financial instruments	-	4,747
Total non-current	**720,041**	**703,105**

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

Note 13. Property, plant and equipment, net

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

	March 31, 2017	December 31, 2016
Land	2,477,262	2,496,768
Buildings	3,950,613	4,092,075
Machinery and equipment	3,329,206	3,305,304
Furniture and fixtures	1,519,262	1,509,614
Assets under construction	252,310	291,473
Premises	790,939	770,937
Improvements to third party properties	5,017,711	4,986,744
Vehicles	20,180	20,102
Computers	218,386	216,347
Other property, plant and equipment	170,006	170,752
Total property, plant and equipment	**17,745,875**	**17,860,116**
Accumulated depreciation	(5,703,595)	(5,603,460)
Total net property, plant and equipment	**12,042,280**	**12,256,656**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other property, plant and equipment	Total
Balance at December 31, 2016	**2,496,768**	**4,092,075**	**3,305,304**	**1,509,614**	**291,473**	**770,937**	**4,986,744**	**20,102**	**216,347**	**170,752**	**17,860,116**
Additions	-	3,258	23,161	7,803	103,009	21,905	17,552	131	1,923	2,789	181,531
Capitalization of loan costs (1)	-	1,859	-	-	-	-	-	-	-	-	1,859
Increase (decrease) from movements between property, plant and equipment accounts	-	27,481	34,343	10,556	(133,715)	6,516	54,192	2	1,555	(930)	-
(Decrease) from transfers from (to) other balance sheet accounts	-	(82,564)	(14,514)	(2,672)	(7,887)	(2,575)	(9,746)	-	27	(929)	(120,860)
(Disposal) of property, plant and equipment	(16,734)	(90,263)	(13,027)	(2,800)	(1,859)	(4,654)	(25,101)	(3,742)	(543)	(930)	(159,630)
Derecognition of property, plant and equipment	-	-	(400)	(194)	-	(6)	(1,754)	-	(99)	-	(2,453)
(Decrease) in assets classified as held for trading	-	-	(6,508)	(1,859)	1,859	-	(6,508)	3,719	-	(930)	(10,227)
Effect of exchange differences	(2,772)	(1,233)	1,164	(894)	(547)	(1,184)	1,674	(55)	(827)	184	(4,490)
Other changes	-	-	(317)	(292)	(23)	-	658	-	3	-	29
Balance at March 31, 2017	**2,477,262**	**3,950,613**	**3,329,206**	**1,519,262**	**252,310**	**790,939**	**5,017,711**	**20,180**	**218,386**	**170,006**	**17,745,875**
Accumulated depreciation											
Balance at December 31, 2016		**1,033,975**	**1,586,838**	**734,377**		**316,430**	**1,696,455**	**9,744**	**127,305**	**98,336**	**5,603,460**
Depreciation expense/cost		24,528	73,804	31,278		11,983	64,504	556	8,542	4,845	220,040
(Decrease) from transfers from (to) other balance sheet accounts and (disposals) of property, plant and equipment		(83,671)	(14,875)	(2,789)		(2,790)	(10,226)	-	-	(930)	(115,281)
(Derecognition) of property, plant and equipment		(62)	(404)	(205)		(1)	(595)	-	(640)	-	(1,907)
Effect of exchange differences		109	(59)	(1,217)		(612)	(273)	(23)	(656)	83	(2,648)
Other changes		(136)	(540)	(76)		-	681	1	1	-	(69)
Balance at March 31, 2017		**974,743**	**1,644,764**	**761,368**		**325,010**	**1,750,546**	**10,278**	**134,552**	**102,334**	**5,703,595**

(1) The rate used to determine the amount of loan costs capitalized was 14.10%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of March 31, 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 December 31, 2016, Companhia Brasileira de Distribuição - CBD has assets delivered as collateral to third parties to secure lawsuits in amount of $795,560 (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 Company has no commitments to acquire, construct or develop property, plant and equipment.

During the three-month period ended March 31, 2017, no compensations have been received from third parties related with assets damaged in accidents. (at December 31, 2016 - $6,588)

During the periods reported in these financial statements no impairment of property, plant and equipment was recognized.

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

	March 31, 2017	December 31, 2016
Computers	28,545	7,366
Buildings	19,337	18,416
Machinery and equipment	12,572	8,907
Furniture and fixtures	5,525	5,525
Premises	921	-
Other property, plant and equipment	13,922	14,119
Total	**80,822**	**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:

	March 31, 2017	December 31, 2016
Land	487,580	489,048
Buildings	1,327,612	1,319,568
Construction in progress	194,226	135,859
Total investment property	**2,009,418**	**1,944,475**
Accumulated depreciation	(108,589)	(100,882)
Total investment property, net	**1,900,829**	**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	-	11,261	58,580	69,841
Increase (decrease) from movements between investment property accounts.	-	98	(98)	-
Effect of exchange differences	(1,468)	(3,357)	(115)	(4,940)
Other changes	-	42	-	42
Balance at March 31, 2017	**487,580**	**1,327,612**	**194,226**	**2,009,418**

Accumulated depreciation	
Balance at December 31, 2016	**100,882**
Depreciation expense	8,309
Effect of exchange differences	(740)
Other changes	138
Balance at March 31, 2017	**108,589**

Note 36 discloses the fair values of investment properties, based on the appraisal carried out by an independent third party.

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 has 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:

	March 31, 2017	December 31, 2016
Companhia Brasileira de Distribuição – CBD (1)	2,553,093	2,550,181
Spice Investment Mercosur S.A. (2)	1,447,065	1,466,948
Carulla Vivero S.A. (3)	827,420	827,420
Super Inter (4)	453,649	453,649
Libertad S.A. (1)	143,120	144,913
Cafam (5)	122,219	122,219
Other (6)	50,806	50,806
Total	**5,597,372**	**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 is comprised of:

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

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

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

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

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

(4) Represents the acquisition of 46 trade establishments under the banner Super Inter, of which 19 were acquired at the end of 2014 and the remaining 29 during April 2015. It also includes the acquisition of 7 trade establishments 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 Super 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	(18,764)
Balance at March 31, 2017	**5,597,372**

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:

	March 31, 2017	December 31, 2016
Trademarks (1)	3,526,730	3,525,265
Rights (2)	1,412,181	1,409,678
Computer software	1,343,479	1,324,953
Customer-related intangible assets (3)	35,952	35,911
Other	1,565	1,522
Total intangible assets other than goodwill	**6,319,907**	**6,297,329**
Accumulated amortization	(668,542)	(633,907)
Total intangible assets other than goodwill, net	**5,651,365**	**5,663,422**

(1) Refers to the trademarks of:

Segment	Banner	Useful life	March 31, 2017	December 31, 2016
Food	Extra (a)	Indefinite	1,653,806	1,651,918
Food	Pão de Açúcar (a)	Indefinite	960,572	959,476
Food	Assaí (a)	Indefinite	686,781	685,998
Uruguay	Sundries (b)	Indefinite	106,463	108,289
Argentina:	Libertad (d)	Indefinite	37,977	38,453
Discount	Surtimax (f)	Indefinite	17,427	17,427
Discount	Super Inter (g)	Indefinite	63,704	63,704
			3,526,730	**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 Vivero.

(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) $1,387,389 (2016 - $1,384,886) of Companhia Brasileira de Distribuição - CBD, 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. The distribution by segment is as follows:

b) Rights of Libertad $32 (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	-	-	22,505	-	43	**22,548**
Decrease in assets classified as held for trading	-	-	-	-	-	**-**
Effect of exchange differences	1,465	1,573	975	41	-	**4,054**
Transfers	-	930	4,679	-	-	**5,609**
Disposals and derecognition	-	-	(9,633)	-	-	**(9,633)**
Balance at March 31, 2017	**3,526,730**	**1,412,181**	**1,343,479**	**35,952**	**1,565**	**6,319,907**
Accumulated amortization						
Balance at December 31, 2016		**17**	**626,414**	**5,985**	**1,491**	**633,907**
Amortization expense/cost		1	36,446	1,133	2	**37,582**
Transfers			(11)	-	-	**(11)**
Effect of exchange differences			192	(3)	-	**189**
Decrease in assets classified as held for trading			-	-	-	**-**
Disposals and derecognition			(3,125)	-	-	**(3,125)**
Balance at March 31, 2017		**18**	**659,916**	**7,115**	**1,493**	**668,542**

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, or impairment losses.

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

	March 31, 2017	December 31, 2016
Software of Companhia Brasileira de Distribuição - CBD	137,356	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	March 31, 2017	December 31, 2016
Cnova N.V.	Associate	598,889	686,922
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	Associate	306,978	290,973
Compañía de Financiamiento Tuya S.A.	Joint venture	92,898	90,192
Total		**998,765**	**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 year ended March 31, 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:

	March 31, 2017	December 31, 2016
Current		
Bank overdrafts	18,141	-
Bank loans (1)	2,206,004	2,546,724
Put option	358,714	364,867
Finance leases	45,969	41,415
Letters of credit	5,432	10,105
Total current financial liabilities	**2,634,260**	**2,963,111**
Non-current		
Bank loans (1)	3,795,052	4,179,703
Finance leases	155,549	175,176
Total non-current financial liabilities	**3,950,601**	**4,354,879**
Total financial liabilities	**6,584,861**	**7,317,990**
Current	**2,634,260**	**2,963,111**
Non-current	**3,950,601**	**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 commits to request approval from the banks if it requires to carry out the following transactions: encumber assets, enter into extraordinary agreements with any affiliated company, incur additional liabilities wherever the result is breach of the credit agreement and/or without prior authorization from creditors; creditors shall automatically grant authorization if the occurrence index is complied with, measured using the latest financial statements released by the Parent, among others.

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

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

During February and March 2017, the Parent requested new loans amounting to $530,000 and $70,000, respectively.

The balance also includes short-term loans acquired by Companhia Brasileira de Distribuição - CBD for working capital purposes, in amount of $1.1 trillion (2016 - $5.6 trillion), and long-term loans in amount of $0.4 trillion (2016 - $0.9 trillion).

Below is a detail of annual maturity dates for non-current bank loans and finance leases discounted at present value, for the periods ended March 31, 2017 and December 31, 2016:

At March 31, 2017

Year	Total
2018	2,003,995
2019	619,332
2020	524,318
Later than 2021	802,956
Total	**3,950,601**

At December 31, 2016

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

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 30th based on audited consolidated financial statements for each period.

(b) Indebtedness: Refrain from: (i) Incurring new debts in the event of being in default of the financial liability and/or 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:

	March 31, 2017	December 31, 2016
Legal proceedings (1)	451,131	426,960
Taxes other than income tax (2)	2,145,028	2,221,272
Restructuring (3)	5,159	6,824
Other (4)	83,970	88,118
Total other provisions	**2,685,288**	**2,743,174**
Current (20.1)	**34,079**	**36,545**
Non-current (20.1)	**2,651,209**	**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 the liability on the date of preparation of the financial statements. The balance is comprised of $306,457 (2016 - $288,912) for labor proceedings, $108,851 (2016 - $107,797) for civil proceedings, $35,753 (2016 - $30,183) for administrative and regulatory proceedings and $70 (2016 - $68) for other proceedings.

Labor provisions mainly refer to lawsuits brought against Companhia Brasileira de Distribuição CBD and its subsidiaries in amount of $295,915 (2016 - $278,082), which are updated pursuant to a chart provided by the TST ("Tribunal Superior do Trabalho") plus 1% monthly interest.

Provisions for civil, administrative and regulatory proceedings mainly include lawsuits where Companhia Brasileira de Distribuição - CBD and its subsidiaries are parties, in amount of $138,278 (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 probability of adjustment to the instalments paid. At March 31, 2017, the provisions to protect against such legal actions amounted to $56,233 (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 March 31, 2017, such provision amounted to $35,030 (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 $2,125,873 (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 $4,986 (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 $8,064 (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 March 31, 2017 amounts to $53,468 (2016 - $136,279).

b) Tax on the circulation of goods and services (ICMS): Pursuant to a ruling dated October 16, 2014, the Higher Federal Court (STF) defined that ICMS taxpayers who trade basic basket products are not entitled to fully apply the credits arising from such tax; consequently, with the support of their external advisors, it was deemed appropriate to recognize a provision in amount of $139,200 (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 March 31, 2017 amounts to $74,670 (2016 - $70,902).

d) Other provisions relate to the following proceedings, in amount of $327,258 (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 Río de Janeiro State;
   (iv) Investigations related with procurement from suppliers deemed disqualified from the registry with Secretaria da Fazenda Estadual, mistake in application of aliquot and ancillary obligations by state tax authorities;
   (v) Tax provisions of e-commerce companies abroad;
   (vi) Provisions relevant to Bartira's business combination; and
   (vii) Other less relevant matters.

(f) Provisions for taxes other than income tax in amount of $1,531,277 (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, $165,389 (2016 - $165,200); Provisional contribution on financial transactions - CPMF, $50,450 (2016 - $50,393); Tax on the circulation of goods and services - ICMS, $1,213,553 (2016 - $1,212,167); Tax on industrial products - IPI, $69,546 (2016 - $69,467); Brazilian tax on real estate - IPTU, $31,766 (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 $2,256 (2016 - $3,141) and to the employees of subsidiary Companhia Brasileira de Distribuição CBD in amount of $2,766 (2016 - $3,683) and other in amount of $137 (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 $77,036 (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	207,372	28,430	11,668	770	248,240
Uses	(1,689)	-	-	-	(1,689)
Payments	(90,829)	(17,664)	(13,346)	(1,419)	(123,258)
Reversals (not used)	(47,371)	(81,811)	-	(3,592)	(132,774)
Increase from the passing of time	33,468	(19,523)	-	-	13,945
Effect of exchange differences	199	3,168	13	93	3,473
Decrease from the classification as held for trading	(77,163)	11,156	-	-	(66,007)
Other changes	184	-	-	-	184
Balance at March 31, 2017	**451,131**	**2,145,028**	**5,159**	**83,970**	**2,685,288**

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:

	March 31, 2017	December 31, 2016
Current		
Legal proceedings	6,660	6,650
Taxes other than income tax	1,104	1,247
Restructuring	5,159	6,824
Other	21,156	21,824
Total other current provisions	**34,079**	**36,545**
Non-current		
Legal proceedings	444,471	420,310
Taxes other than income tax	2,143,924	2,220,025
Other	62,814	66,294
Total other non-current provisions	**2,651,209**	**2,706,629**
Total other provisions	**2,685,288**	**2,743,174**

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Parent and its subsidiaries are responsible at March 31, 2017 will be:

	Legal Proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	6,660	1,104	5,159	21,156	34,079
From 1 to 5 years	190,961	1,797,307	-	50,962	2,039,230
5 years and more	253,510	346,617	-	11,852	611,979
Total estimated payments	**451,131**	**2,145,028**	**5,159**	**83,970**	**2,685,288**

Note 21. Trade payables and other accounts payable

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

	March 31, 2017	December 31, 2016
Current		
Suppliers	7,010,123	9,596,785
Short-term employee benefits	734,653	776,589
Costs and expenses payable	350,106	497,934
Acquisition of property, plant and equipment	108,629	269,213
Dividends payable	29,423	51,711
Grants payable	1,435	-
Other	286,061	345,353
Total current accounts payable	**8,520,430**	**11,537,585**
Non-current		
Acquisition of property, plant and equipment	-	3,683
Other	42,405	38,674
Total non-current accounts payable	**42,405**	**42,357**

Note 22. Income tax

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

During the three-month period ended March 31, 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 who are 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

	March 31, 2017	December 31, 2016
Income tax advances and self-withholdings (1)	105,408	142,787
Income tax for equality - CREE balance receivable (2)	49,755	26,658
Income tax for equality - CREE paid in advance	-	23,097
Income tax balance receivable	123,351	-
Industry and trade tax and withholdings paid in advance.	10,500	12,427
Other	481	243
Current tax assets of subsidiary Spice Investment Mercosur S.A.	88,851	58,812
Current tax assets of subsidiary Onper Investment 2015 S.L.	575,382	627,766
Total current tax assets	**953,728**	**891,790**

(1) The balance is comprised of:

	March 31, 2017	December 31, 2016
Income tax withholdings	46,897	166,438
Tax discount to be requested	19,376	19,376
Subtotal	**66,273**	**185,814**
Add: income tax revenue (less income tax expense) (Note 22.5)	39,135	(43,027)
Total income tax balance receivable	**105,408**	**142,787**

(2) The balance is made as follows:

	March 31, 2017	December 31, 2016
Income tax for equality CREE withholdings	49,755	51,150
Less income tax for equality CREE expense (Note 22.2)	-	(24,492)
Total income tax for equality - CREE balance receivable	**49,755**	**26,658**

Current tax liabilities

	March 31, 2017	December 31, 2016
Tax on wealth	20,997	
Industry and trade tax payable	41,677	44,719
Other taxes payable	-	2,396
Current tax liabilities of subsidiary Spice Investment Mercosur S.A.	41,267	11,233
Current tax liabilities of subsidiary Onper Investment 2015 S.L.	204,710	261,675
Total current tax liabilities	**308,651**	**320,023**

Note 22.4. Non-current tax assets and liabilities

Non-current tax assets

The balance of 601,971 (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.

Current tax liabilities

The balance of $486,739 (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:

	March 31, 2017	March 31, 2016	December 31, 2016
Earnings before income tax	**119,980**	**33,953**	**380,270**
Add:			
Tax on wealth	20,381	52,462	52,622
(Recovery of receivables) receivables written-off	6,303	397	(4,707)
Tax losses for the period	4,879	1,885	36,043
Tax on financial transactions	3,362	2,682	9,313
Non-deductible expenses	2,130	34	14,498
Excess presumptive income	1,404	-	159,370
Fines, penalties and litigation expenses	552	167	3,171
Taxes taken on and revaluation	234	1,408	7,259
Non-deductible taxes	18	45	19
Selling price of fixed assets sold, held less than two years	-	-	195,058
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	-	-	90,404
Net income - recovery of depreciation of fixed assets sold	-	-	21,356
IFRS adjustments with no tax effects	-	2,657	6,576
Provision for industry and trade tax	-	-	3,418
Less:			
Recovery of provisions	(64,439)	(1,752)	(1,988)
Goodwill tax deduction, in addition to the accounting deduction	(27,589)	(43,690)	(18,362)
40% deduction of investment in income-generating assets	(24,932)	(32,159)	(128,076)
Derecognition of gain on sale of fixed assets reported as occasional gain	(3,654)	(113)	(72,984)
Amortization of tax losses	(2,049)	-	(8,209)
Industry and trade tax from prior years paid during current year	-	(37,492)	-
Cost of fixed assets held less than two years	-	-	(195,058)
Disabled employee deduction	-	(152)	(811)
Allowance for doubtful accounts	-	(1,291)	-
IFRS adjustments with no tax effects	(50,061)	-	(59,166)
Subsidiaries effect	(73,230)	(31,689)	(310,718)
Net taxable (loss) income	**(86,711)**	**(52,648)**	**179,298**
Income tax rate	34%	25%	25%
Subtotal income tax (expense)	**-**	**-**	**(44,825)**
Adjustment to effective rate	**39,594**	**(10,569)**	**-**
Occasional gains tax	(268)	-	(1,988)
Income tax surcharge	(191)	-	-
Tax discounts	-	3,553	3,786
Total income tax revenue (expense)	**39,135**	**(7,016)**	**(43,027)**
Income tax for equality - CREE (expense)	**-**	**(6,206)**	**(13,868)**
Income tax for equality - CREE surcharge (expense)	**-**	**(4,267)**	**(10,624)**
Current tax (expense) from previous year	**-**	**-**	**(1,720)**
Total income tax revenue (expense) in Colombia	**39,135**	**(17,489)**	**(69,239)**
Foreign subsidiaries current tax (expense)	**(57,519)**	**(23,129)**	**(139,610)**
Total current income tax (expense)	**(18,384)**	**(49,549)**	**(208,849)**

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

	March 31, 2017	March 31, 2016
Current income tax (expense)	(18,384)	(49,549)
Deferred income tax revenue (expense) (Note 22.6)	(54.889)	55,259
Total income tax revenue (expense)	**(53,273)**	**5,710**

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:

	March 31, 2017	December 31, 2016
Investments at amortized cost	-	(2)
Equity investments	(98,546)	(74,214)
Accounts receivable	13,783	2,838
Inventories	23,379	26,030
Real estate for trading	(190)	(83)
Land	(39,343)	(39,031)
Tax consolidation and readjustment	19,407	19,407
Buildings	(54,079)	(55,409)
Non-operating commercial premises	103	103
Investment property	(17,730)	(16,150)
Construction in progress	(33,080)	(22,641)
Other fixed assets	(27,002)	(26,851)
Intangible assets	(75,732)	(78,310)
Deferred charges	60,316	63,168
Other assets	174,953	165,777
Financial liabilities	(1,478,154)	(1,464,859)
Other liabilities	(11,683)	(8,493)
Total net deferred tax (liabilities)	**(1,543,598)**	**(1,508,720)**

Deferred tax assets and liabilities are made as follows:

	March 31, 2017	December 31, 2016
Deferred tax assets	1,424,705	1,456,866
Deferred tax liabilities	(2,968,303)	(2,965,586)
Total net deferred tax (liabilities)	**(1,543,598)**	**(1,508,720)**

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

	March 31, 2017	March 31, 2016
Deferred income tax 25%	(35,271)	33,210
Deferred occasional gains tax 10%	326	(32)
Deferred retained earnings Uruguay 7%	56	2,310
5Deferred CREE tax surcharge 5%	-	19,771
Total deferred tax revenue (expense)	**(34,889)**	**55,259**

The effect of the deferred tax on the statement of 0ther comprehensive income is as follows:

	March 31, 2017	March 31, 2016
Gain (loss) from actuarial gains and losses from defined benefit plans	676	(375)

No deferred tax assets have been recognized generated by subsidiaries and other minor investments that have shown losses during the current or prior periods. The amount of losses is as follows:

	March 31, 2017	December 31, 2016
Subsidiaries domiciled in Colombia	(134,249)	(112,723)
Other	(5,062)	(8,340)
Total	**(139,311)**	**(121,063)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at March 31, 2017 amounts to$163,723 (2016 - $164,538).

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:

	March 31, 2017	December 31, 2016
Bonds issued (1)	1,789,318	1,788,198
Trade papers (2)	753,155	488,025
Derivative financial instruments (3)	226,125	268,065
Collections received on behalf of third parties (4)	53,221	96,426
Total	**2,821,819**	**2,640,714**
Current	**1,053,518**	**805,555**
Non-current	**1,768,301**	**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. The following amortization methods are foreseen:

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

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

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

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

Subsidiary Companhia Brasileira de Distribuição – CBD is required to maintain financial ratios related with issues released. Such ratios are estimated based on consolidated financial information prepared pursuant to accounting 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) On January 30, 2017, Companhia Brasileira de Distribuição - CBD issued debt securities maturing on July 29, 2017 with interest of 108% of IDC to strengthen its working capital.

(3) Derivative financial instruments reflect the variation in the fair value of forward and swaps contracts designated to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. Derivative financial instruments (forward and swap) are measured at fair value in the statement of financial position, on each accounting closing date. The variation between December 31, 2016 and March 31, 2016, relates to the reduction of closing valuation rates for forwards and swaps, which reached values under the average rates agreed upon with the various financial players.

The detail of maturities of these instruments at March 31, 2017 is as follows:

Derivative	Less than 3 months	Less than 3 months	6 months to 1 year	More than 1 year	Total
Forward	32,697	8,450	1,194	-	42,341

Derivative	Less than 1 year	More than 1 year	Total
Swap	172,536	11,248	183,784

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

Derivative	Less than 1 year	More than 1 year	Total
Forward	4,160	12,186	16,346
Swap	169,769	81,950	251,719
Total	**173,929**	**94,136**	**268,065**

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

	March 31, 2017	December 31, 2016
Monies collected by Companhia Brasileira de Distribuição – CBD (1)	13,828	13,812
Travel collections	13,503	10,990
Éxito Card collections	13,280	27,813
Non-banking correspondent	6,494	34,376
Direct trading (Market Place)	3,133	3,967
Money transfer services	176	1,364
Other collections	2,807	4,104
Total	**53,221**	**96,426**

(1) Relates to collections on account of insurance, extended warranty, telephone companies mobile line recharges and non-banking correspondent collections on behalf of Financiera Itaú CBD - FIC Promotora de Vendas Ltda.

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

	March 31, 2017	December 31, 2016
Bonds issued	32,265	34,990
Trade papers	753,155	488,025
Derivative financial instruments	214,877	186,114
Collections received on behalf of third parties	53,221	96,426
Current	**1,053,518**	**805,555**
Bonds issued	1,757,053	1,753,208
Derivative financial instruments	11,248	81,951
Non-current	**1,768,301**	**1,835,159**

Note 24. Other non-financial liabilities

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

	March 31, 2017	December 31, 2016
Current		
Customer loyalty programs (1)	90,156	91,218
Advance payments contracts and other projects (2)	15,517	18,403
Revenue received in advance (3)	105,818	233,091
Extended warranty	23,046	22,099
Instalments received under "plan resérvalo"	1,227	1,266
Other (4)	935	2,762
Total other current non-financial liabilities	**236,699**	**368,839**
Non-current		
Advance payments contracts and other projects (2)	59,955	60,704
Revenues received in advance (3)	8,297	10,129
Other (4)	11,984	11,971
Total other non-current non-financial liabilities	**80,236**	**82,804**
Total other non-financial liabilities	**316,935**	**451,643**

(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., in addition to points programs of Companhia Brasileira de Distribuição – CBD and Club Libertad of Libertad S.A.

The following are the balances of these programs:

	March 17, 2017	December 31, 2016
“Puntos Éxito” and “Supercliente Carulla” programs	35,947	37,334
"Hipermillas" and "Tarjeta Mas" programs	26,625	26,862
“Puntos Extra” and “Pao de Azucar” programs	26,734	25,782
Club Libertad	850	1,240
Total	**90,156**	**91,218**

(2) Relates to advance payments for the purchase of real estate property in subsidiary Companhia Brasileira de Distribuição – CBD, and to advance lease payments on investment assets and real estate projects.

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

	March 31, 2017	December 31, 2016
Revenue received in advance by Companhia Brasileira de Distribuição – CBD (a)	63,271	173,967
Gift card	25,724	43,264
Cafam comprehensive card	9,280	9,035
Exchange card	3,058	3,326
Data and telephone minutes purchased in advance	1,205	1,213
Fuel card	993	932
Repurchase coupon	355	49
Other	1,932	1,305
Total current	**105,818**	**233,091**
Revenue received in advance by Companhia Brasileira de Distribuição – CBD (a)	8,297	10,129
Total non-current	**8,297**	**10,129**

(a) For 2017, relates to advance payments for the lightning of shelves for product display. For 2016 a balance of $92,080 is also included, relevant to an advance payment received on a distribution center sales commitment.

(4) Other non-financial liabilities mainly relate to the parking service agreement covering the stores of subsidiary Companhia Brasileira de Distribuição – CBD with "Allpark", service charged to customers.

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

The Parent's authorized capital is represented in 530,000,000 ordinary shares with par value of $10 (*) each; subscribed and paid-in capital amounts to $4,482 at March 31, 2017 and December 31, 2016. The number of outstanding shares is 447,604,316 and the number of repurchased 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 March 31, 2016 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:

	March 17, 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)	1,299,503	-	1,299,503	1,385,504	-	1,385,504
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (4)	61,805	-	61,805	60,702	-	60,702
Total other accumulated comprehensive income	1,356,283	676	1,356,959	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 presentation currency of assets, liabilities, equity and results of foreign operations. Accumulated translation differences are reclassified to period results upon disposition of the operation abroad.

(4) Relates to the Parent's share of other comprehensive income from 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:

	March 31, 2017	March 31, 2016
Retail sales	13,333,244	11,805,517
Revenue from service and industry activities	181,850	150,421
Other ordinary revenue (1)	10,819	24,577
Revenue from ordinary activities	**13,525,913**	**11,980,515**

(1) Other ordinary revenue relates to:

	March 31, 2017	March 31, 2016
Royalty revenue	722	14,703
Other revenue (a)	10,097	9,874
Total other ordinary revenue	**10,819**	**24,577**

(a) Relates to:

	March 31, 2017	March 31, 2016
Revenue from the use of goods	2,920	2,727
Revenue from Latam strategic direction	1,999	-
Revenue from financial services	1,269	689
Other	3,909	6,458
Total other revenue	**10,097**	**9,874**

Note 28. Distribution expenses and administration and sales expenses

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

	March 31, 2017	March 31, 2016
Leases	361,009	307,250
Depreciation and amortization	201,438	173,180
Fuels and power	192,169	198,843
Services	108,945	83,522
Debit and credit card commissions	101,847	86,926
Advertising	101,347	102,525
Taxes other than income tax	99,642	94,961
Repairs and maintenance	89,013	85,723
Legal expenses	19,276	12,077
Transport	16,635	15,008
Fees	14,732	13,705
Packaging and marking materials	14,510	18,304
Insurance	11,638	8,017
Allowance for trade receivables	4,743	1,836
Travel expenses	3,982	3,635
Cleaning and cafeteria	2,132	3,419
Contributions and affiliations	347	353
Other	68,615	64,784
Total distribution expenses	**1,412,020**	**1,274,068**

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

	March 31, 2017	March 31, 2016
Depreciation and amortization	47,507	25,586
Fees	33,480	31,506
Outsourced personnel	26,469	42,388
Services	17,071	2,961
Taxes other than income tax	12,778	10,770
Repairs and maintenance	6,302	5,986
Travel expenses	4,364	3,558
Leases	2,745	61
Fuels and power	1,871	1,771
Allowance for trade receivables	1,681	3,781
Legal expenses	1,250	1,544
Commissions	969	424
Insurance	873	635
Transport	812	1,163
Contributions and affiliations	537	472
Other	12,789	1,673
Total administration and sales expenses	**171,498**	**134,279**

Note 29. Employee benefit expense

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

Types of employee benefit expenses	March 31, 2017	March 31, 2016
Wages and salaries	796,805	699,020
Contributions to the social security system	162,556	155,108
Other short-term employee benefits	67,813	58,102
Total short-term employee benefit expenses	**1,027,174**	**912,230**
Post-employment benefit expenses, defined contribution plans	33,294	25,814
Post-employment benefit expenses, defined benefit plans	686	624
Total post-employment benefit expenses	**33,980**	**26,438**
Termination benefit expenses	64,019	52,474
Other long-term employee benefits	62	475
Other personnel expenses	108,710	95,751
Total employee benefit expenses	**1,233,945**	**1,087,368**

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

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:

	March 31, 2017	March 31, 2016
Other operating revenue		
Reimbursement of tax-related costs and expenses (1)	56,904	11
Recovery of allowance for trade receivables	3,753	4,545
Recovery of other provisions related to civil lawsuits	268	314
Recovery of other provisions	262	-
Reimbursement of ICA-related costs and expenses	173	1,750
Recovery of other provisions related to labor legal proceedings	125	3,573
Total other recurring operating revenue	**61,485**	**10,193**
Other operating expenses		
Tax proceedings provision expense (2)	(21,382)	-
Tax on wealth expense (3)	(20,997)	(52,625)
Restructuring expenses (4)	(24,683)	(19,846)
Other provisions expense	(930)	-
Other expenses	(2,752)	(658)
Total other operating expenses	**(70,744)**	**(73,129)**

	March 31, 2017	March 31, 2016
Other net gains (losses)		
Gain (loss) from the sale of property, plant and equipment	10,321	(239)
(Loss) from the derecognition of property, plant and equipment	(1,173)	(8,261)
(Loss) from subsidiaries not included in the consolidation	-	(3,867)
Total other (loss) gains, net	**9,148**	**(12,367)**

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

(2) Refers to the provision booked by Companhia Brasileira de Distribuição - CBD, for legal proceedings related with the income tax and other taxes such as ICMS, PIS/COFINS.

(3) 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.

(3) Includes $13,015 (2016 - $10,957) Relevant to the results of the measures implemented by Companhia Brasileira de Distribuição - CBD, to adapt the expense structure including all operating and administrative areas, seeking to mitigate the effects of inflation on fixed costs and a reduced dilution of costs. Additionally, 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 $10,216 (2016 - $7,889).

Note 31. Financial revenue and expenses

The balance of financial revenue and expense is as follows:

	March 31, 2017	March 31, 2016
Gain from exchange difference	63,069	181,492
Other financial revenue	45,218	46,590
Revenue from interest, cash and cash equivalents	21,901	23,779
Gain from derivative financial instruments	110	10,222
Total financial revenue	**130,298**	**262,083**
Interest, borrowings and finance lease expenses	(249,154)	(237,192)
Loss from derivative financial instruments	(90,009)	(104,195)
Commission expense	(38,133)	(26,246)
Other financial expenses	(20,402)	(24,882)
Interest expense, negotiation with suppliers	(8,752)	(9,169)
Loss from exchange difference	(3,904)	(103,185)
Total financial expenses	**(410,354)**	**(504,869)**

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:

	March 31, 2017	March 31, 2016
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	15,804	19,164
Cnova N.V. (1)	(23,241)	-
Compañía de Financiamiento Tuya S.A. (2)	(12,900)	-
Total	**(20,337)**	**19,164**

(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 basic and diluted earnings per share:

In period results

	March 31, 2017	March 31, 2016
Net (loss) profit attributable to shareholders of the controlling entity	**(7,593)**	**760**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic (loss) per share and diluted (in pesos)	(16.96)	1.70

	March 31, 2017	March 31, 2016
Net period earnings from continuing operations	**66,707**	**39,663**
Net gains from continuing operations attributable to non-controlling interests	81,575	32,106
Net gains from continuing operations attributable to shareholders of the controlling entity	**(14,868)**	**7,557**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic earnings per share and diluted (in pesos) from continuing operations attributable to shareholders of the controlling entity	(33.22)	16.88

	March 31, 2017	March 31, 2016
Net period (loss) from discontinued operations	**123,175**	**(113,514)**
Net (loss) from discontinued operations attributable to non-controlling interests	115,900	(106,717)
Net (loss) from discontinued operations attributable to shareholders of the controlling entity	**7,275**	**(6,797)**
Weighted average of the number of ordinary shares attributable to the basic (loss) per share (basic and diluted	**447.604.316**	**447.604.316**
Basic (loss) per share and diluted (in pesos) from discontinued operations attributable to shareholders of the controlling entity	16.25	(15.19)

In total comprehensive period results

	March 31, 2017	31 March 2016
Net earnings attributable to shareholders of the controlling entity	**(48,350)**	**69,310**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic earnings per share and diluted (in pesos) in total comprehensive income	(108.02)	154.85

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 into between the parties.

Compensation of key management personnel recognized during the three-month periods ended March 31, 2017 and March 31, 2016, is as follows:

	March 31, 2017	March 31, 2016
Short-term employee benefits	32,566	30,207
Post-employment benefits	763	631
Share-based payment plans	1,860	1,666
Total	**35,189**	**32,504**

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		Costs and expenses	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Controlling entity (1)	1,999	-	15,800	18,634
Associates (2)	20,258	5,983	-	-
Members of the Board	-	-	231	409
Joint ventures (3)	6,549	-	719	-
Grupo Casino companies (4)	1,795	2,654	18,895	32,640
Total	**30,601**	**8,637**	**35,645**	**51,683**

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

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

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

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

(4) Revenue mainly refer to sales of products to Distribution Casino France and to suppliers centralized negotiation with IRTS. Grupo Casino-related costs and expenses mainly relate to expenses incurred by Companhia Brasileira de Distribuição - CBD with Grupo Casino under the cost sharing agreement, and to costs related with energy efficiency services with Green Yellow.

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

During the three-month period ended March 31, 2017, no significant losses were recognized from the impairment of non-financial assets. The Company 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 March 31, 2017 and December 31, 2016 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose book values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	March 17, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Loans at amortized cost	31,778	24,371	20,283	17,612
Investments in private equity funds	1,130	1,130	1,142	1,142
Forward contracts measured at fair value through income	5	5	4,800	4,800
Swap contracts measured at fair value through income	270	270	4,747	4,747
Derivative *swap* contracts denominated as hedge instruments	42,405	42,405	96,684	96,684
Investment in bonds	88,552	87,847	87,408	87,813
Equity investments	248	248	248	248
Financial liabilities				
Financial liabilities and finance leases	6,208,006	6,173,594	6,953,123	6,924,053
Put option (1)	358,714	358,714	364,867	364,867
Bonds and trade papers issued	2,542,473	2,525,879	2,276,223	2,252,282
Swap contracts denominated as hedge instruments	160,403	160,403	250,458	250,458
Forward contracts measured at fair value through income	42,341	42,341	16,346	16,346
Swap contracts measured at fair value through income	23,381	23,381	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)	(6,153)
Balance at March 31, 2017	**358,714**

(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
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The “*forward*” rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap *LIBOR curve.* Treasury Bond curve. CPI 12 months
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using IDC curves and discounting them at present value, using *swap* IDC market rates, both as displayed by BM&FBovespa.	IDC Curve Swap IDC rate
Investment in bonds	Level 1	Market quote prices	Fair value of such investments is calculated as reference to quotes displayed in active markets for the relevant financial instrument.	N/A
Equity investments	Level 2	Deemed cost	Investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is not material and that measurement using a valuation technique commonly used by market participants may result in higher costs that benefits.	N/A

	Hierarchy level	Valuation technique Valuation	Description of the valuation technique	Significant input data
Assets				

	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 into with non-controlling interests of Grupo Disco, using level 3 input data.	Net Income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015 Uruguayan peso-US Dollar exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A. .
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basis points LIBOR rate + Negotiated basis points
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity dates.	CPI 12 months
Forward contracts measured at fair value through income	Level 2	Peso-US Dollar forward	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The “forward” rate is determined based on the quote of the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. CPI 12 months

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

	Not observable significant input data	Range (weighted average)	Input data sensitivity on the calculation of the fair value
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2015 and 2016	$96,449 - $106,196	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	Ebitda of Supermercados Disco del Uruguay S.A., consolidated over 24 months	$136,716 – $145,001	
	Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months	($73,988) - ($86,059)	
	Fixed contract price	$402,761 - $419,607	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	$28,544 – $29.34	
	US Dollar-Colombian peso exchange rate on the date of valuation	$2,880.24 - $3,000.71	
	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 March 31, 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:

	March 31, 2017	December 31, 2016
Legal proceedings (a)	364,132	358,192
Taxes (b)	7,528,164	7,354,775
Other contingent liabilities (c)	564,968	676,868
Total	**8,457,264**	**8,389,835**

(a) Legal proceeding-related contingent liabilities refer to a requirement by the National Social Security Institute of Brazil INSS to Companhia Brasileira de Distribuição CBD on the grounds of its failure to pay social contributions on benefits granted to its employees, among other matters. The requirements are being discussed in administrative and judicial proceedings.

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

- Imposto de Renda Pessoa Juridica (IRPJ), Imposto de Renda Retido na Fonte (IRRF), Contribuição Social sobre o Lucro Líquido (CSLL), Imposto sobre operações financeiras (IOF), Imposto de renda sobre o lucro líquido (ILL): They 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 juidicial ruling. Such proceedings include those regarding the collection of differences in the receipts of IRPJ for years 2007 to 2013, arising from the incorrect deduction of the amortization of goodwill paid on and arising from transactions between shareholders Casino and Abílio Diniz. Contingent liabilities amount to $837,966 (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 Frío trademark in 2009. These proceedings are valued at $166,856 (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 juidicial ruling. These contingent liabilities amount to $1,747,302 (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 juidicial ruling. Such proceedings amount to $4,631,000 (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 $124,949 (2016 - $120,202).

- 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). The purpose of the nullity and restoration of rights action is that the Parent be exempted from paying the amounts claimed by the tax authority.

- Proceedings on the assessment of the Parent's real estate revaluation, in amount of $1,163 (2016 - $1,163).

- Proceedings on the 2005 Parent's Industry and Trade Tax in amount of $1,010 (2016 - $1,010).

- Proceedings seeking nullity of resolutions on the improper offsetting of the Carulla Vivero S.A. 2008 income tax, at the Parent, in amount of $1,088 (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:

- $470,145 (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), Instituo Nacional de Metrologia, Normalização e Qualidade Industrial – INMETRO, Agência Nacional de Vigilância Sanitária - ANVISA, among other.

- $94,823 (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.

Note 38. Dividends declared and paid

At March 31, 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 three-month period ended March 31, 2017 amounted to $75,587.

(*) Expressed in Colombian pesos

Dividends declared and paid to the owners of non-controlling interests in the following subsidiaries during the three months ended March 31, 2017 are as follows:

	Dividends declared	Dividends paid
Patrimonio Autónomo Viva Villavicencio	1,425	-
Patrimonio Autónomo Centro Comercial	810	-
Patrimonio Autónomo Viva Sincelejo	593	772
Patrimonio Autónomo Viva Laureles	300	414
Patrimonio Autónomo San Pedro Etapa I	284	283
Patrimonio Autónomo Viva Palmas	163	-
Grupo Disco del Uruguay S.A.	-	352
Patrimonio Autónomo Iwana	-	1
Total	**3,575**	**1,822**

At December 31, 2016

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

(*) Expressed in Colombian pesos

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

	Dividends declared	Dividends paid
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 (2016 - 7 operating segments) divided in four geographic segments, namely Colombia (Éxito, Carulla, Discount & 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.
- Discount: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Surtimax and Super Inter.
- B2B: The most significant products and services in this segment come solely from retailing activities in B2B format and with stores under the banner Surti wholesaler.

Brazil:

- Food: The most significant products and services in this segment come solely from food trading activities.

Argentina:

- The most significant products and services in this segment come solely from retailing activities in Argentina, with stores under the 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 sales of each segment for the three-month periods ended March 31, 2017 and March 31, 2016 are as follows:

Country	**Segment**	**March 31, 2017**	**March 31, 2016**
Colombia	Éxito	1,788,076	1,813,178
	Carulla	365,921	376,750
	Discount	385,005	411,392
	B2B	63,104	63,859
Brazil	Food	9,742,308	8,184,257
Argentina		321,482	328,482
Uruguay		668,377	630,450
Total sales		**13,334,273**	**11,808,368**
Eliminations		(1,029)	(2,851)
Consolidated total (Note 27)		**13,333,244**	**11,805,517**

Information by geographical area relates to:

	At March 31, 2017						
	Colombia	**Brazil (2)**	**Argentina (2)**	**Uruguay (2)**	**Total**	**Eliminations (1)**	**Total**
Retail sales	2,602,106	9,742,308	321,482	668,377	13,334,273	(1,029)	13,333,244
Trade margin	684,233	2,194,959	126,626	232,814	3,238,632	(685)	3,237,947
Total recurring expenses	(595,297)	(1,869,968)	(119,373)	(172,025)	(2,756,663)	685	(2,755,978)
ROI	88,936	324,991	7,253	60,789	481,969	-	481,969
Recurring Ebitda	150,185	502,666	11,161	66,903	730,915	-	730,915

	At March 31, 2016						
	Colombia	**Brazil (2)**	**Argentina (2)**	**Uruguay (2)**	**Total**	**Eliminations (1)**	**Total**
Retail sales	2,665,179	8,184,257	328,482	630,450	11,808,368	(2,851)	11,805,517
Trade margin	661,643	1,825,668	125,358	216,132	2,828,801	(208)	2,828,593
Total recurring expenses	(567,611)	(1,659,768)	(114,410)	(143,941)	(2,485,730)	208	(2,485,522)
ROI	94,032	165,900	10,948	72,191	343.071	-	343,071
Recurring Ebitda	153,776	310,188	14,659	63,216	541,839	-	541,839

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

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

Note 41. Financial risk management policy

During the three-month period ended March 31, 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 the Company, 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:

	March 31, 2017	December 31, 2016
Total assets of Via Varejo S.A. (Note 42.2)	18,022,346	18,422,182
Other assets	7,510	7,605
Total	**18,029,856**	**18,429,787**

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

	March 31, 2017	December 31, 2016
Total liabilities of Via Varejo S.A. (Note 42.2)	13,989,342	14,592,207

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

	March 31, 2017	March 31, 2016
Net gain (loss) Via Varejo S.A. (Nota 42.2)	123,175	(143,913)
Net gain Cnova N.V. (Nota 42.1)	-	30,399
Net gain (loss) from discontinued operations	**123,175**	**(113,514)**

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 results after taxes of subsidiaries representing the foreign e-commerce segment in one single line in period results, and the balances of assets and liabilities as held for trading and discontinued operations. As of this date, foreign e-commerce activities are accounted for using the equity method, given the significant influence of the Parent.

The financial information contained in the statement of income at March 31, 2016 was restated under the same concept, for comparison purposes.

	March 31, 2016
Revenue from ordinary activities	1,676,293
Cost of sales	(1,511,440)
Gross profit	**164,853**
Distribution, administration and sales expenses	(160,239)
Depreciation and amortization	(18,332)
Participation in the gains (losses) of affiliated companies and joint ventures that are accounted for using the equity method	-
Other net revenue and expenses	63,736
Gains before financial results	**50,018**
Net financial result	(15,453)
Earnings before taxes	**34,565**
Tax (expense)	(4,166)
Net earnings	**30,399**
Profit attributable to	
the owners of the controlling entity	3,977
Non-controlling interests	26,422

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 that given the effort applied, the sale is highly likely, which involves the presentation of Via Varejo S.A.'s (and its subsidiary Cnova Comercio Electronico S.A.'s) net results after taxes in one single line in the statement of income and the balances of assets and liabilities as held for trading and discontinued operations. The financial information contained in the statement of income at March 31, 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 March 31, 2017, is $18,022,346 (2016 - $18,422,185) and $13,989,342 (2016 - $14,592,207), respectively. The net result from discontinued operations is $123,175 at March 31, 2017 (and ($113,514) at March 31, 2016), including for 2016 the results from Cnova N.V.'s discontinued operation.

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

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

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

	March 31, 2017	December 31, 2016
Net cash flows (used in) operating activities	(2,948,923)	(4,610,415)
Net cash flows (used in) investment activities	(79,022)	(30,831)
Net cash flows provided by financing activities	229,629	269,142
Translation difference	(31,636)	-
Net development of cash and cash equivalents	**(3,225,938)**	**(4,372,104)**

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:

	March 31, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	484,895	3,710,833
Trade receivables and other accounts receivable	4,671,033	2,561,672
Inventories	3,335,267	2,812,130
Other assets	707,984	648,245
Total current assets	**9,199,179**	**9,732,880**
Non-current assets		
Trade receivables and other accounts receivable	2,958,229	2,885,794
Deferred tax assets	297,759	266,112
Accounts receivable from related parties and associated companies	412,991	410,678
Investments accounted for using the equity method	139,200	132,596
Property, plant and equipment	1,439,014	1,427,243
Intangible assets other than goodwill	3,575,974	3,566,879
Total non-current assets	**8,823,167**	**8,689,302**
Total assets	**18,022,346**	**18,422,182**
Liabilities		
Current liabilities		
Trade payables and other accounts payable	7,321,363	7,675,806
Financial liabilities	3,114,022	3,252,273
Accounts payable to related parties and associated companies	85,732	164,824
Other provisions	2,903	2,900
Total current liabilities	**10,524,020**	**11,095,803**
Non-current liabilities		
Financial liabilities	337,398	374,766
Deferred tax liabilities	929,879	929,980
Trade payables and other accounts payable	2,151,607	2,144,548
Other provisions	46,438	47,110
Total non-current liabilities	**3,465,322**	**3,496,404**
Total liabilities	**13,989,342**	**14,592,207**

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

	March 31, 2017	March 31, 2016
Revenue from ordinary activities	5,680,303	4,887,056
Cost of sales	(3,980,860)	(3,617,171)
Gross profit	**1,699,443**	**1,269,885**
Distribution, administration and sales expenses	(1,412,889)	(1,199,891)
Depreciation and amortization	-	(48,329)
Participation in the gains (losses) of affiliated companies and joint ventures that are accounted for using the equity method	6,508	7,499
Other net revenue and expenses	(36,257)	(60,145)
Gains (loss) before financial results	**256,805**	**(30.981)**
Net financial result	(127,365)	(99,158)
Earnings (loss) before taxes	**129,440**	**(130,139)**
Tax (expense)	(6,265)	(13,774)
Net earnings (loss)	**123,175**	**(143,913)**
Profit (loss), attributable to		
the owners of the controlling entity	7,275	(10,774)
Non-controlling interests	115,900	(133,139)

Note 43. Restatement of the statement of income at March 31, 2016

For the purposes of presentation of the financial statements at March 31, 2017, a reconciliation of the statement of income at March 31, 2016 is attached, as if the purchase price adjustments had been recognized as of January 1, 2016:

	January 1 to March 31, 2016 (1)	Adjustments and reclassifications (2)	January 1 to March 31, 2016
Continuing operations			
Revenue from ordinary activities	18,534,935	(6,554,420)	11,980,515
Cost of sales	(14,298,215)	5,146,293	(9,151,922)
Gross profit	**4,236,720**	**(1,408,127)**	**2,828,593**
Distribution expenses	(2,048,788)	774,720	(1,274,068)
Administration and sales expenses	(302,133)	167,854	(134,279)
Employee benefit expenses	(1,617,806)	530,438	(1,087,368)
Other operating revenue	35,808	(25,615)	10,193
Other operating expenses	(61,009)	(12,120)	(73,129)
Other (loss) gains, net	(28,576)	16,209	(12,367)
Profit (loss) from operating activities	**214,216**	**43,359**	**257,575**
Financial revenue	369,713	(107,630)	262,083
Financial expenses	(727,110)	222,241	(504,869)
Share of profits in associates and joint ventures accounted for using the equity method	26,664	(7,500)	19,164
(Loss) earnings before income tax from continuing operations	**(116,517)**	**150,470**	**33,953**
Tax expense	11,766	(6,056)	5,710
Net period profit (loss) from continuing operations	**(104,751)**	**144,414**	**39,663**
Net period (loss) from discontinued operations	-	(113,514)	(113,514)
Net period (loss) profit	**(104,751)**	**30,900**	**(73,851)**
(Loss) profit attributable to non-controlling interests	(105,698)	31,087	(74,611)
Profit attributable to shareholders of the controlling entity	**947**	**(187)**	**760**

(1) Relates to the statement of income presented on March 31, 2016.

(2) Relates to adjustments arising from the investigation on Cnova N.V. announced by Companhia Brasileira de Distribuição – CBD for the period March 1 through March 31, 2016, and the adjustments related with assets and liabilities identified on the date of acquisition of Companhia Brasileira de Distribuição - CBD and Libertad S.A. for the three-month period ended March 31, 2016.

Note 44. Relevant facts

At March 31, 2017

General Meeting of Shareholders

The Company'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 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. Xantocarpa Participações Ltda. was terminated by Sendas Distribuidora S.A. as result of such merger. No effects resulted on the Company's consolidated financial statements as result of this final reorganization.

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

During a meeting held on July 14, 2016, the Board of Directors approved the collecting of $455,155 (R $500 million) via the second public issue of trade papers. 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 Wajiira, Viva Laureles and Viva Palmas, and of 8 commercial galleries, namely Éxito Cartagena, Éxito Colombia, Éxito Country, Éxito La 33, Éxito La Flora, Éxito Occidente, Éxito Pasto and Éxito San Antonio. This real estate vehicle is 100% owned by the Parent.

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

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

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

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

Reopening of Almacén Éxito Las Flores in Valledupar.

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

Dividend distribution at Companhia Brasileira de Distribuição - CBD

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

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

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

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 plaintiffs lack foundation, and intends to advocate vigorously for its rights.

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

Request for arbitration filed by Morzan

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

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

Investigation 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 subsequent to the reporting period

New loyalty program "Puntos Colombia"

On April 19, 2017, The Company 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 Company 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 with 50% interest. The estimated initial capital investment to incorporate the Company 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 Company 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 Company 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.

Almacenes Éxito S.A.

Interim separate financial statements

At March 31, 2017

Almacenes Éxito S.A.
Interim separate financial statements
Notes to the interim separate financial statements
At March 31, 2017, March 31, 2016 and December 31, 2016

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

	Notes	March 31, 2017	December 31, 2016 (1)
Current assets			
Cash and cash equivalents	6	570,245	1,098,825
Trade receivables and other accounts receivable	7	162,821	223,931
Prepaid expenses	8	13,783	16,728
Accounts receivable from related parties	9	60,042	74,589
Inventories	10	1,080,037	1,077,659
Tax assets	20	274,049	191,292
Other financial assets	11	8,152	12,252
Total current assets		**2,169,129**	**2,695,276**
Non-current assets			
Property, plant and equipment, net	12	2,468,519	2,497,016
Investment property, net	13	379,389	312,047
Goodwill	14	1,453,077	1,453,077
Intangible assets other than goodwill, net	14	169,783	174,413
Investments accounted for using the equity method, net	15	8,278,463	8,207,810
Trade receivables and other accounts receivable	7	22,501	21,546
Prepaid expenses	8	12,745	12,638
Accounts receivable from related parties	9	2,015	2,045
Other financial assets	11	70,855	73,842
Other non-financial assets		398	398
Total non-current assets		**12,857,745**	**12,754,832**
Total assets		**15,026,874**	**15,450,108**
Current liabilities			
Financial liabilities	17	1,059,417	469,362
Employee benefit provisions		3,917	3,267
Other provisions	18	24,528	23,801
Trade payables and other accounts payable	19	2,001,395	2,968,840
Accounts payable to related parties	9	146,790	182,751
Tax liabilities	20	52,363	43,920
Other financial liabilities	21	79,272	87,457
Other non-financial liabilities	22	251,971	151,277
Total current liabilities		**3,619,653**	**3,930,675**
Non-current liabilities			
Financial liabilities	17	3,368,628	3,499,454
Employee benefit provisions		26,762	26,762
Other provisions	18	21,102	23,093
Deferred tax liabilities	20	232,412	201,049
Other financial liabilities	21	11,248	-
Other non-financial liabilities	22	46,863	47,388
Total non-current liabilities		**3,707,015**	**3,797,746**
Total liabilities		**7,326,668**	**7,728,421**
Shareholders' equity, see attached statement		**7,700,206**	**7,721,687**
Total liabilities and shareholders' equity		**15,026,874**	**15,450,108**

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

The accompanying Notes are an integral part of the separate financial statements.

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Almacenes Éxito S.A.
Interim separate statements of income
For the three-month periods ended March 31, 2017 and March 31, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	March 31, 2017	March 31, 2016 (1)
Continuing operations			
Revenue from ordinary activities	25	2,649,650	2,716,449
Cost of sales	10	(2,005,056)	(2,079,884)
Gross profit		**644,594**	**636,565**
Distribution expenses	26	(314,062)	(304,788)
Administration and sales expenses	26	(37,439)	(39,527)
Employee benefit expenses	27	(225,508)	(215,301)
Other operating revenue	28	4,487	10,182
Other operating expenses	28	(33,339)	(59,539)
Other (loss) gains, net	28	(1,187)	4
Profit from operating activities		**37,546**	**27,596**
Financial revenue	29	68,491	183,289
Financial expenses	29	(181,603)	(284,100)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method.	30	58,541	41,632
(Loss) profit before income tax from continuing operations		**(17,025)**	**(31,583)**
Tax revenue	20	9,432	32,530
Net period profit (loss) from continuing operations		**(7,593)**	**947**
Earnings per share (*)			
Earnings per basic share (*):			
(Loss) earnings per basic share from continuing operations	31	(16.96)	2.12
Earnings per diluted share (*):			
Diluted (loss) earnings per share from continuing operations	31	(16.96)	2.12

(*) Amounts expressed in Colombian pesos.

(1) Some minor reclassifications to distribution expenses, administration and sales expenses, employee benefits, other revenue and revenue from ordinary activities were included in these financial statements for comparison to 2017.

The accompanying Notes are an integral part of the separate financial statements.

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Almacenes Éxito S.A.
Interim separate statements of comprehensive income
For the three-month periods ended March 31, 2017 and March 31, 2016
(Amounts expressed in millions of Colombian pesos)

	March 31, 2017	March 31, 2016
Net period (loss) profit	**(7,593)**	**947**
Other comprehensive income for the period		
Components of other comprehensive income that will not be reclassified to period results, net of taxes		
Profit from new measurement of defined benefit plans	34	-
Total other comprehensive income that will not be reclassified to period, 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	(40,998)	68,603
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results.	207	3,412
Total other comprehensive income that will be reclassified to period results, net of taxes	**(40,791)**	**72,015**
Total other comprehensive income	**(40,757)**	**72,015**
Total comprehensive income	**(48,350)**	**72,962**
Earnings per share (*)		
Earnings per basic share (*):		
(Loss) earnings per basic share from continuing operations	(108.02)	163.01
Earnings per diluted share (*):		
Diluted (loss) earnings per share from continuing operations	(108.02)	163.01

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Interim separate statements of cash flows
For the three-month periods ended March 31, 2017 and March 31, 2016
(Amounts expressed in millions of Colombian pesos)

	March 31, 2017	March 31, 2016
Cash flows from operating activities		
Net period (loss) profit	**(7,593)**	**947**
Period profit reconciliation adjustments		
Income tax	(9,432)	(32,530)
Financial costs	86,757	79,855
Financial revenue	(6,023)	(2,418)
(Increase) decrease in inventories	(2,378)	2,113
Decrease in trade receivables	25,637	23,990
Decrease in other accounts receivable provided by operating activities	36,199	1,095
Decrease in prepaid expenses	2,838	3,722
Decrease in trade payables	(283,725)	(419,557)
Decrease in other accounts payable provided by operating activities	(576,254)	(102,502)
Depreciation and amortization of fixed assets and intangible assets	57,957	57,819
Provisions	50,768	40,488
Net unrealized loss from exchange difference	1,046	10,162
Undistributed earnings from the application of the equity method	(58,541)	(41,632)
Other adjustments from items other than cash	(574)	(350)
(Gain) loss from the disposal of non-current assets	1,159	(3)
Total period profit reconciliation adjustments	**(674,566)**	**(379,748)**
Net cash flows (used in) operating activities	**(682,159)**	**(378,801)**
Income tax paid	(37,020)	(45,325)
Net cash flows (used in) operating activities	**(719,179)**	**(424,126)**
Cash flows provided by investment activities		
Acquisition of property, plant and equipment	(124,227)	(123,387)
Acquisition of intangible assets	(43,819)	(21,576)
Interest received	3,660	2,673
Dividends received	1,570	20,192
Cash flows used to gain control of subsidiaries or other businesses	-	(881)
Proceeds from the sale of property, plant and equipment	-	2
Net cash flows (used in) investment activities	**(162,816)**	**(122,977)**
Cash flows provided by financing activities		
Borrowings	600,000	400,138
Repayment of financial liabilities	(97,496)	-
Payment of finance lease liabilities	(782)	(854)
Resources from changes in the ownership of interests in subsidiaries	2,266	-
Dividends paid	(75,587)	(64,967)
Other cash inflows	2,605	-
Interest paid	(77,273)	(71,462)
Net cash flows provided by financing activities	**353,733**	**262,855**
Net decrease in cash and cash equivalents, before the effects of changes in exchange rates	**(528,262)**	**(284,248)**
Effects of the variation in the exchange rates on cash and cash equivalents	(318)	379
Net decrease in cash and cash equivalents	**(528,580)**	**(283,869)**
Cash and cash equivalents at the beginning of period	**1,098,825**	**810,647**
Cash and cash equivalents at the end of period	**570,245**	**526,778**

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Almacenes Éxito S.A.
Interim separate statements of changes in shareholders' equity
For the three-month periods ended March 31, 2017 and March 31, 2016
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total shareholders' equity**
	(Note 23)	(Note 23)	(Note 23)	(Note 24)	(Note 24)	(Note 24)	(Note 24)	(Note 24)	(Note 24)	(Note 24)			
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	-	**1,419,416**	**(385,303)**	**1,690,171**	**(41,016)**	**7,528,482**
Cash dividend declared (Note 36)	-	-	-	-	-	-	(15,709)	-	(15,709)	-	(286,748)	-	(302,457)
Net income for the period	-	-	-	-	-	-	-	-	-	-	947	-	947
Other comprehensive income	-	-	-	-	-	-	-	-	-	72,015	-	-	72,015
Appropriation for reserves	-	-	-	-	286,747	-	-	-	286,747	-	(286,747)	-	-
Other increase in shareholders' equity, net	-	-	-	-	-	-	-	-	-	-	-	5	5
Increase from share-based payments	-	-	-	-	-	-	-	-	-	-	1,016	-	1,016
Balance at March 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,644,887	22,000	15,710	-	**1,690,454**	**(313,288)**	**1,118,639**	**(41,011)**	**7,300,008**
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**
Cash dividend declared (Note 36)	-	-	-	-	-	-	-	-	-	-	(21,771)	-	(21,771)
Net period (loss)	-	-	-	-	-	-	-	-	-	-	(7,593)	-	(7,593)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(40,757)	-	-	(40,757)
Appropriation for reserves	-	-	-	-	21,757	-	-	-	21,757	-	(21,757)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	(1,435)	-	-	-	(1,435)	-	858	49,217	48,640
Balance at March 31, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	5,672	**1,716,448**	**97,546**	**1,094,473**	**(53,475)**	**7,700,206**

The accompanying Notes are an integral part of the separate financial statements.

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Note 1. General information

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

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

The Company's main corporate purpose is:

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

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

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

Note 2. Basis for preparation

The financial statements for the years ended March 31, 2017 and March 31, 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 2496 and on December 22, 2016 by Regulatory Decree 2131. The Company did not apply any of the exceptions to the IFRS contained in such decrees.

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

Financial statements herein presented

These Company's interim separate financial statements are made of the statements of financial position at March 31, 2017 and December 31, 2016, and the statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the three-month periods ended March 31, 2017 and March 31, 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

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

Estimates and accounting judgment

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

- The hypotheses used to estimate the fair value of financial instruments,
- The appraisal of financial assets to identify actual impairment losses,

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

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

Distinction between current and non-current items

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

Functional currency

The separate financial statements are presented in Colombian pesos, which is the Company's functional currency. Figures have been adjusted to millions of Colombian pesos.

Company's functional currency is not part of a highly inflationary economy, and consequently the financial statements are not adjusted for inflation.

Foreign currency transactions

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

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

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

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

Accounting accrual basis

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

Materiality

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

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

Offsetting of balances and transactions

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

Classification as liability or equity

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

Fair value measurement

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

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

Note 3. Significant accounting policies

The attached interim separate financial statements at March 31, 2017 have been prepared using the same accounting policies, measurements and basis used to present the separate 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 December 31, 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
- 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
    * Current income tax
    * Deferred income tax
- Share capital
- Ordinary revenue

- Loyalty programs
- Costs and expenses
- Earnings per share

Note 4. New and modified standards and interpretations

Note 4.1. Standards issued during the three-month period ended March 31, 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 three-month period ended 31 December 2017.

No new standards or amendments to already published standards were issued by the IASB during the three-month period ended March 31, 2017.

Note 4.2. Standards applied earlier during the three-month period ended March 31, 2017

During the three-month period ended March 31, 2017, and based on section 4.1, the Company has not applied any Standards earlier.

Note 4.3. Standards effective as of January 1, 2017

During the year ended December 31, 2016, the IASB issued several standards, as detailed in section 4.4. 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.

Amendment to IAS 7 "Disclosure imitative" (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.

Note 4.4. Standards not yet effective at March 31, 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 three-month period ended March 31, 2017.

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following standards and amendments, which are not in force at March 31, 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 at the date other than the date of initial recognition of the non-monetary asset or the non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

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

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, similar to the current finance lease.

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

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, 2017. Management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set out by the standard. The Company does not consider early application thereof.

Note 4.5. Standards applied earlier at December 31, 2016

During the year ended December 31, 2016, and based on section 4.4, the Company has not applied any Standards earlier.

Note 5. Business combinations

Note 5.1. Business combinations during the three-month period ended March 31, 2017

No business combinations were achieved during the three-month period ended 31 March 2017.

Note 5.2. Business combinations achieved during the year ended December 31, 2016

No business combinations were achieved during the year ended December 31, 2016.

Note 6. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	March 31, 2017	December 31, 2016
Cash at hand	426,249	431,796
Banks	127,346	635,034
Fiduciary rights	16,650	31,995
Total cash and cash equivalents	**570,245**	**1,098,825**

At March 31, 2017 and at December 31, 2016, cash and cash equivalents were not restricted or levied in any way as to limit availability thereof.

Note 7. Trade receivables and other accounts receivable

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

	March 31, 2017	December 31, 2016
Trade accounts receivable (7.1)	102,548	125,563
Other accounts receivable (7.2)	82,774	119,914
Total trade receivables and other receivables	**185,322**	**245,477**
Current (7.3)	**162,821**	**223,931**
Non-current (7.3)	**22,501**	**21,546**

Note 7.1. Trade accounts receivable

The balance of trade receivables is as follows:

	March 31, 2017	December 31, 2016
Trade discounts	63,512	79,862
Financing companies and the like (1)	36,374	40,601
Rentals and dealers	9,286	9,482
Employee funds	2,985	3,903
Impairment loss (2)	(9,609)	(8,285)
Total trade receivables	**102,548**	**125,563**

(1) Includes balances with Compañía de Financiamiento Tuya S.A. related to the operation of Tarjeta Éxito, such as royalties, reimbursement of shared expenses and collections from recovery of coupons, to be paid in the short term.

(2) The impairment of receivables is calculated on an individual basis based on receivables with due dates beyond the behavior of historic payments. Impairment is recognized as expense in period results. However, even if impaired, the Company believes 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 March 31, 2017 relates to an expense in amount of $1,324 (at December 31, 2016 related to revenue from recovery in amount of $3,106).

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

At December 31, 2016	**8,285**
Impairment loss recognized during the period	5,561
Reversal of impairment losses	(3,766)
Receivables written-off	(471)
At March 31, 2017	**9,609**

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	March 31, 2017	December 31, 2016
Employee funds	55,543	58,787
Sale of property, plant and equipment, intangible assets and other assets	13,358	13,357
Business agreements	9,186	38,791
Tax claims	1,360	1,405
Money transfers	1,047	3,026
Money transfer services	452	1,227
Other	1,828	3,321
Total other accounts receivable	**82,774**	**119,914**

Note 7.3. Trade receivables and other accounts receivable classified as current and non-current

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

	March 31, 2017	December 31, 2016
Current		
Trade discounts	63,512	79,862
Employee funds	37,236	42,407
Financing companies and the like	36,374	40,601
Sale of property, plant and equipment, intangible assets and other assets	13,358	13,357
Rentals and dealers	9,286	9,482
Business agreements	9,186	38,791
Tax claims	1,360	1,405
Money transfers	1,047	3,026
Money transfer services	452	1,227
Other	619	2,058
Impairment loss	(9,609)	(8,285)
Total current accounts receivable	**162,821**	**223,931**
Non-current		
Employee funds	21,292	20,283
Other	1,209	1,263
Total non-current accounts receivable	**22,501**	**21,546**

Note 7.4. Trade receivables and other accounts receivable by age

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

			Overdue			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
March 31, 2017	194,931	42,644	42,714	54,539	17,119	37,915
December 31, 2016	253,762	52,695	143,545	36,726	927	19,869

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	March 31, 2017	December 31, 2016
Leases (1)	13,380	13,232
Insurance (2)	6,713	10,309
Maintenance	6,088	4,877
Other	347	948
Total prepaid expenses	**26,528**	**29,366**
Current	**13,783**	**16,728**
Non-current	**12,745**	**12,638**

(1) Relates to lease instalments of the Éxito San Martin store paid in advance, covering contract term to 2034.

(2) The insurance program covering certain policies that used to be renewed and paid at the beginning of December each year was changed in 2016; as of this year, renewal and payment periods are at the beginning of January each year.

Note 9. Accounts receivable from and accounts payable to related parties

Transactions with related parties represent sales of goods, loans, purchase of goods for trading and provision of services. The balance of accounts receivable from and accounts payable to related parties is as follows:

	Accounts receivable		Accounts payable	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Controlling entity (1)	1,978	3,606	18,433	52,988
Subsidiaries (2)	56,797	53,770	123,278	124,789
Joint ventures (3)	-	15,973	-	-
Key management personnel (4)	-	29	-	-
Members of the Board	-	-	34	93
Grupo Casino companies (5)	3,282	3,256	5,045	4,881
Total	**62,057**	**76,634**	**146,790**	**182,751**
Current	**60,042**	**74,589**	**146,790**	**182,751**
Non-current	**2,015**	**2,045**	**-**	**-**

(1) Accounts payable arise from consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V. They also include dividends payable in amount of $12,041 (2016 - $41,818).

Accounts receivable relate to a Latin America strategic direction service agreement entered into with Casino Guichard-Perrachon S.A.

(2) The balance of accounts receivable relates to: direct operations of Almacenes Éxito Inversiones S.A.S where Almacenes Éxito S.A acts as payer to third parties under a mandate agreement in amount of $8,571 (2016 - $9,941); collection of earnings declared, administration services and reimbursement of expenses from Stand-Alone Trust Funds, $23,218 (2016 - $22,926); sale of goods, administration services, reimbursement of expenses and loans to Gemex O&W S.A.S., $15,428 (2016 - $12,096); transfer of the put option contract to Spice Investments Mercosur S.A., $3,460 (2016 - $3,460); strategic direction services to Libertad S.A., $3,411 (2016 - $2,726); other collections from all other subsidiaries in amount of $2,745 (2016 - $2,621).

Accounts payable to subsidiaries include the following items: purchase of goods and rental of premises to Distribuidora de Textiles y Confecciones S.A., $90,063 (2016 - $96,907); reimbursement of expenses to Gemex O&W S.A.S., $224 (2016 - $7); dividends advance payment received from Carulla Vivero Holding Inc., $4,377 (2016 - $4,575); transportation services received from Logística, Transporte y Servicios Asociados S.A.S, $2,270 (2016 - $4,511); rentals, purchase of goods and tax withholdings on earnings declared by Patrimonios Autónomos, 1,629 (2016 - $7,898); collections, purchase of tourism packages and redemption of points with Éxito Viajes y Turismo S.A.S.,$3,150 (2016 - $1,981); purchase of inventories, assets and balance pending capitalization payable to Cdiscount Colombia S.A.S., $7,191 (2016 - $8,714) and loans from Libertad S.A., $14,377 (2016 - $0).

(3) The balance of accounts receivable at December 31, 2016 relates to a subscription of shares in Compañía de Financiamiento Tuya S.A. dated December 27, 2016. 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.

(4) Transactions between Almacenes Éxito S.A. and key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered into between the parties. Key management personnel include the CEO, Vice-presidents, business corporate managers, directors, and members of their families.

(5) Accounts receivable from and payable to Grupo Casino companies mainly arise from energy optimization services and intermediation in the import of goods.

Note 10. Inventories and cost of sales

The balance of inventories is as follows:

	March 31, 2017	December 31, 2016
Inventories available for trading	1,046,367	1,058,160
Inventories in transit	30,423	31,004
Materials, small spares, accessories and packaging material	12,069	12,596
Product in process	3,306	2,604
Raw materials	2,040	2,313
Inventories of property under construction (1)	1,897	1,897
Inventory impairment (2)	(16,064)	(30,915)
Total inventories	**1,080,037**	**1,077,659**

(1) Relates to real estate projects currently under construction, for trading purposes. It also includes real estate projects Hotel Cota and Univalledupar, which since 2015 are in the construction restructuring stage.

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

Balance at December 31, 2016	**30,915**
Reversal of impairment provisions	(14,851)
Balance at March 31, 2017	**16,064**

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

Pursuant to Company's policy, inventories are valued at cost or fair value less selling costs, whichever is less. The adjustments to this valuation are included in the costs of sale for the period.

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

	March 31, 2017	**March 31, 2016**
Cost of goods sold (1)	2,245,406	2,239,729
Trade discounts and rebates on purchases	(323,739)	(263,036)
Logistics costs (2)	61,089	61,059
Damage and unknown reduction	37,151	40,592
Impairment loss recognized during the period	-	1,540
Reversal of impairment provisions (3)	(14,851)	-
Total cost of goods sold	**2,005,056**	**2,079,884**

(1) Includes $4,399 of depreciation and amortization cost (2016 - $2,627).
Includes $0 allowance for trade receivables (2016 - $28).

(2) The following is a detail of items included in logistics costs:

Description	**March 31, 2017**	**March 31, 2016**
Services	27,109	29,367
Employee benefits	13,982	11,876
Leases	14,233	12,487
Depreciation and amortization	3,708	2,949
Maintenance and repairs	1,667	1,803
Packaging and marking materials	862	840
Other minor items	(472)	1,737
Total	**61,089**	**61,059**

(3) 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 11. Other financial assets

The balance of other financial assets is as follows:

	March 31, 2017	**December 31, 2016**
Financial assets measured at amortized cost (1)	77,354	75,157
Financial assets measured at fair value through income (2)	1,130	1,142
Derivative financial instruments (3)	275	9,547
Financial assets measured at fair value through other comprehensive income	248	248
Total other financial assets	**79,007**	**86,094**
Current	**8,152**	**12,252**
Non-current	**70,855**	**73,842**

(1) Financial assets measured at amortized cost are investments in bonds issued by Compañía de Financiamiento Tuya S.A., which the Company has the intention and capability of holding 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%.

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

(3) 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 Company measures derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2016 and March 31, 2017 relates to the decrease in the valuation of closing rates for forwards and swaps, under the average of the rates agreed upon with various financial players, giving rise to an obligation (liability) but not to a right (asset).

The detail of maturities of these instruments at March 31, 2017 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	More than 12 months	Total
Forward	-	-	5	-	5
Swap	270	-	-	-	270
	270	**-**	**5**	**-**	**275**

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

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

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

	March 31, 2017	December 31, 2016
Current		
Financial assets measured at amortized cost	7,877	7,452
Derivative financial instruments	275	4,800
Total current	**8,152**	**12,252**
Non-current		
Financial assets measured at amortized cost	69,477	67,705
Derivative financial instruments	-	4,747
Financial assets measured at fair value through income	1,130	1,142
Financial assets measured at fair value through other comprehensive income	248	248
Total non-current	**70,855**	**73,842**

There are no restrictions or liens on other financial assets that restrict the tradability or realization thereof, exception made of the Company's investment in Tuya S.A.'s bonds, which were issued as part of Tarjeta Éxito's business collaboration agreement. Additionally, during the reporting periods none of assets was impaired.

Note 12. Property, plant and equipment, net

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

	March 31, 2017	December 31, 2016
Land	643,398	643,398
Buildings	992,968	991,929
Machinery and equipment	612,568	603,994
Furniture and fixtures	353,448	352,391
Assets under construction	36,093	26,222
Improvements to third party properties	254,835	253,951
Vehicles and transportation equipment	5,283	5,280
Computers	127,484	127,182
Other	16,050	16,050
Total cost of property, plant and equipment	**3,042,127**	**3,020,397**
Accumulated depreciation	(573,608)	(523,381)
Total net property, plant and equipment	**2,468,519**	**2,497,016**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Improvements to third party properties	Transportation equipment	Computers	Other	Total
Balance at December 31, 2016	**643,398**	**991,929**	**603,994**	**352,391**	**26,222**	**253,951**	**5,280**	**127,182**	**16,050**	**3,020,397**
Additions	-	733	4,962	895	10,068	1,949	1	258	-	18,866
Increase (decrease) from movements between property, plant and equipment accounts	-	306	(605)	356	(197)	31	2	107	-	-
Other increases (1)	-	-	4,613	-	-	-	-	34	-	4,647
Disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Derecognition of property, plant and equipment (2)	-	-	(397)	(194)	-	(1,754)	-	(96)	-	(2,441)
Other changes	-	-	1	-	-	658	-	(1)	-	658
Balance at March 31, 2017	**643,398**	**992,968**	**612,568**	**353,448**	**36,093**	**254,835**	**5,283**	**127,484**	**16,050**	**3,042,127**
Accumulated depreciation										
Balance at December 31, 2016	**-**	**85,711**	**176,825**	**108,612**	**-**	**88,508**	**2,512**	**59,568**	**1,645**	**523,381**
Depreciation expense/cost	-	7,642	17,108	10,601	-	8,966	189	6,259	197	50,962
Disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Depreciation reversals (2)	-	-	(397)	(194)	-	(595)	-	(96)	-	(1,282)
Other changes	-	(137)	39	(43)	-	682	-	6	-	547
Balance at March 31, 2017	**-**	**93,216**	**193,575**	**118,976**	**-**	**97,561**	**2,701**	**65,737**	**1,842**	**573,608**

(1) Mainly relates to property, plant and equipment received by Almacenes Éxito S.A. from the settlement of the Patrimonio Autónomo Centro Comercial Viva Riohacha trust fund.

(2) Includes the closing of Carulla San Jerónimo for a net value of $1,152.

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

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

	March 31, 2017	December 31, 2016
Machinery and equipment	601	620
Other property, plant and equipment	13,922	14,119
Total assets under finance lease	**14,523**	**14,739**

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

There are no limitations or liens imposed on property, plant and equipment that restrict realization or tradability thereof. For the periods reported in these financial statements, the Company has no commitments to acquire, construct or develop property, plant and equipment.

During the three-month period ended March 31, 2017, no compensations have been received from third parties related with assets damaged in accidents.

During the periods reported in these financial statements no impairment of property, plant and equipment was recognized. Information about the methodology applied to test for impairment is disclosed in Note 33.

Note 13. Investment property, net

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

	March 31, 2017	December 31, 2016
Land	65,370	65,370
Buildings	134,323	123,577
Construction in progress	183,399	126,073
Total cost of investment property	**383,092**	**315,020**
Accumulated depreciation	(3,703)	(2,973)
Total investment property, net	**379,389**	**312,047**

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

Cost	Land	Buildings	Constructions in progress	Total
Balance at December 31, 2016	**65,370**	**123,577**	**126,073**	**315,020**
Additions	-	10,746	57,326	68,072
Balance at March 31, 2017	**65,370**	**134,323**	**183,399**	**383,092**

Accumulated depreciation	Buildings
Balance at December 31, 2016	**2,973**
Depreciation expense	592
Other changes	138
Balance at March 31, 2017	**3,703**

Except for the Envigado property, which is in the construction stage and will be contributed to Patrimonio Autónomo Viva Malls in 2018, no restrictions or liens are levied on property, plant and equipment that limit realization or tradability thereof. For the reporting periods the Company has no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties, other than constructions in progress. The Company has not received compensations from third parties arising from the damage or loss of investment properties. It has not recognized impairment losses. Information about the methodology applied to test for impairment is disclosed in Note 33.

Note 14. Goodwill and intangible assets other than goodwill

The balance of goodwill at March 31, 2017 and December 31, 2016, relates to goodwill resulting from the following business combinations:

Carulla Vivero S.A.	827,420
Super Inter	453,649
Cafam	122,219
Other	49,789
Total	**1,453,077**

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

	March 31, 2017	December 31, 2016
Trademarks	81,131	81,131
Computer software	134,457	133,953
Rights	24,760	24,760
Other	1,522	1,522
Total intangible assets other than goodwill	**241,870**	**241,366**
Accumulated amortization	(72,087)	(66,953)
Total intangible assets other than goodwill, net	**169,783**	**174,413**

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

Cost	**Trademarks (1)**	**Computer software (2)**	**Rights (3)**	**Other**	**Total**
Balance at December 31, 2016	**81,131**	**133,953**	**24,760**	**1,522**	**241,366**
Additions	-	1,746	-	-	1,746
Transfers	-	24	-	-	24
Disposals and derecognition	-	(1,266)	-	-	(1,266)
Balance at March 31, 2017	**81,131**	**134,457**	**24,760**	**1,522**	**241,870**
Accumulated amortization					
Balance at December 31, 2016	**-**	**65,462**	**-**	**1,491**	**66,953**
Amortization expense/cost	-	6,404	-	-	6,404
Transfers	-	(4)	-	-	(4)
Disposals and derecognition	-	(1,266)	-	-	(1,266)
Balance at March 31, 2017	**-**	**70,596**	**-**	**1,491**	**72,087**

(1) Relate to Surtimax trademark in amount of $17,427 acquired in the merger with Carulla Vivero S.A., and Super Inter trademark acquired in the business combination with Comercializadora Giraldo Gómez y Cía. S.A. in amount of $63,704. Such trademarks have indefinite useful life on the grounds of the Company's considerations thereon, and consequently they are not amortized.

(2) Includes the net value of, among other, the following software: system application and products (SAP), $16,488 (2016 - $17,801); trade information system (Sinco), $15,396 (2016 - $16,843); single customer, $3,986 (2016 - $4,244); pricing, $2,666 (2016 - $2,951); demand forecast, $2,986 - $2,737); databases, $2,453 (2016 - $2,648); printing, $3,252 (2016 - $2,281), display and space, $1,627 (2016 - $1,949); pos and pin pads, $1,613 (2016 - $1,890); exchange license, $1,681 (2016 - $1,862); sinemax, $1,375 (2016 - $1,516); IT security, $1,347 (2016 - $1,439); pc stations, $1,179 (2016 - $1,334), C&C licenses, $1,094 (2016 - $1,094); monitoring, $995 (2016 - $1,130); slotting, $1,010 (2016 - $1,088).

(3) Relates to:
- $13,238 and $11,522 from the recognition of a contract executed to acquire the rights to exploit trade premises during September and December 2016, respectively. Given the relevant usage considerations that the Company has thereon, such rights have indefinite useful life, and consequently they are not amortized.

Intangible assets other than goodwill are not restricted or subject to lien that would restrict realization or tradability thereof. For the periods reported in these financial statements, the Company has neither commitment to acquire or develop intangible assets, nor has it recognized any impairment losses. Information about the methodology applied to test for impairment is disclosed in Note 33.

Note 15. Investments accounted for using the equity method

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

Company	Classification	March 31, 2017	December 31, 2016
Onper Investment 2015 S.L.	Subsidiary	5,484,974	5,477,557
Spice Investment Mercosur S.A.	Subsidiary	1,803,575	1,789,663
Patrimonio Autónomo Viva Malls	Subsidiary	462,615	398,227
Distribuidora de Textiles y Confecciones S.A.	Subsidiary	156,837	159,415
Patrimonio Autónomo Viva Villavicencio	Subsidiary	109,148	109,148
Compañía de Financiamiento Tuya S.A.	Joint venture	92,873	90,171
Patrimonio Autónomo Centro Comercial	Subsidiary	57,294	57,294
Patrimonio Autónomo Viva Sincelejo	Subsidiary	42,531	42,531
Patrimonio Autónomo San Pedro Etapa I	Subsidiary	17,860	17,960
Cdiscount Colombia S.A.S. (1)	Subsidiary	12,814	22,838
Patrimonio Autónomo Centro Comercial Viva Barranquilla	Subsidiary	11,171	11,086
Cnova N.V.	Associate	9,222	9,222

Éxito Viajes y Turismo S.A.S.	Subsidiary	5,093	4,221
Carulla Vivero Holding Inc.	Subsidiary	4,292	4,464
Fideicomiso Girardot Plot of Land	Subsidiary	3,850	3,850
Patrimonio Autónomo Iwana	Subsidiary	3,226	3,280
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	1,088	606
Patrimonio Autónomo Centro Comercial Viva Riohacha (2)	Subsidiary	-	6,277
Total		**8,278,463**	**8,207,810**

(1) Due to the reimbursement of contributions made by this subsidiary on December 30, 2016, the Company became the only shareholder. The decrease as compared to 2016 results from the recognition of the appropriation of 100% of the losses accumulated by that subsidiary during 2016.

(2) Patrimonio Autónomo Centro Comercial Viva Riohacha was settled in February 2017.

Note 16. Changes in the classification of financial assets

During the year ended March 31, 2017, there were no material changes in the classification of financial assets, arising from a change in the purpose or use of such assets.

Note 17. Financial liabilities

The balance of financial liabilities is as follows:

	March 31, 2017	December 31, 2016
Current		
Bank loans (1)	1,055,854	465,700
Finance leases	3,563	3,662
Total current financial liabilities	**1,059,417**	**469,362**
Non-current		
Bank loans (1)	3,355,045	3,484,498
Finance leases	13,583	14,956
Total non-current financial liabilities	**3,368,628**	**3,499,454**
Total financial liabilities	**4,428,045**	**3,968,816**
Current	**1,059,417**	**469,362**
Non-current	**3,368,628**	**3,499,454**

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

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

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

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

During February and March 2017, the Company requested new loans amounting to $530,000 and $70,000, respectively.

Below is a detail of annual maturities of outstanding non-current bank loans and finance leases for the period ended March 31, 2017 discounted at present value:

Year	Total
2018	1,671,660
2019	550,190
2020	464,395
>2021	682,383
	3,368,628

Note 17.1. Commitments undertaken under credit contracts (financial liabilities)

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

The Company has committed to pay in advance such obligations without accruing any prepayment commission or penalty, in the following events:

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

c. Prepayments under bridge credit agreements: Wherever the Company intends to prepay bank credits in foreign currency, the Company 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 17.2. Obligations undertaken under credit contracts (financial liabilities)

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

b. Indebtedness: Refrain from: (i) Incurring new debts in the event of being in default of the financial liability and/or 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 Company intends to incur additional debt, it will require the prior authorization of creditors, authorization that will be deemed automatically granted if the Company complies with the occurrence indicator, which will be measured based on the latest separate financial statements submitted to the National Register of Securities and Issuers.

Note 18. Other provisions

The balance of other provisions is made as follows:

	March 31, 2017	December 31, 2016
Legal proceedings (1)	14,917	15,570
Taxes other than income tax (2)	11,091	11,091
Restructuring (3)	2,256	3,141
Other (4)	17,366	17,092
Total other provisions	**45,630**	**46,894**
Current Note 18.1	**24,528**	**23,801**
Non-current Note 18.1	**21,102**	**23,093**

The Company has not recognized provisions for the protection of contracts for consideration during the reporting periods.

The detail of provisions is as follows:

(1) Provisions for lawsuits are recognized to cover estimated potential losses arising from labor and civil lawsuits brought against the Company, assessed based on the best estimation of cash outflows required to settle the liability on the date of preparation of the financial statements. The balance is comprised of $9,750 (2016 -$10,155) for labor lawsuits and $5,167 (2016 - $5,415) for civil lawsuits.

(2) Provisions for taxes other than income tax relate to the Industry and Trade tax in amount of $4,986 (2016 - $4,986), tax on real estate in amount of $5,571 (2016 - $5,571) and value added tax in amount of $534 (2016 - $534).

(3) The restructuring provision relates to reorganization processes announced to the employees of stores and distribution centers that will affect Company activities. The provision is estimated based on the cash outflows required, directly associated with the restructuring plan. The disbursement and plan implementation are expected to be completed during 2017. The restructuring provision was recognized in period results as other expenses.

(4) The balance of other provision relates to:

	March 31, 2017	December 31, 2016
Gemex O & W S.A.S. (a)	9,044	7,278
Almacenes Éxito Inversiones S.A.S. (a)	2,254	4,215
Provision to protect against the loss of merchandise "*VMI*"	6,068	5,599
Total	**17,366**	**17,092**

(a) Mainly relate to liabilities carried to recognize additional subsidiary losses exceeding the value of the amount invested in them by the Company. Company management has decided to carry such liability to recognize cash outflows probably required to settle these subsidiaries' liabilities.

The development of provisions during the period is as follows:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Balance at December 31, 2016	**15,570**	**11,091**	**3,141**	**17,092**	**46,894**
Increase	786	-	10,216	2,536	13,538
Payments	(642)	-	(11,101)	(300)	(12,043)
Reversals (not used)	(797)	-	-	(1,962)	(2,759)
Balance at March 31, 2017	**14,917**	**11,091**	**2,256**	**17,366**	**45,630**

Note 18.1. Other provisions classified as current and non-current

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

	March 31, 2017	December 31, 2016
Current		
Restructuring	2,256	3,141
Legal proceedings	4,906	3,568
Other	17,366	17,092
Total other current provisions	**24,528**	**23,801**
Non-current		
Legal proceedings	10,011	12,002
Taxes other than income tax	11,091	11,091
Total other non-current provisions	**21,102**	**23,093**
Total other provisions	**45,630**	**46,894**

Note 18.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at March 31, 2017 will be:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	4,906	-	2,256	17,366	24,528
More than 1 year	10,011	11,091	-	-	21,102
Total estimated payments	**14,917**	**11,091**	**2,256**	**17,366**	**45,630**

Note 19. Trade payables and other accounts payable

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

	March 31, 2017	December 31, 2016
Suppliers	1,601,906	2,304,291
Costs and expenses payable	193,409	279,622
Employee benefits	81,975	113,383
Acquisition of property, plant and equipment	55,958	137,365
Dividends payable	11,096	35,134
Grants payable	1,435	-
Other	55,616	99,045
Total	**2,001,395**	**2,968,840**

Note 20. Income tax

During the three-month period ended March 31, 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 20.1. Current tax assets and liabilities

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

Current tax assets

	March 31, 2017	December 31, 2016
Income tax advances and self-withholdings (1)	104,084	129,715
Income Tax balance receivable	110,291	-
Income tax for equality - CREE balance receivable (2)	49,327	26,626
Income tax for equality - CREE paid in advance	-	22,701
Industry and trade tax and withholdings paid in advance.	10,347	12,250
Total current tax assets	**274,049**	**191,292**

(1) The balance is comprised of:

	March 31, 2017	December 31, 2016
Income tax withholdings	43,914	148,384
Tax discount to be requested	19,376	19,376
Subtotal	**63,290**	**167,760**
Income tax revenue (expense)	40,794	(38,045)
Total income tax advances and self-withholdings	**104,084**	**129,715**

(2) The balance is made as follows:

	March 31, 2017	December 31, 2016
Income tax for equality CREE withholdings	-	48,212
Less income tax for equality CREE expense	-	(21,586)
2016 balance receivable not yet requested	49,327	-
Total income tax for equality - CREE balance receivable	**49,327**	**26,626**

Current tax liabilities

	March 31, 2017	December 31, 2016
Industry and trade tax payable	31,982	43,920
Tax on wealth	20,381	-
Total current tax liabilities	**52,363**	**43,290**

Note 20.2. Income tax

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

	March 31, 2017	March 31, 2016	December 31, 2016
(Loss) earnings before income tax	**(40,921)**	**(31,583)**	**116,197**
Add:			
Accounting provisions and receivables written off (recovered)	5,719	397	(5,423)
Non-deductible inventory losses	701	-	-
Non-deductible expenses	1,427	-	13,690
Non-deductible taxes	17	17	19
Taxes taken on and revaluation	227	1,408	6,488
Fines, penalties and litigation expenses	734	165	3,144
Tax on financial transactions	3,091	2,587	8,230
Tax on wealth	20,381	51,083	51,083
Selling price of fixed assets held less than two years	-	-	195,058
Reimbursement of deduction of income-generating fixed assets	-	-	90,404
Net income - recovery of depreciation of fixed assets sold	-	-	21,356
Accrued unpaid industry and trade tax expense	-	-	2,313
Less:			
Goodwill tax deduction, in addition to the accounting deduction	(27,589)	(14,214)	(18,362)
40% deduction of investment in income-generating assets	(24,932)	(32,159)	(128,076)
Derecognition of gain from the sale of fixed assets reported as occasional gain	(3,654)	(113)	(72,984)
IFRS adjustments with no tax effects	(25,864)	6,248	(101,642)
2015 industry and trade tax paid in 2016	-	(37,492)	-
Recovery of provisions	(362)	(1,752)	(1,941)
Disabled employee deduction	-	(152)	(811)
Allowance for doubtful accounts	-	(1,291)	-
Cost of fixed assets sold held less than two years	-	-	(195,058)
Net income (loss)	**(91,025)**	**(56,851)**	**(16,315)**
Current year presumptive income	**-**	**-**	**159,371**
Net taxable income	**-**	**-**	**159,371**
Income tax rate	34%	25%	25%
Subtotal income tax	**-**	**-**	**(39,843)**
Adjustment to effective rate	**41,062**	**(9,513)**	**-**
Occasional gains tax	(267)	-	(1,988)
Tax discounts	-	3,553	3,786
Total income tax revenue (expense)	**40,795**	**(5,960)**	**(38,045)**
Income tax for equality - CREE (expense)	**-**	**(5,825)**	**(12,072)**
Income tax for equality - CREE surcharge (expense)	**-**	**(4,067)**	**(9,514)**
(Expense) from previous year tax	**-**	**-**	**(1,714)**
Total current income tax revenue (expense)	**40,795**	**(15,852)**	**(61,345)**

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

	March 31, 2017	March 31, 2016
Current income tax revenue (expense)	40,795	(15,852)
Deferred income tax revenue (expense) (Note 20.3)	(31,363)	48,382
Total income tax revenue	**9,432**	**32,530**

Note 20.3. Deferred tax

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

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

	March 31, 2017	December 31, 2016
Investments at amortized cost	-	(2)
Equity investments	(98,546)	(74,214)
Accounts receivable	13,765	3,065
Inventories	23,379	26,030
Real estate for trading	(190)	(83)
Land	(39,343)	(39,031)
Tax consolidation and readjustment	19,407	19,407
Buildings	(87,646)	(89,253)
Non-operating real estate property	103	103
Investment property	(4,362)	(2,966)
Construction in progress	(33,080)	(22,641)
Other fixed assets	(27,002)	(26,851)
Intangible assets	(49,052)	(51,167)
Deferred charges	6,010	8,849
Excess presumptive income and tax losses	54,217	54,217
Financial liabilities	1,715	2,019
Other liabilities	(11,787)	(8,531)
Total net deferred tax (liabilities)	**(232,412)**	**(201,049)**

Deferred tax assets and liabilities are made as follows:

	March 31, 2017	December 31, 2016
Deferred tax assets	1,226,705	1,208,494
Deferred tax (liabilities)	(1,459,117)	(1,409,543)
Total net deferred tax (liabilities)	**(232,412)**	**(201,049)**

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

	March 31, 2017	March 31, 2016
Deferred income tax 25%	(31,744)	19,366
Deferred CREE tax 9%	-	6,972
Deferred CREE tax surcharge 5%	-	19,765
Deferred occasional gains tax 10%	325	(32)
Retained earnings Uruguay and Brazil	56	2,311
Total deferred tax revenue (expense)	**(31,363)**	**48,382**

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

	March 31, 2017	March 31, 2016
Gain (loss) from actuarial gains (losses) from defined benefit plans	676	(375)

The Company does not recognize in its financial statements deferred tax assets generated by its subsidiaries, or other minor investments resulted in losses during the current or prior periods. The amount of losses is as follows:

	March 31, 2017	December 31, 2016
Subsidiaries domiciled in Colombia	(134,249)	(112,723)
Other	(5,062)	(8,340)
Total	**(139,311)**	**(121,063)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized amounted to $163,723 at December 31, 2016 (2016 - $164,538).

Note 21. Other financial liabilities

The balance of other financial liabilities is as follows:

	March 31, 2017	December 31, 2016
Current		
Derivative financial instruments (1)	54,474	17,608
Collections received on behalf of third parties (2)	24,798	69,849
Total current	**79,272**	**87,457**
Non-current		
Derivative financial instruments (1)	11,248	-
Total non-current	**11,248**	**-**

(1) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position the Company measures derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2016 and March 31, 2017, relates to the reduction of closing valuation rates for forwards and swaps, which reached values over the average rates agreed upon with the various financial players.

The detail of maturities of these instruments at March 31, 2017 is as follows:

	Less than 3 months	From 3 to 6 months	From 6 months to 1 year	Total
Forward	32,697	8,450	1,194	42,341

	Less than 1 year	More than 1 year	Total
Swap	12,133	11,248	23,381

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

	Less than 3 months	From 3 to 6 months	Total
Forward	4,160	12,186	16,346

	Less than 1 year	More than 1 year	Total
Swap	1,262	-	1,262

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

	March 31, 2017	December 31, 2016
Éxito Card collections	13,280	27,812
Non-banking correspondent	6,494	34,376
Direct trading (Market Place)	3,133	3,967
Money transfer services	176	1,364
Other collections	1,715	2,330
Total	**24,798**	**69,849**

Note 22. Other non-financial liabilities

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

	March 31, 2017	December 31, 2016
Current		
Advance payments under lease agreements and other projects (1)	173,456	54,766
Revenue received in advance (2)	40,986	57,862
Customer loyalty programs (3)	35,947	37,334
Instalments received under "plan resérvalo"	1,227	1,266
Repurchase coupon	355	49
Total other current non-financial liabilities	**251,971**	**151,277**
Non-current		
Advance payments under lease agreements and other projects	46,863	47,388
Total other non-current non-financial liabilities	**46,863**	**47,388**
Total other non-financial liabilities	**298,834**	**198,665**

(1) For 2017 includes revenue in amount of $172,059 received in advance from Patrimonio Autónomo Viva Malls for real estate project development services (2016 - $53,746).

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

	March 31, 2017	December 31, 2016
Gift card	25,724	43,264
Cafam comprehensive card	9,280	9,035
Exchange card	3,057	3,326
Fuel card	993	932
Other	1,932	1,305
Total	**40,986**	**57,862**

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At March 31, 2017, the effect of the valuation, issue, redemption and expiry of points related with these programs, in Company results, was a lower value of sales revenue in amount of $1,387 (2016 - $1,718).

Note 23. Share capital, repurchased shares and premium on the issue of shares

The Company's authorized capital is represented in 530,000,000 ordinary shares with par value of $10 (*) each; subscribed and paid-in capital amounts to $4,482 at March 31, 2017 and December 31, 2016. The number of outstanding shares is 447,604,316 and the number of repurchased 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 Company shares.

The premium on placement of shares represents the higher value paid over the par value of the shares, and amounts to $4,843,466 at March 31, 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 24. Reserves, retained earnings and other comprehensive income

Reserves

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

Retained earnings

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

Other accumulated comprehensive income

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

	March 31, 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)	90,547	-	90,547	131,545	-	131,545
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (4)	11,348	-	11,348	11,141	-	11,141
Total other accumulated comprehensive income	**96,870**	**676**	**97,546**	**137,627**	**676**	**138,303**

(1) Relates to accumulated gains or losses arising from the valuation at fair value of investments in financial instruments through equity, less amounts transferred to retained earnings upon sale of such investments. Changes in fair value are not reclassified to income for the period.

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

(3) Represents the accumulated value of exchange differences arising from the translation to the Company's presentation currency of assets, liabilities, equity and results of operations abroad under the equity method. Accumulated translation differences are reclassified to period results upon disposition of the operation abroad.

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

Note 25. Revenue from ordinary activities

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

	March 31, 2017	**March 31, 2016**
Retail sales	2,597,027	2,652,633
Service revenues (1)	42,202	41,578
Other ordinary revenue (2)	10,421	22,238
Revenue from ordinary activities	**2,649,650**	**2,716,449**

(1) Mainly relates to revenue from the lease of premises and physical spaces at the stores (traders) and to revenue as non-banking correspondent.

(2) The balance of other revenue relates to:

	March 31, 2017	**March 31, 2016**
Royalty revenue	721	14,703
Other revenue (a)	9,700	7,535
Total other ordinary revenue	**10,421**	**22,238**

(a) Relates to:

	March 31, 2017	**March 31, 2016**
Revenue from the use of goods	2,843	2,338
Revenue from Latam strategic direction	2,684	-
Revenue from expiry of own cards	800	690
Recovery of revenue arising from commissions as "non-banking correspondent"	-	1,444
Sundries	3,373	3,063
Total other revenue	**9,700**	**7,535**

Note 26. Distribution expenses and administration and sales expenses

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

	March 31, 2017	March 31, 2016
Leases	66,701	56,752
Taxes other than income tax	51,232	54,992
Depreciation and amortization	44,180	46,584
Fuels and power	40,686	43,868
Advertising	29,573	29,961
Repairs and maintenance	18,500	19,216
Administration of trade premises	9,535	7,905
Debit and credit card commissions	6,982	6,652
Packaging and marking materials	6,480	7,263
Transport	5,615	5,149
Insurance	5,573	4,130
Fees	4,814	4,116
Allowance for trade receivables	3,988	777
Cleaning and cafeteria	2,047	3,384
Legal expenses	1,140	653
Travel expenses	1,089	1,408
Contributions and affiliations	315	336
Other	15,612	11,642
Total distribution expenses	**314,062**	**304,788**

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

	March 31, 2017	March 31, 2016
Depreciation and amortization	9,380	7,622
Fees	9,141	12,699
Taxes other than income tax	6,983	5,876
Repairs and maintenance	1,978	940
Allowance for trade receivables	1,573	4,039
Travel expenses	1,514	1,772
Commissions	940	363
Outsourced personnel	784	509
Telephone	758	472
Fuels and power	605	609
Insurance	501	484
Leases	375	317
Transport	327	932
Contributions and affiliations	209	192
Fines, penalties and litigation expenses	186	4
Legal expenses	45	90
Other	2,140	2,607
Total administration and sales expenses	**37,439**	**39,527**

Note 27. Employee benefit expense

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

Types of employee benefit expenses	March 31, 2017	March 31, 2016
Wages and salaries	189,525	181,162
Contributions to the social security system	2,826	2,599
Other short-term employee benefits	12,059	11,561
Total short-term employee benefit expenses	**204,410**	**195,322**
Post-employment benefit expenses, defined contribution plans	17,529	16,510
Post-employment benefit expenses, defined benefit plans	684	622
Total post-employment benefit expenses	**18,213**	**17,132**
Termination benefit expenses	748	446
Other long-term employee benefits	61	469
Other personnel expenses	2,076	1,932
Total employee benefit expenses	**225,508**	**215,301**

Note 28. Other operating revenue, other operating expenses and other net gains

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

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

	March 31, 2017	March 31, 2016
Other operating revenue		
Recovery of allowance for trade receivables	3,753	4,545
Recovery of other provisions related to labor legal proceedings	125	3,573
Recovery of other provisions related to civil lawsuits	248	314
Reimbursement of ICA-related costs and expenses	168	1,750
Reimbursement of property tax-related costs and other expenses	193	-
Other operating revenue	**4,487**	**10,182**
Other operating expenses		
Tax on wealth expense (1)	(20,382)	(51,083)
Restructuring expenses (2)	(10,216)	(7,889)
Other expenses (3)	(2,741)	(567)
Total other operating expenses	**(33,339)**	**(59,539)**
Other (loss) gains, net		
(Loss) gain from the sale of property, plant and equipment	(28)	4
Derecognition of property, plant and equipment	(1,159)	-
Total other (loss) gains, net	**(1,187)**	**4**

(1) Refers to the tax on wealth introduced by the National Government by means of Law 1739 of December 23, 2014.

(2) Refers to expenses from the Company's restructuring plan, which include the purchase of time-of-service bonuses, operating excellence plan and corporate retirement plan.

(3) For 2017, relates to expenses incurred in establishing real estate vehicles in amount of $1,378; expenses arising from the closing of shops and stores in amount of $77; costs of the transaction related with the acquisition of the operations in Brazil and Argentina in amount of $315 and other minor expenses in amount of $971

Note 29. Financial revenue and expenses

The balance of financial revenue and expense is as follows:

	March 31, 2017	March 31, 2016
Gain from exchange difference (1)	61,764	165,164
Other financial revenue	3,702	6,293
Revenue from interest, cash and cash equivalents	2,915	1,610
Gain from derivative financial instruments (1)	110	10,222
Total financial revenue	**68,491**	**183,289**
Loss from derivative financial instruments (1)	(90,009)	(104,195)
Interest, borrowings and finance lease expenses	(82,137)	(79,706)
Interest expense on supplier factoring transactions	(4,529)	(148)
Loss from exchange difference (1)	(3,298)	(94,201)
Other financial expenses	(837)	(4,821)
Commission expense	(793)	(1,029)
Total financial expenses	**(181,603)**	**(284,100)**

(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 30. Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method

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

	March 31, 2017	March 31, 2016
Spice Investments Mercosur S.A.	41,013	51,092
Onper Investments 2015 S.L.	23,896	(10,866)
Patrimonio Autónomo Viva Malls	4,049	-
Almacenes Éxito Inversiones S.A.S.	1,962	488
Patrimonio Autónomo Viva Villavicencio	1,483	1,691
Éxito Viajes y Turismo S.A.S.	872	30
Patrimonio Autónomo Centro Comercial	843	1,203
Patrimonio Autónomo Viva Sincelejo	617	662
Logística, Transportes y Servicios Asociados S.A.S.	482	(594)
Patrimonio Autónomo Centro Comercial Viva Riohacha	385	1,503
Patrimonio Autónomo Fideicomiso San Pedro Etapa I	295	333
Patrimonio Autónomo Centro Comercial Viva Barranquilla	84	(395)
Patrimonio Autónomo Iwana	(47)	2
Cdiscount Colombia S.A.S.	(149)	(3,463)
Gemex O & W S.A.S.	(1,766)	(1,214)
Distribuidora de Textiles y Confecciones S.A.	(2,578)	(82)
Compañía de Financiamiento Tuya S.A.	(12,900)	-
Patrimonio Autónomo Viva Laureles (1)	-	1,050
Patrimonio Autónomo Viva Palmas (1)	-	194
Patrimonio Autónomo Local 108 (Vizcaya) (1)	-	(2)
Total	**58,541**	**41,632**

(1) Stand-alone trust funds contributed to Patrimonio Autónomo Viva Malls in 2016.

Note 31. Earnings per share

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

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

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

<u>In period results:</u>

	March 31, 2017	March 31, 2016
Net (loss) profit attributable to continuing operations	(7,593)	947
Net (loss) earnings attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**(7,593)**	**947**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic and diluted earnings (loss) per share (in Colombian pesos)	(16.96)	2.12

<u>In total comprehensive period results:</u>

	March 31, 2017	March 31, 2016
Net (loss) earnings attributable to total comprehensive income	(48,350)	72,962
Net (loss) earnings attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**(48,350)**	**72,962**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	**447.604.316**	**447.604.316**
Basic and diluted earnings (loss) per share (in Colombian pesos)	(108.02)	163.01

Note 32. Transactions with related parties

Note 32.1. Key management personnel compensation

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

Compensation of key management personnel recognized during the three-month periods ended March 31, 2017 and March 31, 2016, is as follows:

	March 31, 2017	March 31, 2016
Short-term employee benefits (1)	11,750	11,194
Post-employment benefits	413	355
Total	**12,163**	**11,549**

(1) A portion of short-term employee benefits is being reimbursed by Casino Guichard Perrachon S.A. and Libertad S.A. under a Latin American strategic direction service agreement entered into with these companies. Revenue from Latam strategic direction was recognized during the quarter ended March 31, 2017 in amount of $2,684 (2016 - $0) as described in Note 25.

Note 32.2. 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		Costs and expenses	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Controlling entity (1)	1,999	-	6,099	6,381
Subsidiaries (2)	3,992	6,298	95,494	75,102
Grupo Casino companies (3)	237	671	5,700	7,371
Joint ventures (4)	6,549	-	719	-
Members of the Board	-	-	231	409
Total	**12,777**	**6,969**	**108,243**	**89,263**

(1) Revenue with the Controlling entity refer to a Latin America strategic direction service agreement entered into with Casino Guichard Perrachon S.A. Costs and expenses with the Controlling entity refer to consultancy and technical assistance services provided by Casino Guichard-Perrachon S.A. and Geant International B.V.

(2) Revenue generated from transactions with subsidiaries relate to the sale of goods to Cdiscount Colombia S.A.S.; provision of administrative services to Almacenes Éxito Inversiones S.A.S., Gemex O&W S.A.S., Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos, and to the lease of premises to Patrimonios Autónomos and to Éxito Viajes y Turismo S.A.S. Also, it includes the revenue from the transfer of the put option contract entered into with the holders of non-controlling interests in subsidiary Grupo Disco del Uruguay to Spice Investments Mercosur S.A.

Cost and expenses arising from transactions with subsidiaries mainly refer to the purchase of goods from Distribuidora de Textiles y Confecciones S.A.; transportation services provided by Logística, Transporte y Servicios Asociados S.A.S.; leases and real estate management activities with Patrimonios Autónomos; purchase of corporate plans from Almacenes Éxito Inversiones S.A.S.; purchase of goods for trading from Cdiscount Colombia S.A.S.; and services received, purchase of goods and reimbursements with other subsidiaries.

	March 31, 2017	March 31, 2016
Distribuidora de Textiles y Confecciones S.A.	65,555	58,014
Logística, Transporte y Servicios Asociados S.A.S.	14,864	11,278
Patrimonios Autónomos (Stand-alone trust funds)	11,398	3,904
Almacenes Éxito Inversiones S.A.S.	3,372	1,902
Cdiscount Colombia S.A.S.	-	4
Gemex O & W S.A.S.	189	-
Éxito Viajes y Turismo S.A.S.	116	-
Total	**95,494**	**75,102**

(3) Costs and expenses accrued with Grupo Casino companies mainly arise from the purchase of energy optimization services and intermediation in the import of goods.

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

Note 33. Asset impairment

Note 33.1. Financial assets

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

Note 33.2. Non-financial assets

During the three-month period ended March 31, 2017, no significant losses were recognized from the impairment of financial assets. The Company conducted the annual impairment testing at December 31, 2016 by cash-generating units.

Note 34. Fair value measurement

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

	March 31, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Loans at amortized cost	31,778	24,371	26,120	22,665
Investments in private equity funds	1,130	1,130	1,142	1,142
Equity investments	248	248	248	248
Investment in bonds	77,305	76,601	75,145	75,055
Forward contracts measured at fair value through income	5	5	4,800	4,800
Swap contracts measured at fair value through income	270	270	4,747	4,747

	March 31, 2016		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial liabilities				
Financial liabilities and finance leases measured at amortized cost	4,428,045	4,413,914	3,968,816	3,960,935
Forward contracts measured at fair value through income	42,341	42,341	16,346	16,346
Swap contracts measured at fair value through income	23,381	23,381	1,262	1,262

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the preclosing value for the day, divided by the total number of fund units at the closing of operations for the day. The fund administrator appraises the assets daily.	N/A
Forward contracts measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present vaue using a zero-coupon interest rate. The "*forward*" rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. *Swap* LIBOR curve. Treasury Bond curve. CPI 12 months
Equity investments	Level 1	Market quote prices	The fair value of such investments is determined as reference to the prices listed in active markets if companies are listed; in all other cases, the investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants might generate costs higher than the value of benefits.	N/A
Investment in bonds	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for investments under similar conditions on the date of measurement in accordance with maturity dates.	CPI 12 months + Basis points negotiated

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basis points. LIBOR rate + Negotiated basis points.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses swap cash flows, forecasted using the treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the net swap value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero coupon TES curve. Swap LIBOR curve. Treasury Bond curve. CPI 12 months
Derivative instruments measured at fair value through income	Level 2	*Peso-US Dollar forward*	The difference is measured between the "*forward*" agreed upon rate and the "*forward*" rate on the date of valuation relevant to the remaining term of the derivative financial instrument and discounted at present value using a zero-coupon interest rate. The "*forward*" rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.

The Company determines whether transfers between fair value hierarchy levels have occurred, through a change in valuation techniques, in such a way that the new measurement is the most accurate picture of the new fair value of the appraised asset or liability.

Changes in hierarchies may occur if new information is available, certain information used for valuation is no longer available, there are changes resulting in the improvement of valuation techniques or changes in market conditions.

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

Note 35. Contingent assets and liabilities

Note 35.1. Contingent assets

The Company has no significant contingent assets at March 31, 2017.

Note 35.2. Contingent liabilities

Contingent liabilities at March 31, 2017 are:

- Proceedings seeking nullity of the resolution on changes to the Bogotá Industry and Trade tax returns for the bi-monthly periods 4, 5 and 6 of 2011 in amount of $11,830 (2016 - $11,830). The purpose of the nullity and restoration of rights action is that the Company be exempted from paying the amounts claimed by the tax authority.

- Proceedings related with the assessment of property valuation in amount of $1,163 (2016 - $1,163)

- Proceedings on the 2005 Industry and Trade Tax in amount of $1,010 (2016 - $1,010)

- Proceedings seeking nullity of resolutions on the inadequate offsetting of the Carulla Vivero S.A. 2008 income tax in amount of $1,088 (2016 - $1,088).

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

Contingent liabilities, whose nature is that of potential liabilities, are not recognized in the statement of financial position; instead, they are disclosed in the notes to the financial statements.

Note 36. Dividends declared and paid

<u>At March 31, 2017</u>

The Company'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 three-month period ended March 31, 2017 amounted to $75,587.

<u>At December 31, 2016</u>

The Company's General Meeting of Shareholders held on March 30, 2016 declared a dividend of $302,457, equivalent to an annual dividend of $675.72 per share (*), payable in four quarterly instalments and enforceable between the sixth and tenth working day of April, July and October 2016, and January 2017.

Dividends paid during the year ended December 31, 2016 amounted to $291,680.

Dividends paid during the three-month period ended March 312, 2016 amounted to $64,967.

(*) Expressed in Colombian pesos.

Note 37. Seasonality of transactions

The seasonality of the Company's operation cycles is reflected in its operating and financial results, with peaks during the last quarter of the year, particularly at Christmas time, and the second most important promotion event of the year "Special Price Days".

Note 38. Financial risk management policy

During the three-month period ended March 31, 2017, there have not been significant changes to the Company's risk management policies, or changes in the analysis of risk factors that might influence the Company, 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 39. Relevant facts

At March 31, 2017

General Meeting of Shareholders

The Company'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 Company acquired 4,124,061,482 shares of Compañía de Financiamiento Tuya S.A., equivalent to 50% of outstanding shares thereof, at a price of $79,037, thus gaining joint control.

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

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

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

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

Revolving trench disbursement

$110,000 were disbursed in April 2016, as part of the revolving trench under the peso credit contract executed in July 2015.

Reopening of Almacén Éxito Las Flores in Valledupar.

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

Termination of a shareholders' agreement

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

Appointment of the Statutory Auditor

On March 30, 2016, the General Meeting of Shareholders approved the proposal to retain Ernst & Young Audit S.A.S. as the Company's Statutory Auditor for the period 2016 to 2018.

Appointment of new members of the Board of Directors.

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

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

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

<u>General Meeting of Shareholders</u>

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

<u>Revolving trench disbursement</u>

$400,000 were disbursed on January 5, 2016, as part of the revolving trench under the peso credit contract executed in July 2015.

Note 40. Events subsequent to the reporting period

<u>New loyalty program "Puntos Colombia"</u>

On April 19, 2017, The Company 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 Company 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 with 50% interest. The estimated initial capital investment to incorporate the Company 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 Company 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 Company 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.