Envigado, August 14, 2017

Grupo Éxito reported revenue growth of 12.4% to COP 26.8 billion in 1H17 and Net Income Group Share of COP 61,670 million, as a result of strong consolidated results, mainly from Brazil.

Strong performance demonstrates the importance of the Company´s diversification strategy throughout South America.

Consolidated Recurring Operating Income grew 51.6% to COP 1,240 million in 1H17.

Solid performance in Brazil (GPA) resulted in 8.1% growth in local currency sales and an increased
Operating result.

In Colombia, the Surtimayorista brand will accelerate its expansion to end with 8 Cash and Carry stores this year.

- ***Grupo Éxito´s Net Income grew over COP 61,000 million in 1H17, an increase of COP 109,000 million versus the one reported on the same period last year.***
- ***Increased revenue in the second quarter of 2017mainly driven by the food business in Brazil, derived from the 28% sales growth of Assaí.***
- ***As a Cash and Carry business model innovator, Surtimayorista's expansion in Colombia is one of the Group's strategies to face the country's challenging macroeconomic situation. Eight new stores are scheduled to be operating by the end of the year.***
- ***New Éxito stores opened including Éxito La Felicidad in Bogotá and Hypermarkets in Florencia and Ibagué, to deliver complete retail solutions in smaller cities.***
- ***The Colombian textile business continues to grow stronger: 97% of the apparel sold is private label produced locally and we expect to reach nearly USD 6 million in exports by year-tend.***
- ***In Uruguay sales grew 7.42% in local currency, outpacing the country's inflation and ensuring healthy profitability year-to-date. EBITDA margin was over 8% in COP.the real estate business in Argentina reached more than 161,000 m^2 of gross leasable area, representing a solid business which makes Éxito, the the leading operator of commercial galleries outside of Buenos Aires.***
- ***Synergies among Latin American companies controlled by Grupo Éxito continue to produce positive results and are expected to exceed the 2017 goal of over USD 50 million at consolidated level.***
- ***Viva Wajiira Shopping Center and Éxito Mosquera Hypermarket were granted a "Sustainable Real Estate Projects, 2016-2017" distinction for having the LEED certification..***

Envigado, August 14, 2017

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

Grupo Éxito reported COP 26.8 billion of Consolidated Net Revenue in 2H17, a growth of 12.4% versus the same period of 2016. As in 1Q17, the Brazilian subsidiary drove the result.. Growth was mainly related to the 28% Assaí´s Net Sales increase in local currency and from the Extra Hiper outstanding performance.

Consolidated recurring EBITDA this semester grew 40% to COP 1,733 million to a margin of 6.5% (vs 5.2% reported in the first semester last year). This increased profitability reflects actions taken to improve operational efficiency at GPA including: waste control, energy savings and store portfolio optimization prioritizing on the most profitable segments. Brazil reported non-recurring income benefitted from tax credits..
Grupo Éxito generated Net Income over COP 61,000 million in 1H17, derived from the 107% growth in GPA's recurring operating income (COP 980,000 million). This represented a Net Income improvement of over COP 109,000 million compared to the same period last year.

The Company totaled 1,563 retail stores in the region in 1H17: 568 in Colombia, 884 in Brazil, 81 in Uruguay, and 30 in Argentina. It also continued to expand its key business models and markets throughout the entire region. In Colombia, six Éxito stores opened as well as one Carulla and one Surtimax. In Brazil two Minuto Pão de Açúcar opened and four Assaí (three of these were converted from Extra). In Uruguay and Argentina, the Group continues to develop its proximity model and opened three new stores: one Devoto Express in(Uruguay) and one Mini Libertad and one Petit Libertad (Argentina).

Grupo Éxito continues working to develop its synergy plan where it operates. . In the first semester benefits from synergies exceeded the total benefits reached in 201. The Company is expecting to exceed the 2017 goal of consolidated recurrent gains of over USD 50 million.

"The consolidated results for the21H17 confirmed the importance of Grupo Éxito´s internationalization strategy in Latin America. The positive consolidated performance reflected the diversification of revenues and margins derived from the growth of the Assaí and Extra brands in Brazil; Uruguay's healthy profitability margin; the strong contribution of the real estate business in Argentina and the implementation of innovative strategies in Colombia that allow us a resilient result, despite the low dynamism of the local market". ***Carlos Mario Giraldo - CEO Grupo Éxito***

Envigado, August 14, 2017

Grupo Éxito's Consolidated Operating Results
Amounts expressed in millions of Colombian pesos and local currency

	First Semestrer			
	2017	2016	% Var COP	% Var ML
Net Revenues	26,793,634	23,845,589	12.4%	6.1%
Gross Profit	6,807,294	5,831,635	16.7%	10.6%
	25.4%	*24.5%*		
SG&A Expenses	-5,568,507	-5,014,584	11.0%	5.2%
	-20.8%	*-21.0%*		
Recurring Operating Income	1,238,787	817,051	51.6%	44.1%
	4.6%	*3.4%*		
Recurring EBITDA	1,733,115	1,237,801	40.0%	32.7%
	6.5%	*5.2%*		
Net Income Group Share	61,670	-47,693	N/A	N/A
	0.2%	*-0.2%*		

Brazil's strong operating result benefitted Grupo Éxito's consolidated figures

In Brazil, GPA´s solid performance included a Net Revenue increase of 8.2% in local currency during the semester, outpacing the country's inflation and a Net sales figure of COP 19.5 billion in the middle of a strongly contracted food inflation trend that went from 12.8% in 1H16 to 1.1% in 1H17.

Assaí, the Cash and Carry format, reported a significant sales growth of 28% in local currency during the semester. The growth stemmed from aggressive expansion, leading to a significant increase in volume and customer traffic at stores, thus contributing to 4% market share gains.

Assaí´s Cash and Carry business model attracts Brazilian end consumers and professional buyers (such as hotels, businesses, small retailers, etc.) and totaled 110 stores as of 1H17..

The other banners in Brazil (Extra and Pão de Açúcar) also reported strong results fueled by the implementation of commercial strategies and the consistent growth of the non-food segment.

GPA's recurring operating income grew by 107% to over COP 980,000 million and posted a 5% margin (+2.1% over the outcome in 1H16). Recurring EBITDA increased by 74%, to a 6.8% margin.

Solid margin growth in Brazil also derived from operational efficiencies such as waste control, energy savings, optimization of store portfolio to prioritize the most profitable segments, and expense control plans, which resulted in expenses growing much lower than the top line increase.

Supported by Grupo Éxito’s multichannel strategy, GPA launched “My Discount”, a mobile app through which nearly 12 million customers registered in the Pão de Açúcar and Extra loyalty programs, to access personalized offers. In addition to improve customer service for these consumers, the app fosters loyalty and increases sales. Over one million clients downloaded the app in the first 10 days after its launched.

In Colombia, the focus is to accelerate the profitable expansion of the Surtimayorista banner in 2017

In the country, consumption continues to decelerate and retail sales, excluding gas and vehicles contracted by 0.6% in 1H17. . Moreover, sales in the sector were affected by the lower food inflation trend, which went from 14.3% in 2Q16 to 1.4% in the same period of 2017.

In the midst of this challenging macro, Total Revenue in Colombia was COP 5.3 billion, making Grupo Éxito the company with the highest sales levels in the county during the period.

As part of the synergy plan, Grupo Éxito in Colombia opened the first Surtimayorista store, inspired by the Brazilian Cash and Carry banner at GPA. After 15 months operating, the Surtimayorista store sold 2.7 times more than the previous banner . Thanks to the positive performance of Surtimayorista, the Company has decided to accelerate the expansion of this format by opening a total of seven stores rather than the initial 3 expected, by the end of the year.

Grupo Éxito opened nine stores this semester. Seven under the Éxito brand - La Felicidad and Calima in Bogotá, and other in mid-size cities such as Florencia, Neiva, Ibagué and La Estrella. The Company invested close to COP 270,000 million during 1H17.

In a complex business environment, Grupo Éxito continues executing strategies to improve sales and today, those allows it to increase market share at SSS level and a profitable expansion.

- ***Unbeatable Prices:*** strategy that guarantees the lowest price in the market in a portfolio of basic goods to increase volumes and sales at hypermarkets and to compete within the low-cost market. The portfolio grew sales by nearly 40% this semester. ***1,2,3 Ahorro todo el mes*** (1,2,3 All month savings) reported over 25% sales growth. This is strategy in which a 20% discount is offered for the purchase of one product, 50% when purchasing two units of the same product, and, customers get one unit for free when buying three units.

- Upon implementing the *Tecnamórate* strategy, the **electronic** category grew sales by 3.2% in the first semester of 2017 compared to the same period in 2016. This strategy consists of of a renovated 4,800 square meter of sales space at five stores in Colombia, where specialized sales representatives are available to guide clients based on their needs and lifestyles.

- The **textile business is part of the** Company's DNA, and one of its differentiation strategies . The Every Day Low Price model implemented to democratize fashion, increased sales units of the category by 8% in the first semester of 2017, compared to the same period last year.

Grupo Éxito is an important player on the local textile market. 97% of its textile sales are private label locally produced: among them are Arkitect, Bronzini, People, Custer, Bluss, Coquí and Myst. Likewise, 100% of the "I am" collection designed by by María Luisa Ortiz and Diego Guarnizo, is made in Colombia with five native communities participating in the production. A percentage of the sales´ collection will be donated to "Moda Rosa" to support the campaign against breast cancer.

Recurring Operating Income in Colombia, was COP 151,000 million and Recurring EBITDA was COP 273,000 million to a margin of 5.1% in 1H17. Grupo Éxito continues with its action plan to improve operational efficiency to protect the Company´s profitability.

In Colombia, the multichannel strategy that combines physical and virtual channels, reported a 18% sales growth in Exito.com and a 23% increase in traffic.. Carulla.com also increased sales by 40% and traffic by 25%. Moreover, two new transactional websites were launched: Arkitect.com and Bronzini.com, which registered 1,000% traffic growth in the first months of operations. Grupo Éxito leads as Omnichannel player in Colombia with stores, e-commerce, virtual catalogs and home delivery.

Sales in Uruguay outpaced inflation driven by the implementation of commercial activities.

Sales in Uruguay were COP 1.300 million and grew 7.4% in local currency - above the 5.3% inflation rate, despite an economy affected by higher taxes and utility bills and the highest unemployment rate in the last 13 years.
The Company continued to strengthen the proximity business model in Uruguay, where 12 Devoto Express stores have been opened in the last year, for a total of 26. This format reported 1.5% market share gains, making Devoto a leader of proximity in cities such as Montevideo and Punta del Este.

The recurring EBITDA margin was a solid 8.3% in the first semester of the year, exceeding COP 106,000 million and despite the challenging macroeconomic conditions.

The real estate business continue playing a leading role in Argentina´s results

Libertad sales in the first semester were close to COP 641,000 million, posting growth of 15.1% in local currency. Growth derived from to the positive performance of the real estate business and the favorable dynamic of the fresh category and the textile segment, the last one supported by the contribution of the implementation of the Colombian model. Thus, the textile category grew sales by nearly 60% and the model has been implemented at 11 Libertad stores.

Libertad consolidated itself as the country's leading real estate developer of commercial spaces outside of Buenos Aires and the third-largest in the country , with close to 161,000 m^2 of gross leasable areas The Paseo San Juan and Rivera Indarte shopping malls are currently under remodeling and expansion and the progress is 60% and 45%, respectively. Best practices as a synergy from Colombia have been of great importance for the expansion of the real estate business in Argentina.

The proximity format accounts for 15 stores under the Mini Libertad and Petit Libertad brands and sales grew by 51% in local currency in the 1H17.

The integration of the South American operation permits capturing synergies with positive results

Envigado, August 14, 2017

The development of 18 initiatives between the countries where Grupo Éxito is present continues to grow stronger. As such, in the first semester of this year, figures reported are greater than those reached in 2016, thus, exceeding the expected 2017 goal of USD 50 million at consolidated level. Some of the synergies include:

- **Joint Purchase** of commodities, with 313 containers with fruit, fish, garlic, meat and wine products, to name a few. These purchases represented 95% of the volume acquired in 2016, with savings achieved oscillated between 5% and 15%.

- **The *Aliados* model,** originated in Colombia, has 1,255 partners whom receive support and advice to grow and operate their businesses under a co-branded scheme. The model is growing in Brazil and has now reached 236 Allies under the CompreBem brand.

- **The Colombian textile model** is now present at11 Libertad stores in Argentina, and expected to be at 30 Extra Hiper stores in Brazil by year end.

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

- **Shrinkage:** The sharing of best practices has contributed to reduce the indicator by 200 basis points in Brazil, and 30 in Colombia.

Grupo Éxito constructions: environmentally friendly

The Colombian Council on Sustainable Construction (CCCS acronym in Spanish) awarded Grupo Éxito with a distinction for the development of sustainable real estate projects. (Éxito Mosquera store received the LEED Silver Certification granted to the interior design of the retail sector category. Viva Wajiira was Grupo Éxito's first real estate project to obtain the LEED Gold Certification, and is one of only four shopping malls in Colombia with this certification.

LEED is an international certification developed by the US Green Building Council. It aims to establish standards for the design, construction and operation of high performance and sustainable buildings.

Within the framework of its sustainability strategy, Grupo Éxito continues developing friendly environmental initiatives such as sustainable construction. Accordingly, with an investment of over COP 130,000 million, Grupo Éxito is building the largest shopping center in Boyacá - Viva Tunja, with close to 70.000 m^2 of constructed area, 36.000m^2 of gross leasable areas and over 140 shops. By building this shopping Center, Grupo Éxito will contribute to the city's economic and social development through the generation of approximately 1,000 jobs during the construction and 800 when opened.
VIVA Envigado its also under cconstruction, has progressed by 38% and is expected to open in 2018.
These two projects will be added to the existing 11 shopping centers currently operating in the the Country.

Fundación Éxito collects funds for children and expecting mothers of Mocoa

Envigado, August 14, 2017

In April, Fundación Éxito collected nearly COP 900 million in *Goticas* (Drops of help) for the expecting mothers and children of Mocoa (city in the southern part of Colombia that suffered from a flood catastrophe). These resources and others from “Cinemark Colombia” and “Acción contra el hambre”, were delivered to the communities through food packages to provide food supplies to 250 children and their families. Besides, resources were contributed to a center for early childhood development and to build a park to benefit 200 children in alliance with the non-profit organization “Aldeas Infantiles”. Additionally, a partnership was established with the “*Juego y niñez*” Institute, present in Mocoa through pedagogical programs designed to develop creativity and emotional strength through ludic activities.

Fundación Éxito, seeks to eradicate chronic malnutrition by 2030, is present in 24 states, 95 municipalities and 116 institutions throughout Colombia.

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Almacenes Éxito S.A.

Interim consolidated financial statements

at June 30, 2017

Almacenes Éxito S.A.
Interim consolidated financial statements
Notes to the interim consolidated financial statements
At June 30, 2017, June 30, 2016 and December 31, 2016

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

	Notes	June 30, 2017	December 31, 2016 (1)
Current assets			
Cash and cash equivalents	7	3,366,152	6,117,844
Trade receivables and other accounts receivable	8	1,001,444	1,132,750
Prepaid expenses	9	210,197	119,733
Accounts receivable from related parties	10	66,872	73,743
Inventories	11	5,749,105	5,778,173
Tax assets	22	608,039	891,790
Other financial assets	12	98,404	100,879
Non-current assets held for trading	42	17,057,663	18,429,787
Total current assets		**28,157,876**	**32,644,699**
Non-current assets			
Property, plant and equipment, net	13	12,096,870	12,256,656
Investment property, net	14	1,945,025	1,843,593
Goodwill, net	15	5,668,921	5,616,136
Intangible assets other than goodwill, net	16	5,644,537	5,663,422
Investments accounted for using the equity method	17	925,629	1,068,087
Trade receivables and other accounts receivable	8	599,441	586,485
Prepaid expenses	9	50,768	60,488
Accounts receivable from related parties	10	17,520	15,684
Deferred tax assets	22	1,560,137	1,456,866
Tax assets	22	1,178,457	581,947
Other financial assets	12	780,216	703,105
Other non-financial assets		398	398
Total non-current assets		**30,467,919**	**29,852,867**
Total assets		**58,625,795**	**62,497,566**
Current liabilities			
Financial liabilities	19	2,709,147	2,963,111
Employee benefit provisions		4,584	3,276
Other provisions	20	37,970	36,545
Trade payables and other accounts payable	21	8,936,032	11,537,028
Accounts payable to related parties	10	206,623	230,303
Tax liabilities	22	425,948	320,023
Other financial liabilities	23	199,847	805,413
Other non-financial liabilities	24	214,339	382,297
Non-current liabilities held for trading	42	13,000,072	14,592,207
Total current liabilities		**25,734,562**	**30,870,203**
Non-current liabilities			
Financial liabilities	19	4,151,335	4,354,879
Employee benefit provisions		26,872	26,872
Other provisions	20	2,448,618	2,706,629
Trade payables and other accounts payable	21	52,560	42,357
Accounts payable to related parties	10	7,564	12,733
Deferred tax liabilities	22	2,905,416	2,965,586
Tax liabilities	22	723,728	502,452
Other financial liabilities	23	2,785,867	1,835,159
Other non-financial liabilities	24	77,788	69,487
Total non-current liabilities		**13,179,748**	**12,516,154**
Total liabilities		**38,914,310**	**43,386,357**
Shareholders' equity, see attached statement		**19,711,485**	**19,111,209**
Total liabilities and shareholders' equity		**58,625,795**	**62,497,566**

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

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

Carlos Mario Giraldo Moreno Parent's Legal Representative	Jorge Nelson Ortiz Chica Parent's Head Accountant Professional Card 67018-T	Sandra Milena Buitrago E. Parent's Statutory Auditor Professional Card 67229-T Appointed by Ernst and Young Audit S.A.S. TR-530

Almacenes Éxito S.A.
Interim consolidated statements of income
For the six-month and three-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2017	January 1 to June 30, 2016 (1)	April 1 to June 30, 2017	April 1 to June 30, 2016 (1)
Continuing operations					
Revenue from ordinary activities	27	26,793,634	23,845,589	13,267,721	11,865,074
Cost of sales	11	(19,986,340)	(18,013,954)	(9,698,374)	(8,862,032)
Gross profit		**6,807,294**	**5,831,635**	**3,569,347**	**3,003,042**
Distribution expenses	28	(2,737,280)	(2,508,966)	(1,325,260)	(1,234,898)
Administration and sales expenses	28	(328,731)	(303,628)	(157,233)	(169,349)
Employee benefit expenses	29	(2,510,806)	(2,214,997)	(1,276,861)	(1,127,629)
Other operating revenue	30	8,786	13,036	(52,699)	2,843
Other operating expenses	30	(149,799)	(205,058)	(79,055)	(131,929)
Other net gains (losses)	30	(46,375)	(11,589)	(55,523)	778
Impairment (loss)		(1,481)	-	(1,481)	-
Profit from operating activities		**1,041,608**	**600,433**	**621,235**	**342,858**
Financial revenue	31	193,724	375,125	63,426	113,042
Financial expenses	31	(753,822)	(938,673)	(343,468)	(433,804)
Share of profits in associates and joint ventures accounted for using the equity method.	32	(33,284)	36,979	(12,947)	17,815
Earnings before income tax from continuing operations		**448,226**	**73,864**	**328,246**	**39,911**
Income tax (expense)	22	(95,473)	(43,225)	(42,200)	(48,935)
Net period earnings (loss) from continuing operations		**352,753**	**30,639**	**286,046**	**(9,024)**
Net period earnings (loss) from discontinued operations	42	116,707	(522,052)	(6,468)	(408,538)
Net earnings (loss) for the period		**469,460**	**(491,413)**	**279,578**	**(417,562)**
Net profit (loss) attributable to non-controlling interests		407,790	(443,720)	210,315	(369,109)
Net (loss) profit attributable to shareholders of the controlling entity		**61,670**	**(47,693)**	**69,263**	**(48,453)**
Earnings per share (*)					
Earnings per basic share (*):					
Profit (loss) per basic share attributable to the owners of the controlling entity	33	137.78	(106.55)	154.74	(108.25)
Earnings (loss) per basic share from continuing operations attributable to the owners of the controlling entity	33	124.88	(27.70)	158.09	(44.58)
Earnings (loss) per basic share from discontinued operations attributable to the owners of the controlling entity	33	12.90	(78.85)	(3.35)	(63.67)
Earnings per diluted share (*):					
Earnings (loss) per basic share attributable to the owners of the controlling entity	33	137.78	(106.55)	154.74	(108.25)
Earnings (loss) per basic share from continuing operations attributable to the owners of the controlling entity	33	124.88	(27.70)	158.09	(44.58)
Earnings (loss) per basic share from discontinued operations attributable to the owners of the controlling entity	33	12.90	(78.85)	(3.35)	(63.67)

(*) 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. Please refer to Note 43 for a reconciliation between this statement of income and the statement of income at June 30, 2016.

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

Carlos Mario Giraldo Moreno Parent's Legal Representative	Jorge Nelson Ortiz Chica Parent's Head Accountant Professional Card 67018-T	Sandra Milena Buitrago E. Parent's Statutory Auditor Professional Card 67229-T Appointed by Ernst and Young Audit S.A.S. TR-530

Almacenes Éxito S.A.
Interim consolidated statements of comprehensive income
For the six-month and three-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2017	January 1 to June 30, 2016 (1)	April 1 to June 30, 2017	April 1 to June 30, 2016 (1)
Net earnings (loss) for the period		**469,460**	**(491,413)**	**279,578**	**(417,561)**
Other comprehensive income for the period					
Components of other comprehensive income that will not be reclassified to period results, net of taxes					
Gain from new measurement of defined benefit plans	26	34	-	-	-
Total other comprehensive income that will not be reclassified to period results, net of taxes		**34**	**-**	**-**	**-**
Components of other comprehensive income that will be reclassified to period results, net of taxes					
Gain from translation exchange differences	26	40,100	1,665,743	126,101	958,100
Cash flow hedges	26	(10,043)	-	(10,043)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	26	(5,464)	47,706	(6,567)	25,408
Total other comprehensive income that will be reclassified to period results, net of taxes		**24,593**	**1,713,449**	**109,491**	**983,508**
Total other comprehensive income		**24,627**	**1,713,449**	**109,491**	**983,508**
Total comprehensive income		**494,087**	**1,222,036**	**389,069**	**565,947**
Profit attributable to:					
Profit attributable to the owners of the controlling entity		100,900	313,553	149,250	244,243
Profit attributable to non-controlling interests		393,187	908,483	239,819	321,704
Earnings per share (*)					
Earnings per basic share attributable to the owners of the controlling entity (*):					
Earnings per basic share in total comprehensive income	33	225.42	700.51	333.44	545.67
Earnings per diluted share attributable to the owners of the controlling entity (*):					
Earnings per diluted share in total comprehensive income	33	225.42	700.51	333.44	545.67

(*) 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.

Carlos Mario Giraldo Moreno
Parent's Legal Representative

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

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

Almacenes Éxito S.A.
Interim consolidated statements of cash flows
For the six-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	June 30, 2017	June 30, 2016 (1)
Cash flows provided by operating activities		
Net earnings (loss) for the period	**469,460**	**(491,413)**
Period profit reconciliation adjustments		
Income tax	83,965	67,141
Financial costs	617,739	717,502
Financial revenue	(6,078)	(4,671)
(Increase) in inventories	(631,242)	(209,529)
(Increase) in trade receivables	(1,123,526)	(1,263,664)
Decrease (increase) in other accounts receivable provided by operating activities	217,302	(32,911)
(Increase) in prepaid expenses	(89,873)	(251,029)
(Decrease) in trade payables	(2,903,681)	(5,147,781)
(Decrease) in other accounts payable provided by operating activities	(1,206,524)	(1,017,795)
Depreciation and amortization of fixed assets and intangible assets	532,051	609,204
Provisions	559,805	688,450
Net unrealized gain from foreign currency transactions	(22,718)	(10,646)
Share-based payments	18,381	11,802
Loss from reappraisal at fair value	5,962	-
Undistributed (earnings) loss from the application of the equity method	20,418	(51,311)
(Increase) in other assets	(78,120)	(201,488)
Other adjustment from items other than cash	257,817	(40,005)
Loss (gain) from the disposal of non-current assets	53,723	(67,667)
(Increase) in deposits under legal proceedings	(162,673)	(115,497)
(Gain) from the sale of subsidiaries	-	(75,962)
Other adjustments to reconcile gains or losses	(1,805)	(5,901)
(Increase) in taxes recoverable	(410,819)	-
Total period profit reconciliation adjustments	**(4,269,895)**	**(6,401,758)**
Net cash flows used in operating activities	**(3,800,436)**	**(6,893,171)**
Dividends received	142,454	-
Income tax paid	(77,463)	(135,470)
Net cash flows used in operating activities	**(3,735,445)**	**(7,028,641)**
Cash flows provided by investment activities		
Cash flows (used in) provided by the loss of control over subsidiaries or other businesses	(293)	77,282
Cash flows used to gain control of subsidiaries or other businesses	(1,125)	-
Proceeds from the sale of property, plant and equipment	89,694	130,294
Acquisition of property, plant and equipment	(790,224)	(725,247)
Acquisition of intangible assets	(155,056)	(151,518)
Acquisition of other long-term assets	-	(7,749)
Interest received	13,132	11,890
Proceeds from the sale of other long-term assets	666	-
Dividends received	371	-
Net cash flows used in investment activities	**(842,835)**	**(665,048)**
Cash flows provided by financing activities		
Borrowings	5,290,290	3,481,449
(Repayment) of financial liabilities	(5,451,126)	(2,368,479)
(Repayment) of finance lease liabilities	(41,484)	(29,637)
Dividends (paid)	(107,695)	(166,576)
Interest (paid)	(878,626)	(422,717)
Payments to acquire companies	(7,352)	-
Transactions with non-controlling entities	6,261	561,351
Net cash flows (used in) provided by financing activities	**(1,189,732)**	**1,055,391**
Net decrease in cash and cash equivalents, before the effects of changes in exchange rates	**(5,768,012)**	**(6,638,298)**
Effects of the variation in the exchange rates on cash and cash equivalents	(2,931)	746,486
Net decrease in cash and cash equivalents	**(5,770,943)**	**(5,891,812)**
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	**691,582**	**-**
Cash and cash equivalents at the end of period	**3,366,152**	**4,176,905**

(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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Almacenes Éxito S.A.
Interim consolidated statements of changes in shareholders' equity
For the six-month period ended June 30, 2016
(Amounts expressed in millions of Colombian pesos)

Includes the retrospective adjustment of the balance at June 30, 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	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	7,857	1,358,140	22,000	31,419	895	**1,420,311**	**(379,247)**	**1,672,715**	**(41,026)**	**7,517,967**	**10,658,057**	**18,176,024**
Cash dividend declared	-	-	-	-	-	-	(15,709)	-	(15,709)	-	(286,748)	-	(302,457)	(26,292)	(328,749)
Net period profit	-	-	-	-	-	-	-	-	-	-	(47,693)	-	(47,693)	(443,720)	(491,413)
Other comprehensive income	-	-	-	-	-	-	-	-	-	361,246	-	-	361,246	1,352,203	1,713,449
Appropriation for reserves	-	-	-	-	286,747	-	-	-	286,747	-	(286,747)	-	-	-	-
Increase from changes in interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	-	-	25,133	25,133
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	20,182	20,182
(Decrease) from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,871)	(2,871)
Measurement of the *Put option* at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	28,445	28,445
Other developments in shareholders' equity	-	-	-	-	-	-	-	1,740	1,740	-	1,835	133	3,708	10,118	13,826
Balance at June 30, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,644,887	22,000	15,710	2,635	**1,693,089**	**(18,001)**	**1,053,362**	**(40,893)**	**7,532,771**	**11,621,255**	**19,154,026**

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Interim consolidated statements of changes in shareholders' equity
For the six-month period ended June 30, 2017
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	**Premium on the issue of shares**	**Own shares repurchased**	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	**Total reserves**	**Other accumulated comprehensive income**	**Retained earnings**	**Other equity components**	**Total equity of the controlling entity**	**Changes in non-controlling interests**	**Total in net equity**
	(Note 27)	(Note 27)	(Note 27)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)	(Note 28)					
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)	(24,407)	(46,178)
Net period profit	-	-	-	-	-	-	-	-	-	-	61,670	-	61,670	407,790	469,460
Other comprehensive income	-	-	-	-	-	-	-	-	-	39,230	-	-	39,230	(14,603)	24,627
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	-	-	-	-	-	-	-	-	-	-	-	-	-	18,401	18,401
Decrease from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,395)	(2,395)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	66,758	66,758
Other developments in shareholders' equity	-	-	-	-	(1,435)	-	-	2,228	793	-	77,453	(23,676)	54,570	15,033	69,603
Balance at June 30, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	7,900	**1,718,676**	**177,533**	**1,240,331**	**(126,368)**	**7,855,386**	**11,856,099**	**19,711,485**

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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 June 30, 2017, the controlling entity had a 55.30% interest (December 31, 2016 - 55.30%) in the share capital of the Parent.

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

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

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

Name	Segment	Country	Currency Functional currency	Stock ownership 2017			Stock ownership 2016		
				Direct	Indirect	Total	Direct	Indirect	Total
Distribuidora de Textiles y Confecciones S.A.	Colombia	Colombia	Colombian peso	94.00%	3.75%	97.75%	94.00%	3.75%	97.75%
Éxito Viajes y Turismo S.A.S.	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Almacenes Éxito Inversiones S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Gemex O & W S.A.S.	Colombia	Colombia	Colombian peso	85.00%	0.00%	85.00%	85.00%	0.00%	85.00%
Carulla Vivero Holding Inc.	Colombia	British Virgin Islands	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
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. (a)	Uruguay	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	62.49%	62.49%
Actimar S.A. (a)	Uruguay	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	62.49%	62.49%

Name	Segment	Country	Currency Functional currency	Stock ownership 2017 Direct	Indirect	Total	Stock ownership 2016 Direct	Indirect	Total
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	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Ségisor S.A.	Brazil	France	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Oregon LLC	Brazil	United States of America de América	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Pincher LLC	Brazil	United States of America de América	Euro	0.00%	50.00%	50.00%	0.00%	50.00%	50.00%
Bengal LLC	Brazil	United States of America de América	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%
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%
Companhia Brasileira de Distribuição Netherlands Holding B.V. (b)	Brazil	Holland	Euro	0.00%	18,71%	18,71%	0.00%	18.72%	18.72%
Novasoc Comercial Ltda. (c)	Brazil	Brazil	Brazilian real	0.00%	18,71%	18,71%	0.00%	1.87%	1.87%
Via Varejo Luxembourg Holding S.A.R.L.	Brazil	Luxembourg	Euro	0.00%	8.11%	8.11%	0.00%	8.11%	8.11%
Via Varejo Netherlands Holding B.V.	Brazil	Holland	Euro	0.00%	8.11%	8.11%	0.00%	8.11%	8.11%
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%
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%
Cnova Finança B.V.	Brazil	Holland	Brazilian real	0.00%	6.56%	6.56%	0.00%	6.56%	6.56%
Cnova N.V.	Brazil	Holland	Euro	0.19%	6.37%	6.56%	0.19%	6.37%	6.56%

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

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

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

Note 1.2. Colombian and foreign operating subsidiaries

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

Distribuidora de Textiles y Confecciones S.A.

Incorporated by means of public deed 1138 granted on July 13, 1976 before the Notary 7th of Medellin. 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 June 30, 2017, the subsidiary accrues losses in amount of $686 (At December 31, 2016 losses amounted to $9,050), that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce; this situation has continued since December 31, 2016. Since 2016, subsidiary management committed to take the measures required to overcome this situation and as part of such commitment on March 18, 2016 submitted to the General Meeting of Shareholders a business plan aimed at generating profits. The plan has proven positive, reason why there is a decrease in 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 June 30, 2017, the subsidiary accrued losses amounting to $15,258 ($11,254 at December 31, 2016) that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management are committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the General Meeting of Shareholders on March 18, 2016.

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

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

At June 30, 2017, the subsidiary accrued losses amounting to $2,034 ($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 are committed to undertake all measures as required to overcome this situation. As part of the commitment taken on, a business plan aiming at generating profits was submitted to the extraordinary General Meeting of Shareholders on December 22, 2016. The plan has proven positive, reason why there is a decrease in accumulated losses.

Cdiscount Colombia S.A.S.

Incorporated by private document on June 26, 2014.

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

At June 30, 2017, the subsidiary accrued losses amounting to $61,957 ($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 June 30, 2017.

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

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

Patrimonio Autónomo Viva Laureles

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

Patrimonio Autónomo Viva Sincelejo

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

Patrimonio Autónomo Viva Villavicencio

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

Patrimonio Autónomo San Pedro Etapa I

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

Patrimonio Autónomo Centro Comercial

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

Patrimonio Autónomo Iwana

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

Patrimonio Autónomo Centro Comercial Viva Barranquilla

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

Patrimonio Autónomo Viva Palmas

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

Patrimonio Autónomo Viva Malls

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

Patrimonio Autónomo Centro Comercial Viva Riohacha

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

Companhia Brasileira de Distribuição - CBD

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

Directly or through its subsidiaries (GPA Group), it is engaged in the retailing of food, clothes, domestic appliances, technology and other products at its chain of hypermarkets, supermarkets, specialty shops and department stores, mainly under the banners "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Super", "Minimercado Extra", "Assai ", "Ponto Frio" and "Casas Bahia", as well as the e-commerce sites "CasasBahia.com" , "Extra.com", "Pontofrio.com", "Barateiro.com", "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 sox-month periods ended June 30, 2017 and June 30, 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 interim consolidated financial statements of the Parent and its subsidiaries are made of the statements of financial position at June 30, 2017 and December 31, 2016, the statements of income and of comprehensive income for the six-month and three-month periods ended June 30, 2017 and June 30, 2016, and the statements of changes in shareholders' equity and the statements of cash flows for the six-month periods ended June 30, 2017 and June 30, 2016.

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

Statement of accountability

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

Estimates and accounting judgment

The Parent's and its subsidiaries' estimations to quantify some of the assets, liabilities, revenue, expenses and commitments therein contained have been used to prepare the attached financial statements. Basically, such estimations refer to:
- The hypotheses used to estimate the fair value of financial instruments,
- The appraisal of financial assets to identify actual impairment losses,
- The useful lives of property, plant and equipment and of intangible assets,
- Variables used to assess and determine the impairment of non-financial assets,
- Actuarial assumptions used to estimate retirement benefits and long-term employee benefit liabilities, such as inflation rate, death rate, discount rate, and the possibility of future salary increases,
- The probability of occurrence and the value of liabilities that serve as a basis to recognize provisions related to lawsuits and business reorganizations,
- The assumptions used to recognize liabilities arising from the customer loyalty program,
- The probability of making future profits to recognize deferred tax assets,
- The valuation technique applied to determine the fair values of elements in business combinations.

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

Distinction between current and non-current items

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

Functional currency

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

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

Foreign currency transactions

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

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

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

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

Translation to the reporting currency

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

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

- Equity transactions in foreign currency are translated to Colombian pesos at the exchange rate in force on the date of each transaction.

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

Accounting accrual basis

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

Materiality

Economic events are recognized and presented in accordance with materiality thereof. An economic event is material wherever awareness or unawareness thereof, given its nature or value and considering the circumstances, may have a 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	
	June 30, 2017	**December 31, 2016**	**June 30, 2017**	**December 31, 2016**
US Dollar	3,038.26	3,000.71	2,921.00	3,050.98
Uruguayan peso	106.96	102.26	103.00	101.37
Brazilian real	922.11	920.80	919.06	877.88
Argentine peso	182.94	189.62	186.26	207.11
Euro	3,465.29	3,164.99	3,163.93	3,375.00

Note 4. Significant accounting policies

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

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

- Investments in subsidiaries, associates and joint arrangements
- Related parties
- Business combinations and goodwill
- Put options granted to the holders of non-controlling ownership interests
- Intangible assets
- Research and development costs
- Property, plant and equipment
- Investment property
- Non-current assets held for trading and discontinued operations
- Leases
    * Finance leases
    * Operating leases
- Loan costs
- Impairment of non-financial assets
- Inventories
- Financial assets
    * Financial assets measured at fair value through income
    * Financial assets measured at amortized cost
    * Financial assets at fair value through other comprehensive income
    * Derecognition
    * Effective interest method
    * Impairment of financial assets
    * Loans and accounts receivable
    * Cash and cash equivalents
- Financial liabilities
    * Financial liabilities measured at fair value through income
    * Financial liabilities measured at amortized cost
    * Derecognition
    * Effective interest method
- Embedded derivatives
- Derivative financial instruments
- Hedge accounting
    * Cash flow hedges
    * Fair value hedges
    * Foreign net investment hedges
- Share-based payments

- Employee benefits
    * Defined contribution plans
    * Defined post-employment benefit plans
    * Long-term employee benefits
    * Short-term employee benefits
    * Employee termination benefits
- Provisions, contingent assets and liabilities
- Taxes
    * Colombia
    * Brazil
    * Argentina
    * Uruguay
- Taxes
    * Current income tax
    * Deferred income tax
- Share capital
- Ordinary revenue
- Loyalty programs
- Costs and expenses
- Operation segments
- Earnings per share

Note 5. New and modified standards and interpretations

Note 5.1. Standards issued during the six-month period ended June 30, 2017

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

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

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

During the six-month period ended June 30, 2017, and based on section 5.1, no Standards have been 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 will become effective for periods commencing on or after January 1, 2017. Earlier application is permitted. No earlier application was considered by the Parent and its subsidiaries

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

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

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

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

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

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following new standards and amendments, which are not in force at June 30, 2017:
- IFRIC 22 - Foreign currency transactions and advance consideration, in force as of January 2018.
- Amendment to IAS 40, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.

- Amendment to IFRS 2, in force as of January 2018.
- IFRS 16 - Leases, in force as of January 2019.
- IFRS 15 - Revenue from ordinary activities under contracts with customers, in force as of January 2018.

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

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

The interpretation includes foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from payment or receipt of advance consideration before it recognizes the related asset, expense or revenue. It does not apply when an entity measures the related asset, expense or revenue on initial recognition at fair value or at the fair value of the consideration received or paid on 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 accomplished during the six-month period ended June 30, 2017

No business combinations were accomplished during the six-month period ended June 30, 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 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 June 30, 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	56
Goodwill at June 30, 2017	**1,283**

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:

	June 30, 2017	December 31, 2016
Cash at hand and in banks	1,111,396	1,702,012
Term deposit certificates (1)	2,163,786	4,331,939
Fiduciary rights	87,758	81,840
Current investments	3,212	2,053
Total cash and cash equivalents	**3,366,152**	**6,117,844**

(1) 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 June 30, 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:

	June 30, 2017	December 31, 2016
Trade accounts receivable (8.1)	837,955	949,544
Other accounts receivable (8.2)	762,930	769,691
Total trade receivables and other receivables	**1,600,885**	**1,719,235**
Current (8.3)	**1,001,444**	**1,132,750**
Non-current (8.3)	**599,441**	**586,485**

Note 8.1. Trade accounts receivable

The balance of trade receivables is as follows:

	June 30, 2017	December 31, 2016
Trade accounts receivable (1)	622,009	633,870
Rentals and dealers	98,181	100,553
Accounts receivable from suppliers (2)	45,183	87,476
Employee funds and lending	8,994	3,909
Other trade accounts receivable	85,758	143,599
Impairment loss (3)	(22,170)	(19,863)
Current trade receivables	**837,955**	**949,544**

(1) Includes trade receivables from customers of Companhia Brasileira de Distribuição - CBD, relevant to sales under payment terms other than financing (direct credit to consumer with intervention DCCI). It additionally includes accounts receivable of Companhia Brasileira de Distribuição - CBD from financial entities or banks, arising from sales on credit cards "Administradoras de cartões de crédito", where Companhia Brasileira de Distribuição - CBD receives cash in as much as customers pay to the bank the instalments agreed upon.

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

(3) The impairment of receivables is independently analyzed for large customers and jointly analyzed for those customers whose balances are not material taken separately, based on debts overdue exceeding historic payment. Impairment is recognized as expense in period results. However, even if impaired, the Parent and its subsidiaries believe these balances are recoverable, given the extensive credit risk analysis on customers, including credit ratings, when they are available in credit databases recognized in the market. The net effect of the impairment of receivables on the statement of income at June 30, 2017 relates to an expense in amount of $2,307 (at December 31, 2016 it represented revenue from recovery in amount of $310,136).

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

Balance at December 31, 2016	**19,863**
Recognized impairment loss	319,811
Receivables written-off	(265,562)
Reclassifications to assets held for trading	(44,115)
Reversal of impairment loss	(7,636)
Effect of exchange differences	(191)
Balance at June 30, 2017	**22,170**

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:

	June 30, 2017	December 31, 2016
Accounts Receivable - Paes Mendonça S.A. (1)	490,586	489,867
Account receivable from the sale of companies (2)	68,936	63,188
Employee funds and lending	65,245	63,513
Taxes receivable	20,646	5,140
Sale of property, plant and equipment, intangible assets and other assets	17,956	18,694
Business agreements	16,523	52,504
Accounts receivable from insurance companies	8,411	9,003
Money transfer services	1,742	1,227
Money transfers	1,373	3,026
Tax claims	1,360	1,442
Other	70,152	62,087
Total other accounts receivable	**762,930**	**769,691**

(1) Since 1999, certain stores owned by Paes Mendonça S.A. (a supermarket network in Brazil) were leased through subsidiary Novasoc Comercial Ltda. Novasoc Comercial Ltda. paid certain of Paes Mendonça S.A.'s liabilities, and even though the later has made partial payments, Companhia Brasileira de Distribuição - CBD still shows a receivable from the transaction. Pursuant to payment agreements entered 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 tied to lease agreements under the same conditions originally agreed upon; they are deemed non-current assets given the possibility of turning such accounts into trade rights on the leased stores.

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

Note 8.3. Trade receivables and other accounts receivable classified as current and non-current

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

	June 30, 2017	December 31, 2016
Current		
Trade accounts receivable	622,593	633,926
Rentals and dealers	96,774	98,195
Employee funds and lending	52,575	47,014
Accounts receivable from suppliers	45,183	87,476
Taxes receivable	20,646	5,140
Sale of property, plant and equipment, intangible assets and other assets	17,956	18,694
Business agreements	16,523	52,454
Accounts receivable from insurance companies	8,411	9,003
Money transfer services	1,742	1,227
Tax claims	1,360	1,442
Money transfers	1,373	3,026
Account receivable from the sale of companies	-	973
Other	138,478	194,043
Impairment loss	(22,170)	(19,863)
Total current accounts receivable	**1,001,444**	**1,132,750**
Non-current		
Accounts Receivable - Paes Mendonça S.A.	490,587	489,867
Accounts receivable from the sale of companies	90,600	62,215
Employee funds and lending	1,407	20,402
Rentals and dealers	-	2,358
Other	16,847	11,643
Total non-current accounts receivable	**599,441**	**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:

			Overdue			
Period	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
June 30, 2017	1,623,055	1,476,853	93,233	9,318	5,232	38,419
December 31, 2016	1,739,098	1,500,575	172,508	38,070	1,677	26,268

Note 9. Prepaid expenses

The balance of prepaid expenses was comprised of:

	June 30, 2017	**December 31, 2016**
Taxes	79,826	3,683
Leases	77,957	81,902
Bank expenses	23,713	23,020
Advertising	19,351	6,991
Services	15,473	4,604
Maintenance	13,405	10,740
Employee benefits	12,320	10,129
Insurance	3,258	22,746
Licenses in use	1,091	921
Sales commissions	946	1,843
Other	13,625	13,642
Total prepaid expenses	**260,965**	**180,221**
Current	**210,197**	**119,733**
Non-current	**50,768**	**60,488**

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

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

	Accounts receivable		**Accounts payable**		**Other financial liabilities**	
	June 30, 2017	**December 31, 2016**	**June 30, 2017**	**December 31, 2016**	**June 30, 2017**	**December 31, 2016**
Controlling entity (1)	9,361	10,661	45,696	71,393	-	-
Associates (2)	15,762	13,318	6,455	12,580	-	-
Key management personnel	15	29	-	-	-	-
Members of the Board	-	-	29	93	-	-
Joint ventures (3)	49,463	56,574	10	558	17,339	27,812
Grupo Casino companies (4)	9,791	8,845	161,997	158,412	-	
Total	**84,392**	**89,427**	**214,187**	**243,036**	**17,339**	**27,812**
Current portion	**66,872**	**73,743**	**206,623**	**230.303**	**17,339**	**27,812**
Non-current portion	**17,520**	**15,684**	**7,564**	**12,733**	**-**	**-**

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

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

(b) Agency agreement, entered by and between Companhia Brasileira de Distribuição - CBD and Casino Guichard-Perrachon S.A. on July 25, 2016 with the purpose of regulating the provision of procurement intermediation services.

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

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

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

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

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

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

Note 11. Inventories and cost of sales

Note 11.1. Inventories

The balance of inventories is as follows:

	June 30, 2017	December 31, 2016
Inventories available for trading	5,641,425	5,692,621
Inventories of property under construction (1)	53,675	58,066
Inventories in transit	55,592	39,981
Materials, small spares, accessories and packaging material	12,695	17,790
Product in process	3,170	4,050
Raw materials	3,118	4,824
Inventory impairment (2)	(20,570)	(39,159)
Total inventories	**5,749,105**	**5,778,173**

(1) For 2016, 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 under construction and are intended for sale. The Hotel Cota project is in a construction reorganization stage since 2015. The construction of the Univalledupar project was resumed for 2016. Thera Faria Lima Pinheiros, Classic and Carpe Diem projects, included in 2015, were completed in 2016.

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

Balance at December 31, 2016	**39,159**
Reversal of impairment losses	(18,474)
Effect of exchange differences	(115)
Balance at June 30, 2017	**20,570**

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.

Note 11.2. Cost of sales

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Cost of goods sold without impairment	20,003,951	17,997,871	9,701,238	8,852,418
Impairment loss recognized during the period	850	18,483	364	11,319
Reversal of impairment loss recognized during the period (1)	(18,461)	(2,400)	(3,228)	(1,705)
Total cost of goods sold	**19,986,340**	**18,013,954**	**9,698,374**	**8,862,032**

(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:

	June 30, 2017	December 31, 2016
Financial assets measured at fair value through income (1)	695,271	622,285
Derivative financial instruments designated as hedge instruments (2)	55,327	96,684
Financial assets measured at amortized cost (3)	75,605	75,220
Financial assets measured at fair value through other comprehensive income	248	248
Derivative financial instruments (4)	52,169	9,547
Total other financial assets	**878,620**	**803,984**
Current	**98,404**	**100,879**
Non-current	**780,216**	**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.

	June 30, 2017	December 31, 2016
Deposit for tax legal proceedings	177,967	166,665
Deposit for labor legal proceedings	436,158	381,212
Deposit for civil legal proceedings	27,663	23,941
Deposit for regulatory legal proceedings	38,729	36,832
Total	**680,517**	**608,650**

(b) Legal deposits in amount of $257 (2016 - $230) relevant to subsidiary Libertad S.A.

(c) Investment in bonds in amount of $13,378 (2016 - $ 12,263) relevant to subsidiary Grupo Disco del Uruguay S.A.

(d) Investments in equity securities of Fondo Valorar Futuro to manage liquidity in amount of $1,119 (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. The average annual IDC rate at June 30, 2017 was 12.85% (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	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
June 30, 2017	*Swap*	-	-	38,729	6,454	10,144	**55,327**
December 31, 2016	*Swap*	54,327	-	-	34,070	8,287	**96,684**

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

(4) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities in foreign currency. The fair values of these instruments are estimated based on valuation models commonly applied by market participants who use variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the statement of financial position, the Parent measures the derivative financial instruments (forward) at fair value, on each accounting closing date. The variation between December 31, 2016 and June 30, 2017 relates to the increase in the valuation of closing rates for forwards and swaps, above the average of the rates agreed upon with various financial players, giving rise to a right (asset) but not to an obligation (liability).

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

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	2,783	7,919	15,017	4,851	-	**30,570**
Swap	399	-	3,263	10,376	7,561	**21,599**
	3,182	**7,919**	**18,280**	**15,227**	**7,561**	**52,169**

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	From 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:

	June 30, 2017	December 31, 2016
Current		
Derivative financial instruments	44,608	4,800
Derivative financial instruments designated as hedge instruments	45,183	88,397
Financial assets measured at amortized cost	7,444	7,452
Financial assets measured at fair value through income	1,169	230
Total current	**98,404**	**100,879**
Non-current		
Derivative financial instruments designated as hedge instruments	10,144	8,287
Financial assets measured at amortized cost	68,161	67,768
Financial assets measured at fair value through other comprehensive income	248	248
Financial assets measured at fair value through income	694,102	622,055
Derivative financial instruments	7,561	4,747
Total non-current	**780,216**	**703,105**

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

Note 13. Property, plant and equipment, net

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

	June 30, 2017	December 31, 2016
Land	2,482,109	2,496,768
Buildings	3,949,465	4,092,075
Machinery and equipment	3,393,700	3,305,304
Furniture and fixtures	1,546,499	1,509,614
Assets under construction	292,560	291,473
Premises	819,724	770,937
Improvements to third party properties	5,109,256	4,986,744
Vehicles	20,025	20,102
Computers	223,450	216,347
Other property, plant and equipment	171,931	170,752
Total property, plant and equipment	**18,008,719**	**17,860,116**
Accumulated depreciation	(5,911,849)	(5,603,460)
Total net property, plant and equipment	**12,096,870**	**12,256,656**

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

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Computers	Other property, plant and equipment	Total
Balance at December 31, 2016	**2,496,768**	**4,092,075**	**3,305,304**	**1,509,614**	**291,473**	**770,937**	**4,986,744**	**20,102**	**216,347**	**170,752**	**17,860,116**
Additions	-	22,362	57,875	19,803	286,972	41,615	62,435	287	3,103	8,312	502,764
Capitalization of loan costs (1)	-	5,514	-	-	-	-	-	-	-	-	5,514
Increase (decrease) from movements between property, plant and equipment accounts	7,664	30,631	57,022	21,090	(194,821)	6,508	68,641	(234)	4,429	(930)	-
(Decrease) from transfers from (to) other balance sheet accounts	-	(87,427)	(3,365)	(1,565)	(91,162)	2,079	33,166	-	278	(3,666)	(151,662)
(Disposal) of property, plant and equipment	(28,921)	(114,138)	(16,576)	(4,613)	(1,848)	(6,454)	(47,791)	(5,514)	(1,345)	(1,838)	(229,038)
(Derecognition) of property, plant and equipment	-	(7,382)	(978)	(323)	-	(14)	(2,356)	-	(126)	-	(11,179)
(Decrease) in assets classified as held for trading	-	-	(12,867)	(3,676)	(1,838)	(919)	(7,352)	5,514	-	(919)	(22,057)
Effect of exchange differences	6,598	7,830	7,287	6,169	3,860	5,972	15,769	(130)	1,174	220	54,749
Other changes	-	-	(2)	-	(76)	-	-	-	(410)	-	(488)
Balance at June 30, 2017	**2,482,109**	**3,949,465**	**3,393,700**	**1,546,499**	**292,560**	**819,724**	**5,109,256**	**20,025**	**223,450**	**171,931**	**18,008,719**
Accumulated depreciation											
Balance at December 31, 2016		**1,033,976**	**1,586,836**	**734,377**		**316,430**	**1,696,454**	**9,745**	**127,307**	**98,335**	**5,603,460**
Depreciation expense/cost		47,730	145,357	61,479		23,784	129,521	2,022	15,721	10,506	436,120
(Decrease) from transfers from (to) other balance sheet accounts and (disposals) of property, plant and equipment		(91,906)	(30,329)	(7,352)		(2,757)	(13,786)	-	919	(2,757)	(147,968)
(Derecognition) of property, plant and equipment		(875)	(745)	(319)		(12)	(1,163)	-	(601)	-	(3,715)
Effect of exchange differences		2,561	4,867	5,036		2,806	6,913	(52)	1,091	161	23,383
Other changes		(137)	70	(50)		-	682	(26)	30	-	569
Balance at June 30, 2017		**991,349**	**1,706,056**	**793,171**		**340,251**	**1,818,621**	**11,689**	**144,467**	**106,245**	**5,911,849**

(1) The rate used to determine the amount of loan costs capitalized was 13.13%, calculated with the weighted average of loan costs applicable to borrowings, outstanding at the closing of June 30, 2017.

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

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

At June 30, 2017, Companhia Brasileira de Distribuição - CBD has assets delivered as collateral to third parties to secure lawsuits in amount of $799,469 (2016 - $794,652).

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

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

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

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

	June 30, 2017	December 31, 2016
Computers	5,533	7,366
Buildings	18,442	18,416
Machinery and equipment	7,038	8,907
Furniture and fixtures	5,533	5,525
Other property, plant and equipment	13,725	14,119
Total	**50,271**	**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:

	June 30, 2017	December 31, 2016
Land	491,811	489,048
Buildings	1,409,965	1,319,568
Construction in progress	162,300	135,859
Total investment property	**2,064,076**	**1,944,475**
Accumulated depreciation	(119,051)	(100,882)
Total investment property, net	**1,945,025**	**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	-	23,544	93,818	117,362
Capitalization of loan costs (1)	-	-	2,755	2,755
Increase (decrease) from movements between investment property accounts.	-	69,611	(69,611)	-
Effect of exchange differences	2,763	(3,137)	(521)	(895)
Other changes	-	379	-	379
Balance at June 30, 2017	**491,811**	**1,409,965**	**162,300**	**2,064,076**

Accumulated depreciation	**Buildings**
Balance at December 31, 2016	**100,882**
Depreciation expense	17,382
Effect of exchange differences	648
Other changes	139
Balance at June 30, 2017	**119,051**

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

Note 15. Goodwill, net

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

	June 30, 2017	December 31, 2016
Companhia Brasileira de Distribuição – CBD (1)	2,553,803	2,550,181
Spice Investment Mercosur S.A. (2)	1,521,211	1,466,948
Carulla Vivero S.A. (3)	827,420	827,420
Super Inter (4)	453,649	453,649
Libertad S.A. (1)	139,813	144,913
Cafam (5)	122,219	122,219
Other (6)	50,806	50,806
Total	**5,668,921**	**5,616,136**

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

(2) The balance includes:

- The business combination accomplished by the Parent in 2011 for the acquisition of Uruguayan Spice Investments Mercosur S.A. in amount of $287,844 (2016 - $287,844). The value is the cost attributable in the opening balance in exercise of the exemption of not to restate business combinations.

- The goodwill recognized by Spice Investments Mercosur S.A. in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1 in amount of $277,337 (2016 - $265,135).

- The goodwill from the business combination accomplished by the Parent with Grupo Disco del Uruguay S.A. resulting from the acquisition of control at January 1, 2015 in amount of $954,747 (2016 - $912,742).

- Goodwill from the business combination with Grupo Disco del Uruguay S.A. to acquire Sumelar S.A. in 2016 in amount of $1,283 (2016 - $1,227).

(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 Súper Inter. The goodwill from the business combination with Gemex O&W S.A.S. in amount of $1,017 is also included.

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

Balance at December 31, 2016	**5,616,136**
Effect of exchange differences	52,785
Balance at June 30, 2017	**5,668,921**

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:

	June 30, 2017	December 31, 2016
Trademarks (1)	3,533,579	3,525,265
Rights (2)	1,416,254	1,409,678
Computer software	1,366,779	1,324,953
Customer-related intangible assets (3)	35,962	35,911
Other	1,564	1,522
Total intangible assets other than goodwill	**6,354,138**	**6,297,329**
Accumulated amortization	(709,601)	(633,907)
Total intangible assets other than goodwill, net	**5,644,537**	**5,663,422**

(1) Refers to the trademarks of:

Operating segment	Banner	Useful life	June 30, 2017	December 31, 2016
Food	Extra (a)	Indefinite	1,654,265	1,651,918
Food	Pão de Açúcar (a)	Indefinite	960,839	959,476
Food	Assaí (a)	Indefinite	686,972	685,998
Uruguay	Sundries (b)	Indefinite	113,273	108,289
Argentina	Libertad (c)	Indefinite	37,099	38,453
Surtimax-Superinter	Surtimax (d)	Indefinite	17,427	17,427
Surtimax-Superinter	Super Inter (e)	Indefinite	63,704	63,704
			3,533,579	**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) $1,391,464 (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.

b) Rights of Libertad $30 (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	-	4,595	51,144	-	43	**55,782**
Effect of exchange differences	8,314	1,981	2,417	51	(1)	**12,762**
Transfers	-	-	6,993	-	-	**6,993**
Disposals and derecognition	-	-	(18,728)	-	-	**(18,728)**
Balance at June 30, 2017	**3,533,579**	**1,416,254**	**1,366,779**	**35,962**	**1,564**	**6,354,138**
Accumulated amortization						
Balance at December 31, 2016		**17**	**626,414**	**5,985**	**1,491**	**633,907**
Amortization expense/cost		2	73,166	2,240	4	**75,412**
Effect of exchange differences		(1)	1,533	16	-	**1,548**
Disposals and derecognition		-	(1,266)	-	-	**(1,266)**
Balance at June 30, 2017		**18**	**699,847**	**8,241**	**1,495**	**709,601**

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:

	June 30, 2017	December 31, 2016
Software of Companhia Brasileira de Distribuição - CBD	132,784	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	June 30, 2017	December 31, 2016
Cnova N.V.	Associate	592,947	686,922
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	Associate	237,904	290,973
Compañía de Financiamiento Tuya S.A.	Joint venture	93,651	90,192
Puntos Colombia S.A.S.	Joint venture	1,127	-
Total		**925,629**	**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 six-month period ended June 30, 2016, 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:

	June 30, 2017	December 31, 2016
Current		
Bank overdrafts	52,594	-
Bank loans (1)	2,223,760	2,546,724
Put option	381,658	364,867
Finance leases	43,370	41,415
Letters of credit	7,765	10,105
Total current financial liabilities	**2,709,147**	**2,963,111**
Non-current		
Bank loans (1)	3,996,671	4,179,703
Finance leases	154,664	175,176
Total non-current financial liabilities	**4,151,335**	**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.

In February 2017, the Parent obtained a loan in amount of $430,000; in March, $70,000; in April $158,000 and in May $79,955. In addition, in June it repaid a portion of the syndicated revolving credit in amount of $200,000.

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

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

Year	Total
2018	1,948,182
2019	767,135
2020	540,997
Later than 2021	895,021
	4,151,335

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

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

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

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

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

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

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

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

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

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

Note 20. Other provisions

The balance of other provisions is made as follows:

	June 30, 2017	December 31, 2016
Legal proceedings (1)	465,980	426,960
Taxes other than income tax (2)	1,931,154	2,221,272
Restructuring (3)	9,646	6,824
Other (4)	79,808	88,118
Total other provisions	**2,486,588**	**2,743,174**
Current (20.1)	**37,970**	**36,545**
Non-current (20.1)	**2,448,618**	**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 $322,851 (2016 - $288,912) for labor proceedings, $103,561 (2016 - $107,797) for civil proceedings, $39,506 (2016 - $30,183) for administrative and regulatory proceedings and $62 (2016 - $68) for other proceedings.

    Labor provisions mainly refer to lawsuits brought against Companhia Brasileira de Distribuição CBD and its subsidiaries in amount of $312,595 (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 $136,472 (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 June 30, 2017, the provisions to protect against such legal actions amounted to $57,171 (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 June 30, 2017, such provision amounted to $38,729 (2016 - $29,466).

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

- Tax proceedings of Companhia Brasileira de Distribuição - CBD and its subsidiaries in amount of $1,912,770 (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 $7,293 (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 June 30, 2017 amounts to $59,937 (2016 - $136,279).

b) Tax on the circulation of goods and services (ICMS): By means of a ruling dated October 16, 2014, the Higher Federal Court (STF) defined that ICMS taxpayers who trade basic basket products are not entitled to fully apply the credits arising from such tax; consequently, with the support of external advisors, it was deemed appropriate to recognize a provision in amount of $138,316 (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 June 30, 2017 amounts to $51,638 (2016 - $70,902).

d) Other provisions relate to the following proceedings, in amount of $92,210 (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 $1,424,974 (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 and Libertad S.A. The provisions recognized relate to proceedings associated with the following taxes: Social contribution for the funding of social security - COFINS, $109,172 (2016 - $165,200); Provisional contribution on financial transactions - CPMF, $0 (2016 - $50,393); Tax on the circulation of goods and services - ICMS, $1,213,897 (2016 - $1,212,167); Tax on industrial products - IPI, $69,565 (2016 - $69,467); Brazilian tax on real estate - IPTU, $31,766 (2016 - $31,730) and other in amount of $574 (2016 - $573).

(3) The restructuring provision relates to the reorganization processes announced to Parent's employees of stores and distribution centers in amount of $7,721 (2016 - $3,141) and to the employees of subsidiary Companhia Brasileira de Distribuição CBD in amount of $1,844 (2016 - $3,683) and other in amount of $81 (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 $73,501 (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:

	Proceedings 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	374,386	49,835	23,145	1,675	449,041
Uses	(182)	-	-	(197)	(379)
Payments	(135,195)	(34,924)	(20,124)	(842)	(191,085)
Reversals (not used)	(113,572)	(140,616)	(199)	(8,995)	(263,382)
Increase from the passing of time	65,253	(12,867)	-	-	52,386
Effect of exchange differences	710	1,937	-	49	2,696
Decrease from the classification as held for trading	(152,564)	(71,687)	-	-	(224,251)
Other changes	184	(81,796)	-	-	(81,612)
Balance at June 30, 2017	**465,980**	**1,931,154**	**9,646**	**79,808**	**2,486,588**

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:

	June 30, 2017	December 31, 2016
Current		
Legal proceedings	6,713	6,650
Taxes other than income tax	1,078	1,247
Restructuring	9,646	6,824
Other	20,533	21,824
Total other current provisions	**37,970**	**36,545**
Non-current		
Legal proceedings	459,267	420,310
Taxes other than income tax	1,930,076	2,220,025
Other	59,275	66,294
Total other non-current provisions	**2,448,618**	**2,706,629**

Note 20.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Parent and its subsidiaries are responsible at June 30, 2017 will be:

	Proceedings Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	6,713	1,078	9,646	20,533	37,970
From 1 to 5 years	198,310	1,645,144	-	47,420	1,890,874
5 years and more	260,957	284,932	-	11,855	557,744
Total estimated payments	**465,980**	**1,931,154**	**9,646**	**79,808**	**2,486,588**

Note 21. Trade payables and other accounts payable

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

	June 30, 2017	December 31, 2016
Current		
Suppliers	7,352,415	9,596,228
Employee benefits	763,769	776,589
Costs and expenses payable	381,357	497,934
Acquisition of property, plant and equipment	105,054	269,213
Dividends payable	28,334	51,711
Taxes collected payable	105,808	-
Other	199,295	345,353
Total current accounts payable	**8,936,032**	**11,537,028**
Non-current		
Acquisition of property, plant and equipment	-	3,683
Other	52,560	38,674
Total non-current accounts payable	**52,560**	**42,357**

Note 22. Income tax

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

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

a. Income tax

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

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

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

b. Tax on dividends

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

For individuals not resident in Colombia and foreign companies, the tax rate is 5% when such dividends have been taxed upon the distributing companies.

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

The above will apply to earnings obtained as of 2017.

c. IFRS base for tax purposes

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

d. Presumptive income

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

e. Foreign controlled entities

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

f. Tax losses and closing of tax returns

A term of 12 periods subsequent to a loss is defined as the maximum term to offset 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

	June 30, 2017	**December 31, 2016**
Current tax assets of subsidiary Onper Investment 2015 S.L.	434,150	627,766
Income tax advances and self-withholdings (1)	78,944	142,787
Current tax assets of subsidiary Spice Investment Mercosur S.A.	75,030	58,812
Industry and trade tax and withholdings paid in advance.	10,461	12,427
Income tax balance receivable	7,800	-
Income tax for equality - CREE balance receivable (2)	1,654	26,658
Income tax for equality - CREE paid in advance	-	23,097
Other	-	243
Total current tax assets	**608,039**	**891,790**

(1) The balance is comprised of:

	June 30, 2017	December 31, 2016
Income tax withholdings	94,760	166,438
Tax discount to be requested	16,921	19,376
Subtotal	**111,681**	**185,814**
Less income tax (expense) (Note 22.5)	(32,737)	(43,027)
Total income tax balance receivable	**78,944**	**142,787**

(2) The balance is made as follows:

	June 30, 2017	December 31, 2016
Income tax for equality CREE withholdings	1,654	51,150
Less income tax for equality CREE (expense) (Note 22.2)	-	(24,492)
Total income tax for equality - CREE balance receivable	**1,654**	**26,658**

Current tax liabilities

	June 30, 2017	December 31, 2016
Current tax liabilities of subsidiary Onper Investment 2015 S.L.	360,242	261,675
Industry and trade tax payable	27,620	44,719
Current tax liabilities of subsidiary Spice Investment Mercosur S.A.	21,124	11,233
Tax on wealth	9,934	-
Other taxes payable	7,028	2,396
Total current tax liabilities	**425,948**	**320,023**

Note 22.4. Non-current tax assets and liabilities

Non-current tax assets

The balance of 1,178,457 (2016 - $581,947) relates to taxes receivable of foreign subsidiaries, basically the ICMS tax (Tax on the Movement of Goods and Services) and the Social Security National Tax.

Non-current tax liabilities

The balance of $723,728 (2016 - $502,452) relates to federal taxes payable and instalment incentive payment program of foreign subsidiaries.

Note 22.5. Income tax

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016	December 31, 2016
Earnings before income tax	**448,226**	**73,864**	**328,246**	**39,911**	**380,270**
Add:					
Tax on wealth	20,419	52,459	38	(3)	52,622
(Recovery of receivables) receivables written-off	9,784	1,260	3,481	863	(4,707)
IFRS adjustments with no tax effects	7,154	56,053	57,215	53,396	(52,590)
Tax on financial transactions	5,183	4,901	1,821	2,219	9,313
Non-deductible expenses	2,664	457	534	423	14,498
Inventory loss	1,815	-	1,815	-	-
Taxes taken on and revaluation	1,485	2,412	1,251	1,004	7,259
Fines, penalties and litigation expenses	1,096	1,318	544	1,151	3,171
Non-deductible taxes	15	19	(3)	(26)	19
Tax losses for the period	-	47,936	(4,879)	46,051	36,043
Excess presumptive income	-	-	(1,404)	-	159,370
Reimbursement of deduction of income-generating fixed assets arising from the sale of assets	-	4,624	-	4,624	90,404
Provision for industry and trade tax	-	-	-	-	3,418
Net income - recovery of depreciation of fixed assets sold	-	8,901	-	8,901	21,356
Less:					
Subsidiaries effect	(462,059)	(109,556)	(388,829)	(77,867)	(310,718)
Goodwill tax deduction, in addition to the accounting deduction	(182,328)	(14,214)	(154,739)	29,476	(18,362)
40% deduction of investment in income-generating assets	(58,545)	(77,618)	(33,613)	(45,459)	(128,076)
Tax-exempt dividends received from subsidiaries	(50,149)	-	(50,149)	-	-
Amortization of tax losses	(9,951)	-	(7,902)	-	(8,209)
Derecognition of gain from the sale of fixed assets reported as occasional gain	(3,654)	(19,711)	-	(19,598)	(72,984)
Disabled employee deduction	(558)	(420)	(558)	(268)	(811)
Recovery of provisions	(504)	(1,857)	63,935	(105)	(1,988)
Industry and trade tax from prior years paid during current year	-	(14,411)	-	23,081	-
Allowance for doubtful accounts	-	(6,641)	-	(5,350)	-
Net income (loss)	**(269,907)**	**9,776**	**(183,196)**	**62,424**	**179,298**
Presumptive income for the current period of Colombian subsidiaries	**88,868**	**-**	**88,868**	**-**	**-**
Net income for the current period of Colombian subsidiaries	**5,485**	**-**	**5,485**	**-**	**-**
Net taxable income	**94,353**	**9,776**	**94,353**	**62,424**	**179,298**
Income tax rate	34%	25%	34%	25%	25%
Subtotal income tax (expense)	**(32,080)**	**(2,444)**	**(32,080)**	**(2,444)**	**(44,825)**
Adjustment to effective rate	**-**	**(12,911)**	**(39,594)**	**(2,342)**	**-**
Occasional gains tax (expense)	(268)	(888)	-	(888)	(1,988)
Income tax surcharge	(389)	-	(198)	-	-
Tax discounts	-	3,553	-	-	3,786
Total income tax (expense)	**(32,737)**	**(12,690)**	**(71,872)**	**(5,674)**	**(43,027)**
Income tax for equality - CREE (expense)	**-**	**(9,075)**	**-**	**(2,869)**	**(13,868)**
Income tax for equality - CREE surcharge (expense)	**-**	**(5,704)**	**-**	**(1,437)**	**(10,624)**
Current tax (expense) prior year	**138**	**(1,715)**	**138**	**(1,715)**	**(1,720)**
Total income tax (expense) in Colombia	**(32,599)**	**(29,184)**	**(71,734)**	**(11,695)**	**(69,239)**
Foreign subsidiaries current tax (expense)	**(215,241)**	**(73,566)**	**(157,722)**	**(41,506)**	**(139,610)**
Total current income tax (expense)	**(247,840)**	**(102,750)**	**(229,456)**	**(53,201)**	**(208,849)**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Total current income tax (expense)	(247,840)	(102,750)	(229,456)	(53,201)
Deferred income tax revenue (Note 22.6)	152,367	59,525	187,256	4,266
Total income tax revenue (expense)	**(95,473)**	**(43,225)**	**(42,200)**	**(48,935)**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net equity of Colombian subsidiaries	2,582,776	-	2,582,776	-
Less net shareholders' equity to be excluded	(43,705)	-	(43,705)	-
Shareholders' equity base	**2,539,071**	**-**	**2,539,071**	**-**
Presumptive income of Colombian subsidiaries	**88,868**	**-**	**88,868**	**-**

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:

	June 30, 2017	December 31, 2016
Land	(40,109)	(39,031)
Buildings	(12,634)	(55,409)
Investment property	(17,978)	(16,150)
Construction in progress	(30,710)	(22,641)
Intangible assets	(108,823)	(78,310)
Non-operating commercial premises	103	103
Equity investments	(76,856)	(74,214)
Other fixed assets	(27,310)	(26,851)
Deferred charges	194,813	63,168
Other assets	163,685	165,777
Investments at amortized cost	-	(2)
Inventories	(8,256)	26,030
Real estate for trading	(190)	(83)
Accounts receivable	(1,316)	2,838
Tax consolidation and readjustment	19,407	19,407
Financial liabilities	(1,433,021)	(1,464,859)
Other liabilities	33,916	(8,493)
Total net deferred tax (liabilities)	**(1,345,279)**	**(1,508,720)**

Deferred tax assets and liabilities are made as follows:

	June 30, 2017	December 31, 2016
Deferred tax assets	1,560,137	1,456,866
Deferred tax (liabilities)	(2,149,737)	(2,965,586)
Total net deferred tax (liabilities)	**(1,345,279)**	**(1,508,720)**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Deferred income tax 25%	152,763	46,034	188,034	12,824
Deferred CREE tax 9%	-	2,440	-	2,440
Deferred CREE tax surcharge 5%	-	7,417	-	(12,354)
Deferred occasional gains tax 10%	(452)	(401)	(778)	(369)
Retained earnings Uruguay and Brazil	56	4,035	-	1,725
Total deferred tax revenue	**152,367**	**59,525**	**187,256**	**4,266**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Gain from derivative financial instruments denominated as hedge instruments	4,962	-	4,962	-
Total	**4,962**	**-**	**4,962**	**-**

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

	June 30, 2017
Revenue from deferred tax recognized in income for the period.	152,367
Revenue from deferred tax recognized in other comprehensive income for the period.	4,962
Effect of the translation of the deferred tax recognized in other comprehensive income for the period (1)	6,112
Total decrease in net tax deferred (liabilities) between December 31, 2016 and June 30, 2017	**163,441**

(1) Such effect resulting from the translation at the closing rate of deferred tax assets and liabilities of foreign subsidiaries is included in the line item "Exchange difference from translation" in other comprehensive income. See Note 26.

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

	June 30, 2017	December 31, 2016
Subsidiaries domiciled in Colombia	(209,765)	(112,723)
Other	(6,853)	(8,340)
Total	**(216,618)**	**(121,063)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at June 30, 2017 amount to$110,394 (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:

	June 30, 2017	December 31, 2016
Bonds issued (1)	2,791,226	1,788,198
Trade papers (2)	-	488,025
Derivative financial instruments designated as hedge instruments (3)	133,634	250,458
Derivative financial instruments (4)	865	17,608
Collections received on behalf of third parties (5)	59,989	96,283
Total	**2,985,714**	**2,640,572**
Current	**199,847**	**805,413**
Non-current	**2,785,867**	**1,835,159**

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

Amortization of bonds varies in accordance with the issue. The following amortization methods are foreseen:
- Repayment only upon maturity with annual compensation (10th issue of CBD);
- Repayment only upon maturity with biannual compensation (11th issue of CBD);
- Annual instalments as of the fourth year of issue (12th issue of CBD) and biannual repayments.

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

The 2nd issue of trade papers of Companhia Brasileira de Distribuição – CBD was released on August 1, 2016. The issue consisted of 200 certificates with unit value of $2,302 for total $460,401. 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) The balance at December 31, 2016 relates to debt certificates issued by Companhia Brasileira de Distribuição - CBD on August 1, 2016 maturing on January 30, 2017.

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

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

	Less than 1 month	**From 1 to 3 months**	**From 3 to 6 months**	**More than 6 months**	**Total**
Swap	2,058	54,906	5,594	71,076	133,634

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

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

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

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

Derivative	**Less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**More than 12 months**	**Total**
Forward	-	6	-	-	6
Swap	859	-	-	-	859
					865

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

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

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

	June 30, 2017	**December 31, 2016**
Monies collected by Companhia Brasileira de Distribuição – CBD (1)	11,987	13,812
Collections received on behalf of third parties (2)	15,698	10,860
Éxito Card collections	17,339	27,813
Non-banking correspondent	8,871	34,376
Direct trading (Market Place)	3,221	3,967
Money transfer services	147	1,364
Other collections	2,726	4,091
Total	**59,989**	**96,283**

(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.

(2) Relate to collections received on behalf of third parties for hotel services, ground transportation, car rentals and reservation of air tickets as part of the intermediation of Éxito Viajes y Turismo S.A.S. as travel agency.

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

	June 30, 2017	December 31, 2016
Bonds issued	23,052	34,990
Trade papers	20,286	488,025
Derivative financial instruments	865	17,608
Derivative financial instruments designated as hedge instruments	95,655	168,507
Collections received on behalf of third parties	59,989	96,283
Current	**199,847**	**805,413**
Bonds issued	2,747,888	1,753,208
Derivative financial instruments designated as hedge instruments	37,979	81,951
Non-current	**2,785,867**	**1,835,159**

Note 24. Other non-financial liabilities

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

	June 30, 2017	December 31, 2016
Current		
Customer loyalty programs (1)	91,526	91,218
Revenue received in advance (2)	88,047	233,234
Extended warranty	22,707	22,099
Advance payments under contracts and other projects (3)	9,507	31,718
Instalments received under "plan resérvalo"	1,127	1,266
Other (4)	1,425	2,762
Total other current non-financial liabilities	**214,339**	**382,297**
Non-current		
Advance payments under contracts and other projects (3)	60,268	47,387
Revenue received in advance (2)	6,455	10,129
Other (4)	11,065	11,971
Total other non-current non-financial liabilities	**77,788**	**69,487**

(1) Relates to customer loyalty programs “Puntos Éxito” and “Supercliente Carulla” of the Parent; “Hipermillas” of Mercados Devoto S.A., “Tarjeta Más” of Supermercados Disco del Uruguay S.A., 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:

	June 30, 2017	December 31, 2016
“Puntos Éxito” and “Supercliente Carulla” programs	35,126	37,334
"Hipermillas" and "Tarjeta Mas" programs	28,108	26,862
“Puntos Extra” and “Pao de Azucar” programs	27,664	25,782
Club Libertad	628	1,240
Total	**91,526**	**91,218**

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

	June 30, 2017	December 31, 2016
Revenue received in advance by Companhia Brasileira de Distribuição – CBD (a)	46,922	174,110
Gift card	23,255	43,264
Cafam comprehensive card	10,079	9,035
Exchange card	3,020	3,326
Data and telephone minutes purchased in advance	1,202	1,213
Fuel card	973	932
Repurchase coupon	502	49
Other	2,094	1,305
Total current	**88,047**	**233,234**

(a) 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.

(3) 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.

(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 June 30, 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 June 30, 2017 and December 31, 2016. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in Colombian pesos.

Note 26. Reserves, retained earnings and other comprehensive income

Reserves

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

Retained earnings

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

Other accumulated comprehensive income

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

	June 30, 2017			December 31, 2016		
	Amount Gross	Tax effect	Amount net	Amount Gross	Tax effect	Amount Net
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)	1,425,604	-	1,425,604	1,385,504	-	1,385,504
Gain (loss) from the hedging of cash flows (4)	(15,005)	4,962	(10,043)	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	55,238	-	55,238	60,702	-	60,702
Total other accumulated comprehensive income	**1,460,812**	**5,638**	**1,466,450**	**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. Includes the effect of translation of deferred tax assets and liabilities in amount of $6,112. See Note 22.

(4) Represents the accumulated value of the effective portion of gains or losses arising from the changes in the fair value of hedging instruments in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transactions influence period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a non-financial hedged entry.

(5) Relates to the Parent's share of other comprehensive income of its investments in associates and joint ventures.

Note 27. Revenue from ordinary activities

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Retail sales (Note 40)	26,386,981	23,483,654	13,053,737	11,678,137
Revenue from service and industry activities	369,655	287,597	187,805	137,176
Other ordinary revenue (1)	36,998	74,338	26,179	49,761
Revenue from ordinary activities	**26,793,634**	**23,845,589**	**13,267,721**	**11,865,074**

(1) Other ordinary revenue relates to:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Royalty revenue	12,049	36,948	11,327	22,245
Other revenue (a)	24,949	37,390	14,852	27,516
Total other ordinary revenue	**36,998**	**74,338**	**26,179**	**49,761**

(a) Relates to:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Revenue from the use of goods	7,537	2,619	4,617	(108)
Revenue from Latam strategic direction	3,705	3,631	1,706	3,631
Revenue from financial services	1,121	1,003	(148)	314
Other	12,586	30,137	8,677	23,679
Total other revenue	**24,949**	**37,390**	**14,852**	**27,516**

Note 28. Distribution expenses and administration and sales expenses

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Leases	688,786	607,078	327,777	299,828
Depreciation and amortization	400,058	344,595	198,620	171,415
Fuels and power	369,375	377,324	177,206	178,481
Services	225,133	180,097	116,188	96,575
Advertising	208,070	209,036	106,723	106,511
Commissions on debit and credit cards	193,643	172,755	91,796	85,829
Repairs and maintenance	179,901	173,972	90,888	88,249
Taxes other than income tax	165,322	154,723	65,680	59,762
Fees	33,988	27,907	19,256	14,202
Transport	33,647	30,568	17,012	15,560
Packaging and marking materials	29,978	29,604	15,468	11,300
Insurance	25,568	16,720	13,930	8,703
Legal expenses	21,919	27,901	2,643	15,824
Travel expenses	9,491	8,219	5,509	4,584
Allowance for trade receivables	5,032	3,933	289	2,097
Other	147,369	144,534	76,275	75,978
Total distribution expenses	**2,737,280**	**2,508,966**	**1,325,260**	**1,234,898**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Depreciation and amortization	94,270	76,154	46,763	50,568
Fees	62,429	63,797	28,949	32,291
Outsourced personnel	52,177	88,174	25,708	45,786
Services	33,732	6,457	16,661	3,496
Taxes other than income tax	24,892	21,395	12,114	10,625
Repairs and maintenance	11,810	14,556	5,508	8,570
Travel expenses	10,143	8,605	5,779	5,047
Leases	6,055	3,169	3,310	3,108
Fuels and power	3,686	3,580	1,815	1,809
Legal expenses	3,286	4,597	2,036	3,053
Insurance	2,161	1,851	1,288	1,216
Transport	1,823	2,534	1,011	1,371
Contributions and affiliations	777	877	240	405
Other	21,490	7,882	6,051	2,004
Total administration and sales expenses	**328,731**	**303,628**	**157,233**	**169,349**

Note 29. Employee benefit expense

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Wages and salaries	1,621,766	1,409,226	824,961	710,206
Contributions to the social security system	348,581	306,616	186,025	151,508
Other short-term employee benefits	129,680	119,121	61,867	61,019
Total short-term employee benefit expenses	**2,100,027**	**1,834,963**	**1,072,853**	**922,733**
Post-employment benefit expenses, defined contribution plans	67,485	69,297	34,191	43,483
Post-employment benefit expenses, defined benefit plans	1,546	1,407	860	783
Total post-employment benefit expenses	**69,031**	**70,704**	**35,051**	**44,266**
Termination benefit expenses	118,795	117,920	54,776	65,446
Other long-term employee benefits	115	(8,529)	53	(9,004)
Other personnel expenses	222,838	199,939	114,128	104,188
Total employee benefit expenses	**2,510,806**	**2,214,997**	**1,276,861**	**1,127,629**

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:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Other recurring operating revenue				
Recurring				
Revenue from indemnification	3,989	-	3,989	-
Recovery of allowance for trade receivables	3,753	5,009	-	464
Reimbursement of ICA-related costs and expenses	447	1,794	274	44
Recovery of other provisions related to labor legal proceedings	101	4,620	(24)	1,047
Recovery of other provisions related to civil lawsuits	20	1,541	(248)	1,227
Reimbursement of property tax and other taxes costs and expenses	-	42	-	42
Recovery of other provisions	-	30	(262)	30
Reimbursement of tax-related costs and expenses	-	-	-	(11)
Total other recurring operating revenue	**8,310**	**13,036**	**3,729**	**2,843**
Non-recurring				
Insurance compensations for damages	277	-	277	**-**
Reimbursement of tax-related costs and expenses (1)	199	-	(56,705)	**-**
Total non-recurring	**476**	-	**(56,428)**	**-**
Total other operating revenue	**8,786**	**13,036**	**(52,699)**	**2,843**
Other operating expenses				
Restructuring expenses (2)	(90,236)	(40,191)	(65,553)	(20,345)
Provision for tax proceeding expenses (3)	(36,079)	(86,320)	(14,697)	(86,320)
Tax on wealth expense (4)	(20,030)	(52,621)	967	4
Other expenses	(3,454)	(25,926)	(702)	(25,268)
Other provisions expense	-	-	930	-
Total other operating expenses	**(149,799)**	**(205,058)**	**(79,055)**	**(131,929)**
Other (loss) gains, net				
(Loss) from the sale of property, plant and equipment	(39,742)	(1,173)	(50,063)	(934)
(Loss) gain from the derecognition of property, plant and equipment	(6,633)	(6,549)	(5,460)	1,712
(Loss) from subsidiaries not included in the consolidation	-	(3,867)	-	-
Total other (loss) gains, net	**(46,375)**	**(11,589)**	**(55,523)**	**778**

(1) At March 31, 2017 subsidiary Companhia Brasileira de Distribuição - CBD had recognized revenue from the recovery of a provision for tax proceedings; during the second quarter of 2017, and as part of the conciliation process with the Brazilian Government, conclusion was reached that such recovery was improper and it was reversed.

(2) Includes $68,010 (2016 - $31,193) 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 $22,226 (2016 - $8,998).

(3) At June 2017 refers to the reversal of 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.

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

Note 31. Financial revenue and expenses

The balance of financial revenue and expenses is as follows:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Gain from derivative financial instruments (1)	66,865	19,532	66,755	9,310
Gain from exchange difference (1)	12,697	229,334	-50,372	47,842
Other financial revenue	68,274	63,871	23,056	17,281
Revenue from interest, cash and cash equivalents	45,888	62,388	23,987	38,609
Total financial revenue	**193,724**	**375,125**	**63,426**	**113,042**
Interest, borrowings and finance lease expenses	(511,880)	(541,746)	(253,974)	(295,385)
Loss from derivative financial instruments (1)	(82,593)	(171,224)	7,416	(67,029)
Loss from exchange difference (1)	(43,964)	(121,471)	(40,060)	(18,286)
Other financial expenses	(47,351)	(54,732)	(26,949)	(29,850)
Commission expense	(68,034)	(49,500)	(29,901)	(23,254)
Total financial expenses	**(753,822)**	**(938,673)**	**(343,468)**	**(433,804)**

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

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

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Financiera Itaú CBD - FIC Promotora de Vendas Ltda.	30,329	36,979	14,525	17,815
Cnova N.V. (1)	(51,468)	-	(28,227)	-
Compañía de Financiamiento Tuya S.A. (2)	(12,147)	-	753	-
Puntos Colombia S.A.S.	2	-	2	-
Total	**(33,284)**	**36,979**	**(12,947)**	**17,815**

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

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

Note 33. Earnings per share

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

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

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

<u>In period results</u>

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net (loss) profit attributable to shareholders of the controlling entity	**61,670**	**(47,693)**	**69,263**	**(48,453)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in pesos)	**137.78**	**(106.55)**	**154.74**	**(108.25)**

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net period earnings (loss) from continuing operations	**352,753**	**30,639**	**286,046**	**(9,023)**
Net gains from continuing operations attributable to non-controlling interests	296,858	43,037	215,283	**10,932**
Net gains from continuing operations attributable to shareholders of the controlling entity	**55,895**	**(12,398)**	**70,763**	**(19,955)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic earnings (loss) per share and diluted (in pesos) from continuing operations attributable to shareholders of the controlling entity	**124.88**	**(27.70)**	**158.09**	**(44.58)**

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net period earnings (loss) from discontinued operations	**116,707**	**(522,052)**	**(6,468)**	**(408,538)**
Net earnings from discontinued operations attributable to non-controlling interests	110,932	(486,757)	(4,968)	**(380,040)**
Net (loss) earnings from discontinued operations attributable to shareholders of the controlling entity	**5,775**	**(35,295)**	**(1,500)**	**(28,498)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic earnings (loss) per share and diluted (in pesos) from continuing operations attributable to shareholders of the controlling entity	**12.90**	**(78.85)**	**(3.35)**	**(63.67)**

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net period earnings (loss) from continuing operations	**352,753**	**30,639**	**286,046**	**(9,023)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in pesos) from continuing operations	**788.09**	**68.45**	**639.06**	**(20.16)**

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net period earnings (loss) from discontinued operations	**116,707**	**(522,052)**	**(6,468)**	**(408,538)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Earnings (loss) per basic and diluted share (in pesos) from continuing operations	**260.74**	**(1,166.32)**	**(14.45)**	**(912.72)**

In total comprehensive income for the period

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net earnings attributable to shareholders of the controlling entity	**100,900**	**313,553**	**149,250**	**244,243**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic earnings per share and diluted (in pesos) in total comprehensive income	**225.42**	**700.51**	**333.44**	**545.67**

Note 34. Transactions with related parties

Note 34.1. Key management personnel compensation

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

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Short-term employee benefits	70,193	63,853	37,627	33,646
Share-based payment plans	16,543	3,372	14,683	1,706
Post-employment benefits	1,320	1,495	557	864
Total	**88,056**	**68,720**	**52,867**	**36,216**

Note 34.2. Transactions with related parties

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

	Revenue			
	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Controlling entity (1)	3,705	3,631	1,706	3,631
Associates (2)	36,627	23,779	16,369	17,796
Grupo Casino companies (3)	17,118	5,794	15,323	3,140
Joint ventures (4)	13,700	-	7,151	-
Total	**71,150**	**33,204**	**40,549**	**24,567**

	Costs and expenses			
	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Controlling entity (1)	33,130	37,522	17,330	18,888
Associated companies	-	14,728		14,728
Grupo Casino companies (3)	32,619	51,127	13,724	18,487
Joint ventures (4)	1,304	-	585	-
Members of the Board	532	663	301	254
Total	**67,585**	**104,040**	**31.940**	**52,357**

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

Costs and expenses mainly refer to the reimbursement of expenses incurred by professionals and companies of Grupo Casino 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.

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

(3) Revenue mainly refer to sales of products to Distribution Casino France and to suppliers centralized negotiation with IRTS.

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

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

Note 35. Asset impairment

Note 35.1. Financial assets

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

Note 35.2. Non-financial assets

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

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

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

Note 36. Fair value measurement

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

	June 30, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Loans at amortized cost	33,372	26,267	20,283	17,612
Investments in private equity funds	1,120	1,120	1,142	1,142
Forward contracts measured at fair value through income	30,570	30,570	4,800	4,800
Swap contracts measured at fair value through income	21,599	21,599	4,747	4,747
Derivative *swap* contracts denominated as hedge instruments	55,237	55,237	96,684	96,684
Investment in bonds	88,739	87,333	87,408	87,813
Equity investments	248	248	248	248
Financial liabilities				
Financial liabilities and finance leases	6,426,231	6,391,704	6,953,123	6,924,053
Put option (1)	381,658	381,658	364,867	364,867
Bonds and trade papers issued	2,791,227	2,787,538	2,276,223	2,252,282
Swap contracts denominated as hedge instruments	133,634	133,634	250,458	250,458
Forward contracts measured at fair value through income	6	6	16,346	16,346
Swap contracts measured at fair value through income	859	859	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)	16,791
Balance at June 30, 2017	**381,658**

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

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Loans at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card for similar term horizons. Commercial rate for VIS housing loans for similar term horizons.
Investments in private equity funds	Level 1	Unit value	The value of the fund unit is given by the 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

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

	Hierarchy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
Put option	Level 3	Given formula	The fair value is measured using a given formula under an agreement entered with non-controlling interests of Grupo Disco, using level 3 input data.	Net Income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015 Uruguayan peso-US Dollar exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A. .
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basis points LIBOR rate + Negotiated basis points
Bonds issued	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for bonds in similar conditions on the date of measurement in accordance with maturity dates.	CPI 12 months
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)	Sensitivity of the input data on the estimation of the fair value
Put option	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2015 and 2016	$97,758 - $110,713	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value.
	Ebitda of Supermercados Disco del Uruguay S.A., consolidated over 24 months	$136,716 – $146,689	
	Net financial debt of Supermercados Disco del Uruguay S.A., consolidated over 6 months	($85,190) - ($86,059)	
	Fixed contract price	$419,607 - $424,857	
	US Dollar-Uruguayan peso exchange rate on the date of valuation	$28,495 – $29.34	
	US Dollar-Colombian peso exchange rate on the date of valuation	$3,000.71 - $3,038.26	
	Total shares Supermercados Disco del Uruguay S.A.	443.071.594	

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

Note 37. Contingent assets and liabilities

Note 37.1. Contingent assets

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

Note 37.2. Contingent liabilities

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

Contingent liabilities relate to:

	June 30, 2017	December 31, 2016
Legal proceedings (a)	367,000	358,192
Taxes (b)	7,475,609	7,354,775
Other contingent liabilities (c)	590,809	676,868
Total	**8,433,418**	**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 judicial ruling. Such proceedings include those regarding the collection of differences in the receipts of IRPJ for years 2007 to 2013, arising from the incorrect deduction of the amortization of goodwill paid on and arising from transactions between shareholders Casino and Abílio Diniz. Contingent liabilities amount to $941,475 (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 $75,613 (2016 - $72,743).

- Sales tax, procurement tax, bank taxes and taxes on industrial products (COFINS, PIS and CPMF and IPI): Refer to offsetting proceedings on IPI credits - inputs subject to zero aliquot or exempt - acquired from third parties, other offsetting requests, collection of taxes with a bearing on soy exports, payment differences, excess payments, fines from the failure to comply with ancillary obligations, non-recognition of COFINS and PIS credits on products predominantly single-phase, among other issues. Such proceedings are pending administrative and judicial ruling. These contingent liabilities amount to $1,576,038 (2016 - $1,685,456).

- Tax on the movement of goods and services (ICMS): Companhia Brasileira de Distribuição - CBD was called by state tax authorities regarding the appropriation of credits related with: (i) electric power; (ii) procurement from suppliers deemed disqualified before the register of Secretaria da Fazenda Estadual; (iii) compensation of tax substitution without compliance with the ancillary obligations set forth in Portaria CAT n° 17 of the State of Sao Paulo; (iv) incidents on the goods procurement operation; (v) arising from the trading of extended warranty; (vi) among other. Such proceedings are pending final administrative and judicial ruling. Such proceedings amount to $4,732,798 (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 $129,594 (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:

- $476,731 (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.

- $111,447 (2016 - $12,970) of Companhia Brasileira de Distribuição – CBD for external counsel fees to defend tax proceedings, whose compensation is tied to a success fee upon legal closing of such proceedings. Such percentages may vary, in accordance with qualitative and quantitative factors of each proceeding.

- $2,631 (2016 - $0) of the Parent arising from the guarantee granted on behalf of Almacenes Éxito Inversiones S.A.S. on June 1, 2017 to cover potential failure to comply with its obligations with one of its main suppliers.

- The memorandum of understanding executed on September 23, 2016 with Fondo Inmobiliario Colombia ("FIC") to capitalize the real estate business through Patrimonio Autónomo Viva Malls was formalized on December 23, 2016. By means of the capitalization, the Parent gained 51% of the interest in such Patrimonio Autónomo. As part of memorandum of understanding, the Parent shall contribute the property Viva Envigado on March 31, 2018.

Note 38. Dividends declared and paid

At June 30, 2017

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

Dividends paid during the six-month period ended June 30, 2017 amounted to $81,033.

(*) Expressed in Colombian pesos

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

	Dividends declared	Dividends paid
Grupo Disco del Uruguay S.A.	19,236	9,905
Patrimonio Autónomo Viva Villavicencio	4,504	5,596
Patrimonio Autónomo Viva Malls	2,982	-
Éxito Viajes y Turismo S.A.S.	1,654	1,654
Patrimonio Autónomo Centro Comercial	1,367	5,260
Patrimonio Autónomo Viva Sincelejo	1,307	1,507
Distribuidora de Textiles y Confecciones S.A.	1,291	1,291
Patrimonio Autónomo Viva Laureles	718	869
Patrimonio Autónomo San Pedro Etapa I	582	579
Patrimonio Autónomo Viva Palmas	391	-
Patrimonio Autónomo Iwana	-	1
Total	**34,032**	**26,662**

At December 31, 2016

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

Dividends paid during the six-month period ended June 30, 2016 amounted to $140,476.

(*) Expressed in Colombian pesos

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

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

Note 39. Seasonality of transactions

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

Note 40. Information on operating segments

For organizational and management purposes, the Parent and its subsidiaries are focused on seven operating segments divided in four geographic segments, namely Colombia (Éxito, Carulla, Surtimax-Superinter & B2B), Brazil (Food), Uruguay and Argentina. For each of the segments there is financial information that is used on an ongoing basis by senior management for making decisions on the operations, allocation of resources and strategic approach.

Total assets and liabilities by segment are not specifically reported internally for management purposes and consequently they are not disclosed in the framework of IFRS 8 - Operating segments.

Reportable segments include development of the following activities:

Colombia:

- Éxito: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Carulla.
- Surtimax-Superinter: The most significant products and services in this segment come solely from retailing activities, with stores under the banner Surtimax and Super Inter. Until March 31, 2017 this segment was named Descuento.
- B2B: The most significant products and services in this segment come solely from retailing activities in B2B format and with stores under the banner Surti wholesaler.

Brazil:

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

Argentina

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

Uruguay:

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

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

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

Sales by each segment for the six-month and three-month periods ended June 30, 2017 and June 30, 2016 are as follows:

Geographic segment	Operating segment	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Colombia	Éxito	3,485,307	3,507,785	1,697,231	1,694,607
	Carulla	732,813	757,518	366,892	380,768
	Surtimax-Superinter (1)	766,047	817,947	381,042	406,555
	B2B	130,955	159,397	67,851	95,538
Brazil	Food	19,362,595	16,435,749	9,620,287	8,251,492
Argentina		640,867	652,337	319,385	323,855
Uruguay		1,272,338	1,156,481	603,961	526,031
Total sales		**26,390,922**	**23,487,214**	**13,056,649**	**11,678,846**
Eliminations		(3,941)	(3,560)	(2,912)	(709)
Consolidated total (Note 27)		**26,386,981**	**23,483,654**	**13,053,737**	**11,678,137**

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

Below is additional information by geographic segment:

	At June 30, 2017						
	Colombia	Brazil (1)	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	5,115,122	19,362,595	640,867	1,272,338	26,390,922	(3,941)	26,386,981
Trade margin	1,331,705	4,809,430	232,933	434,779	6,808,847	(1,553)	6,807,294
Total recurring expenses	(1,180,466)	(3,827,903)	(220,915)	(340,776)	(5,570,060)	1,553	(5,568,507)
ROI	151,239	981,527	12,018	94,003	1,238,787	-	1,238,787
Recurring Ebitda	273,509	1,333,365	19,961	106,280	1,733,115	-	1,733,115

	At June 30, 2016						
	Colombia	Brazil (1)	Argentina (1)	Uruguay (1)	Total	Eliminations (2)	Total
Retail sales	5,242,647	16,435,749	652,337	1,156,481	23,487,214	(3,560)	23,483,654
Trade margin	1,339,599	3,856,690	232,950	402,516	5,831,755	(120)	5,831,635
Total recurring expenses	(1,118,255)	(3,383,388)	(217,562)	(295,499)	(5,014,704)	120	(5,014,584)
ROI	221,344	473,302	15,388	107,017	817,051	-	817,051
Recurring Ebitda	344,869	765,592	22,647	104,693	1,237,801	-	1,237,801

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

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

Note 41. Financial risk management policy

During the six-month period ended June 30, 2017, there have not been significant changes to the Parent's and its subsidiaries' risk management policies, or changes in the analysis of risk factors that might influence them, such as the general risk management framework, financial risk management, credit risk, market risk, interest rate risk, currency risk, stock pricing risk and liquidity risk.

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

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

	June 30, 2017	December 31, 2016
Total assets of Via Varejo S.A. (Note 42.2)	17,050,326	18,422,182
Other assets	7,337	7,605
Total	**17,057,663**	**18,429,787**

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

	June 30, 2017	December 31, 2016
Total liabilities of Via Varejo S.A. (Note 42.2)	13,000,072	14,592,207

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

	June 30, 2017	June 30, 2016
Via Varejo S.A. net gain (loss) (Nota 42.2)	116,707	(471,138)
Cnova N.V. net (loss) (Note 42.1)	-	(50,914)
Net gain (loss) from discontinued operations	**116,707**	**(522,052)**

Note 42.1. Cnova N.V.

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

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

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

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

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

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

	June 30, 2016
Revenue from ordinary activities	2,995,409
Cost of sales	(2,702,515)
Gross profit	**292,894**
Distribution, administration and sales expenses	(291,688)
Depreciation and amortization	(34,565)
Other net revenue and expenses	14,050
(Loss) before financial results	**(19,309)**
Net financial result	(21,488)
(Loss) before taxes	**(40,797)**
Tax (expense)	(10,117)
Net (loss)	**(50,914)**
Loss attributable to	
the owners of the controlling entity	(853)
Non-controlling interests	**(50,061)**

Note 42.2. Via Varejo S.A.

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

Pursuant to IFRS 5 - Non-current assets held for trading and discontinued operations, the Parent believes given the effort applied, the sale is highly likely, which involves the presentation of Via Varejo S.A.'s (and its subsidiary Cnova Comercio Electronico S.A.'s) net results after taxes in one single line in the statement of income and the balances of assets and liabilities as held for trading and discontinued operations. The financial information contained in the statement of income at 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 June 30, 2017, is $17,050,326 (2016 - $18,422,182) and $13,000,072 (2016 - $14,592,207), respectively. The net result of the discontinued operation of Via Varejo S.A. is a gain of $116,707 at June 30, 2017 and a loss of $471,138 at June 30, 2016.

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

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

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

	June 30, 2017	**June 30, 2016**
Net cash flows (used in) operating activities	(2,441,937)	(4,191,631)
Net cash flows (used in) investment activities	(106,611)	(80,089)
Net cash flows (used in) provided by financing activities	(465,962)	76,717
Net development of cash and cash equivalents	**(3,014,510)**	**(4,195,003)**

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:

	June 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	691,582	3,710,833
Trade receivables and other accounts receivable	3,458,834	2,561,672
Inventories	3,487,420	2,812,130
Other assets	617,814	648,245
Total current assets	**8,255,650**	**9,732,880**
Non-current assets		
Trade receivables and other accounts receivable	3,048,496	2,885,794
Deferred tax assets	260,035	266,112
Accounts receivable from related parties and associated companies	335,648	410,678
Investments accounted for using the equity method	112,497	132,596
Property, plant and equipment	1,451,401	1,427,243
Intangible assets	3,586,599	3,566,879
Total non-current assets	**8,794,676**	**8,689,302**
Total assets	**17,050,326**	**18,422,182**
Liabilities		
Current liabilities		
Trade payables and other accounts payable	6,404,976	7,675,806
Financial obligations	2,949,830	3,252,273
Accounts payable to related parties and associated companies	96,822	164,824
Other provisions	2,904	2,900
Total current liabilities	**9,454,532**	**11,095,803**
Non-current liabilities		
Financial obligations	330,115	374,766
Deferred tax liabilities	927,131	929,980
Trade payables and other accounts payable	2,242,569	2,144,548
Other provisions	45,725	47,110
Total non-current liabilities	**3,545,540**	**3,496,404**
Total liabilities	**13,000,072**	**14,592,207**

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

	June 30, 2017	June 30, 2016
Revenue from ordinary activities	11,330,145	9,495,241
Cost of sales	(7,816,587)	(6,767,983)
Gross profit	**3,513,558**	**2,727,258**
Distribution, administration and sales expenses	(2,937,803)	(2,498,324)
Depreciation and amortization	-	(98,637)
Participation in the gains (losses) of affiliated companies and joint ventures that are accounted for using the equity method	12,867	14,332
Other (expenses), net	(173,702)	(209,950)
Gain (loss) before financial results	**414,920**	**(65,321)**
Net financial result	(309,722)	(392,017)
Earnings (loss) before taxes	**105,198**	**(457,338)**
Tax revenue (expense)	11,509	(13,800)
Net earnings (loss)	**116,707**	**(471,138)**
Earnings (loss), attributable to		
the owners of the controlling entity	5,775	(34,442)
Non-controlling interests	**110,932**	**(436,696)**

Note 43. Restatement of the statement of income at June 30, 2016

For the purposes of presentation of the financial statements at June 30, 2017, a reconciliation of the statement of income at June 30, 2016 is attached, as if the purchase price adjustments had been recognized as of January 1, 2016:

	January 1 to June 30, 2016 (1)	Adjustments and reclassifications (2)	January 1 to June 30, 2016
Continuing operations			
Revenue from ordinary activities	36,347,307	(12,501,718)	23,845,589
Cost of sales	(27,476,203)	9,462,249	(18,013,954)
Gross profit	**8,871,104**	**(3,039,469)**	**5,831,635**
Distribution expenses	(3,781,591)	1,272,625	(2,508,966)
Administration and sales expenses	(705,153)	401,525	(303,628)
Employee benefit expenses	(3,481,217)	1,266,220	(2,214,997)
Other operating revenue	11,932	1,104	13,036
Other operating expenses	(463,632)	258,574	(205,058)
Other (loss) gains, net	46,090	(57,679)	(11,589)
Profit from operating activities	**497,533**	**102,900**	**600,433**
Financial revenue	540,093	(164,968)	375,125
Financial expenses	(1,517,221)	578,548	(938,673)
Share of profits in associates and joint ventures accounted for using the equity method	51,426	(14,447)	36,979
(Loss) earnings before income tax from continuing operations	**(428,169)**	**502,033**	**73,864**
Tax expense	(64,499)	21,274	(43,225)
Net period profit (loss) from continuing operations	**(492,668)**	**523,307**	**30,639**
Net period (loss) from discontinued operations	-	(522,052)	(522,052)
Net period (loss)	**(492,668)**	**1,255**	**(491,413)**
Profit attributable to non-controlling interests	447,980	(4,260)	443,720
(Loss) attributable to shareholders of the controlling entity	**(44,688)**	**(3,005)**	**(47,693)**

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

(2) Relates to adjustments arising from the investigation on Cnova N.V. announced by Companhia Brasileira de Distribuição – CBD for the period June 1 through June 30, 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 six-month period ended June 30, 2016.

Note 44. Relevant facts

At June 30, 2017

Damages at Éxito Buenaventura store

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

New loyalty program "Puntos Colombia"

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

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

The Puntos Colombia program will be operated by an independent company, based in Colombia, of which the Company and Grupo Bancolombia will be shareholders, each holding a 50% interest. The estimated initial capital investment to 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 Parent will purchase points for its on-line customers using the points it currently grants under its Éxito and Carulla points programs.

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

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

General Meeting of Shareholders

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

At December 31, 2016

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

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

Final agreement with Fondo Inmobiliario Colombia ("FIC")

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

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

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

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

Such acquisition was carried out jointly with subsidiary Almacenes Éxito 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 earlier dividends already declared.

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

Corporate reorganization of Companhia Brasileira de Distribuição - CBD:

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

No events have occurred subsequent to the date of the reporting period that entail significant changes in the Parent and its subsidiaries

Almacenes Éxito S.A.

Interim separate financial statements

at June 30, 2017

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

	Notes	June 30, 2017	December 31, 2016 (1)
Current assets			
Cash and cash equivalents	6	894,349	1,098,825
Trade receivables and other accounts receivable	7	145,195	183,330
Prepaid expenses	8	11,645	16,728
Accounts receivable from related parties	9	97,229	115,190
Inventories	10	1,217,439	1,077,659
Tax assets	20	85,561	191,292
Other financial assets	11	52,052	12,252
Total current assets		**2,503,470**	**2,695,276**
Non-current assets			
Property, plant and equipment, net	12	2,444,465	2,497,016
Investment property, net	13	418,939	312,047
Goodwill	14	1,453,077	1,453,077
Intangible assets other than goodwill, net	14	165,809	174,413
Investments accounted for using the equity method, net	15	8,358,085	8,207,810
Trade receivables and other accounts receivable	7	22,592	21,546
Prepaid expenses	8	5,584	12,638
Accounts receivable from related parties	9	2,015	2,045
Other financial assets	11	76,846	73,842
Other non-financial assets		398	398
Total non-current assets		**12,947,810**	**12,754,832**
Total assets		**15,451,280**	**15,450,108**
Current liabilities			
Financial liabilities	17	1,029,832	469,362
Employee benefit provisions		4,568	3,267
Other provisions	18	29,417	23,801
Trade payables and other accounts payable	19	2,430,372	2,968,282
Accounts payable to related parties	9	81,806	183,309
Tax liabilities	20	38,115	43,920
Other financial liabilities	21	33,667	87,457
Other non-financial liabilities	22	262,212	151,277
Total current liabilities		**3,909,989**	**3,930,675**
Non-current liabilities			
Financial liabilities	17	3,502,533	3,499,454
Employee benefit provisions		26,762	26,762
Other provisions	18	21,240	23,093
Deferred tax liabilities	20	75,027	201,049
Other financial liabilities	21	14,005	-
Other non-financial liabilities	22	46,338	47,388
Total non-current liabilities		**3,685,905**	**3,797,746**
Total liabilities		**7,595,894**	**7,728,421**
Shareholders' equity, see attached statement		**7,855,386**	**7,721,687**
Total liabilities and shareholders' equity		**15,451,280**	**15,450,108**

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

Carlos Mario Giraldo Moreno
Legal Representative

Jorge Nelson Ortiz Chica
Head Accountant
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Sandra Milena Buitrago E.
Statutory Auditor
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Appointed by Ernst and Young Audit S.A.S. TR-530

Almacenes Éxito S.A.
Interim separate statements of income
For the six-month and three-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Notes	January 1 to June 30, 2017	January 1 to June 30, 2016 (1)	April 1 to June 30, 2017	April 1 to June 30, 2016 (1)
Continuing operations					
Revenue from ordinary activities	25	5,242,734	5,360,356	2,593,084	2,643,907
Cost of sales	10	(3,990,399)	(4,081,424)	(1,985,343)	(2,001,540)
Gross profit		**1,252,335**	**1,278,932**	**607,741**	**642,367**
Distribution expenses	26	(626,040)	(580,418)	(311,978)	(275,630)
Administration and sales expenses	26	(73,902)	(85,606)	(36,463)	(46,079)
Employee benefit expenses	27	(456,540)	(431,922)	(231,032)	(216,621)
Other recurring operating revenue	28	8,689	16,436	4,202	6,254
Other operating expenses	28	(42,699)	(61,646)	(9,360)	(2,107)
Other (loss) gains, net	28	(7,422)	1,307	(6,235)	1,303
Impairment (loss)		(1,481)	-	(1,481)	-
Profit from operating activities		**52,940**	**137,083**	**15,394**	**109,487**
Financial revenue	29	89,523	253,632	21,032	70,343
Financial expenses	29	(305,545)	(465,211)	(123,942)	(181,111)
Share of profits in subsidiaries, associates and joint ventures that are accounted for using the equity method.	30	133,220	34,277	74,679	(7,355)
(Loss) before income tax from continuing operations		**(29,862)**	**(40,219)**	**(12,837)**	**(8,636)**
Income tax revenue (expense)	20	91,532	(4,469)	82,100	(36,999)
Net period profit (loss) from continuing operations		**61,670**	**(44,688)**	**69,263**	**(45,635)**
Earnings per share (*)					
Earnings per basic share (*):					
Earnings (loss) per basic share from continuing operations	31	137.78	(99.84)	154.74	(101.96)
Earnings per diluted share (*):					
Diluted earnings (loss) per share from continuing operations	31	137.78	(99.84)	154.74	(101.96)

(*) 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 six-month and three-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net earnings (loss) for the period	**61,670**	**(44,688)**	**69,263**	**(45,635)**
Other comprehensive income for the period				
Components of other comprehensive income that will not be reclassified to period results, net of taxes				
Gain from new measurement of defined benefit plans	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				
Exchange translation differences	50,262	352,986	91,260	284,383
Cash flow hedges	(10,043)	-	(10,043)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(1,023)	7,308	(1,230)	3,896
Total other comprehensive income that will be reclassified to period results, net of taxes	**39,196**	**360,294**	**79,987**	**288,279**
Total other comprehensive income	**39,230**	**360,294**	**79,987**	**288,279**
Total comprehensive income	**100,900**	**315,606**	**149,250**	**242,644**
Earnings per share (*)				
Earnings per basic share (*):				
Earnings per basic share from continuing operations	225.42	705.10	333.44	542.09
Earnings per diluted share (*):				
Diluted earnings per share from continuing operations	225.42	705.10	333.44	542.09

(*) Amounts expressed in Colombian pesos.

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Almacenes Éxito S.A.
Interim separate statements of cash flows
For the six-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	June 30, 2017	December 31, 2016
Cash flows from operating activities		
Net earnings (loss) for the period	**61,670**	**(44,688)**
Period profit (loss) reconciliation adjustments		
Income tax	(91,532)	4,469
Financial costs	172,050	169,100
Financial revenue	(10,351)	(4,171)
Increase in inventories	(139,780)	(34,300)
Decrease in trade receivables	26,247	13,818
Decrease in other accounts receivable provided by operating activities	10,845	32,714
Decrease in prepaid expenses	5,176	7,848
Decrease in trade payables	(318,783)	(429,819)
Decrease in other accounts payable provided by operating activities	(217,437)	(91,302)
Depreciation and amortization of fixed assets and intangible assets	115,264	119,926
Provisions	86,552	52,344
Impairment of value recognized in period results	1,481	-
(Gain) from net unrealized exchange difference	(23,074)	(10,990)
Loss from reappraisal at fair value	7,107	-
Undistributed earnings from the application of the equity method	(133,220)	(34,277)
Other adjustment from items other than cash	(2,751)	(200)
Loss (gain) from the disposal of non-current assets	5,963	(23,264)
Total adjustments to reconcile period (loss) profits	**(506,243)**	**(228,104)**
Net cash flows (used in) operating activities	**(444,573)**	**(272,792)**
Income tax paid	(45,109)	(104,352)
Other cash inflows	126,741	-
Net cash flows (used in) operating activities	**(362,941)**	**(377,144)**
Cash flows provided by investment activities		
Cash flows used to gain control of subsidiaries or other businesses	(2,098)	(4,303)
Proceeds from the sale of property, plant and equipment	-	38,793
Acquisition of property, plant and equipment	(197,435)	(247,301)
Acquisition of intangible assets	(44,172)	(14,358)
Proceeds from the sale of other long-term assets	662	-
Dividends received	104,330	90,142
Interest received	10,065	3,652
Net cash flows (used in) investment activities	**(128,688)**	**(133,375)**
Cash flows provided by financing activities		
Borrowings	837,594	499,926
Loan repayments	(297,495)	-
Payment of finance lease liabilities	(1,559)	(2,312)
Resources from changes in the ownership of interest in subsidiaries	2,266	-
Other cash inflows	2,605	
Dividends paid	(81,033)	(140,477)
Interest paid	(174,909)	(161,924)
Net cash flows provided by financing activities	**287,469**	**195,213**
Net (decrease) in cash and cash equivalents, before the effect of changes in exchange rates	**(204,158)**	**(315,306)**
Effects of the variation in the exchange rates on cash and cash equivalents	(316)	250
Net decrease in cash and cash equivalents	**(204,476)**	**(315,056)**
Cash and cash equivalents at the beginning of period	**1,098,825**	**810,647**
Cash and cash equivalents at the end of period	**894,349**	**495,591**

Carlos Mario Giraldo Moreno
Legal Representative

Jorge Nelson Ortiz Chica
Head Accountant
Professional Card 67018-T

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

Almacenes Éxito S.A.
Interim separate statements of changes in shareholders' equity
For the six-month periods ended June 30, 2017 and June 30, 2016
(Amounts expressed in millions of Colombian pesos)

	Issued share capital (Note 23)	Premium on the issue of shares (Note 23)	Own shares repurchased (Note 23)	Legal reserve (Note 24)	Occasional reserve (Note 24)	Reserve for the reacquisition of shares (Note 24)	Reserve for future dividends (Note 24)	Donations reserve (Note 24)	Other reserves (Note 24)	Total reserves (Note 24)	Other accumulated comprehensive income (Note 24)	Retained earnings	Other equity components	Total shareholders' equity
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 period (loss)	-	-	-	-	-	-	-	-	-	-	-	(44,688)	-	(44,688)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	360,294	-	-	360,294
Appropriation for reserves	-	-	-	-	279,937	-	-	6,810	-	286,747	-	(286,747)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	-	-	-	-	2,635	2,635	-	(10,808)	805	(7,368)
Balance at June 30, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	2,635	**1,693,089**	**(25,009)**	**1,061,180**	**(42,211)**	**7,534,263**
Balance at December 31, 2016	**4,482**	**4,843,466**	**(2,734)**	7,857	1,638,077	22,000	15,710	6,810	5,672	**1,696,126**	**138,303**	**1,144,736**	**(102,692)**	**7,721,687**
Cash dividend declared (Note 36)	-	-	-	-	-	-	-	-	-	-	-	(21,771)	-	(21,771)
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	61,670	-	61,670
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	39,230	-	-	39,230
Appropriation for reserves	-	-	-	-	21,757	-	-	-	-	21,757	-	(21,757)	-	-
Other increase (decrease) in shareholders' equity, net	-	-	-	-	5,375)	-	-	(6,810)	2,228	793	-	77,453	(23,676)	54,570
Balance at June 30, 2017	**4,482**	**4,843,466**	**(2,734)**	7,857	1,665,209	22,000	15,710	-	7,900	**1,718,676**	**177,533**	**1,240,331**	**(126,368)**	**7,855,386**

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 June 30, 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 six-month periods ended June 30, 2017 and June 30, 2016 and for the year ended December 31, 2016 have been prepared in accordance with accounting and financial reporting standards accepted in Colombia, set out in Law 1314 of 2009 in line with the International Financial Reporting Standards (IFRS) officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2014, regulated in Colombia by Regulatory Decree 2420 of 2015, "Single Regulatory Decree on accounting, financial reporting and reporting assurance standards", amended on December 23, 2015 by Regulatory Decree 2496, and on December 22, 2016 by Regulatory Decree 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, to present financial information incorporating the amendments to the standards that reflect the requirements of the various information users.

Financial statements herein presented

These interim separate financial statements of the Company are made of the statements of financial position at June 30, 2017 and December 31, 2016, the statements of income and of comprehensive income for the six-month and three-month periods ended June 30, 2017 and June 30, 2016, and the statements of changes in shareholders' equity and the statements of cash flows for the six-month periods ended June 30, 2017 and June 30, 2016.

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

Statement of accountability

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 June 30, 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 six-month period ended June 30, 2017

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

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

Note 4.2. Standards applied earlier during the six-month period ended June 30, 2017

During the six-month period ended June 30, 2016, 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 will become effective for periods commencing on or after January 1, 2017. Earlier application was permitted. The Company did not consider early application thereof.

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

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

The amendments are effective for periods commencing on or after January 1, 2017. Earlier application is permitted. The Company did not consider early application thereof.

Note 4.4. Standards not yet effective at June 30, 2017

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

During the year ended December 31, 2016, the International Accounting Standards Board IASB issued the following new standards and amendments, which are not in force at June 30, 2017:
- IFRIC 22 - Foreign currency transactions and advance consideration, in force as of January 2018.
- Amendment to IAS 40, in force as of January 2018.
- Amendment to IFRS 4, in force as of January 2018.
- Amendment to IFRS 2, in force as of January 2018.
- IFRS 16 - Leases, in force as of January 2019.
- IFRS 15 - Revenue from ordinary activities under contracts with customers, in force as of January 2018.

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

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

The interpretation includes foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from payment or receipt of advance consideration before it recognizes the related asset, expense or revenue. It does not apply when an entity measures the related asset, expense or revenue on initial recognition at fair value or at the fair value of the consideration received or paid on 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 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 accomplished during the six-month period ended June 30, 2017

No business combinations were accomplished during the six-month period ended June 30, 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:

	June 30, 2017	December 31, 2016
Cash at hand and in banks	736,596	1,066,830
Term deposit certificates (a)	126,741	-
Fiduciary rights	31,012	31,995
Total cash and cash equivalents	**894,349**	**1,098,825**

(a) Relates to the reimbursement by the DIAN of the 2016 income tax balance and income tax for equality CREE receivable (Tidis).

At June 30, 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:

	June 30, 2017	December 31, 2016
Trade accounts receivable (7.1)	65,757	84,962
Other accounts receivable (7.2)	102,030	119,914
Total trade receivables and other receivables	**167,787**	**204,876**
Current (7.3)	**145,195**	**183,330**
Non-current (7.3)	**22,592**	**21,546**

Note 7.1. Trade accounts receivable

The balance of trade receivables is as follows:

	June 30, 2017	December 31, 2016
Trade discounts	61,961	79,862
Rental installments and concessions receivable	8,137	9,482
Employee funds and lending	5,249	3,903
Impairment loss (1)	(9,590)	(8,285)
Total trade receivables	**65,757**	**84,962**

(1) 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 June 30, 2017 relates to an expense in amount of $1,305 (at December 31, 2016 it represented 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	5,930
Reversal of impairment losses	(3,752)
Receivables written-off	(873)
At June 30, 2017	**9,590**

Note 7.2. Other accounts receivable

The balance of other accounts receivable is as follows:

	June 30, 2017	December 31, 2016
Employee funds and lending	64,030	58,787
Business agreements	12,853	39,386
Sale of property, plant and equipment, intangible assets and other assets	13,353	13,357
Money transfer services	1,742	1,227
Tax claims	1,360	1,405
Money transfers	1,373	3,026
Taxes receivable	41	165
Other accounts receivable	7,278	2,561
Total trade receivables	**102,030**	**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:

	June 30, 2017	December 31, 2016
Trade receivables - current portion	61,961	79,862
Other funds and employee loans	42,486	38,504
Business agreement - current	12,853	39,386
Sale of property, plant and equipment - current	13,353	13,357
Rental installments and concessions receivable - current	8,137	9,482
Other funds and employee loans - current	5,249	3,903
Other	6,230	1,298
Money transfer services - current	1,742	1,227
Remittances - current	1,373	3,026
Tax claims - current	1,360	1,405
Taxes receivable	41	165
Impairment loss	(9,590)	(8,285)
Total current	**145,195**	**183,330**
Other funds and employee loans	21,544	20,283
Other	1,048	1,263
Total non-current	**22,592**	**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
June 30, 2017	177,377	69,180	84,927	1,137	732	21,351
December 31, 2016	213,161	12,094	143,545	36,726	927	19,869

Note 8. Prepaid expenses

The balance of prepaid expenses is:

	June 30, 2017	December 31, 2016
Leases (1)	7,385	13,232
Maintenance	7,686	4,877
Other advance payments	1,108	948
Insurance (2)	1,050	10,309
Total prepaid expenses	**17,229**	**29,366**
Current	**11,645**	**16,728**
Non-current	**5,584**	**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 2017, 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, provision of services and advance payments received. The balance of accounts receivable from and payable to related parties, as well as collections and advance payments received from related parties is made as follows:

	Accounts receivable		Accounts payable		Other non-financial liabilities		Other financial liabilities	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Joint ventures (1)	49,464	56,574	10	558	-	-	17,339	27,812
Subsidiaries (2)	41,999	53,770	55,165	124,789	185,205	53,746	-	-
Controlling entity (3)	4,005	3,606	20,010	52,988	-	-	-	-
Grupo Casino companies (4)	3,761	3,256	6,592	4,881	-	-	-	-
Key management personnel (3)	15	29	-	-	-	-	-	-
Members of the Board	-	-	29	93	-	-	-	-
Total	**99,244**	**117,235**	**81,806**	**183,309**	**185,205**	**53,746**	**17,339**	**27,812**
Current	**97,229**	**115,190**	**81,806**	**183,309**	**185,205**	**53,746**	**17,339**	**27,812**
Non-current	**2,015**	**2,045**	**-**	**-**	**-**	**-**	**-**	**-**

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

The balance of other financial liabilities includes collections received from third parties related with Tarjeta Éxito (Éxito Credit Card), owned by Compañía de Financiamiento Tuya S.A. (Note 21).

(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 $2,254 (2016 - $9,941); profits declared receivable, administrative services and reimbursement of expenses from Stand-Alone Trust Funds in amount of $15,874 (2016 - $22,926; sale of goods, administrative services, reimbursement of expenses and loans receivable from Gemex O&W S.A.S. in amount of $17,231 (2016 - $12,096); transfer of the put option contract to Spice Investments Mercosur S.A. $3,619 (2016 - $3,460); employee receivables $56, and other receivables from all other subsidiaries in amount of $2,965 (2016 - $2,621), and strategic direction to Libertad S.A. in amount of $0 (2016 - $2,726).

Accounts payable to subsidiaries include the following items: purchase of goods and rental of premises to Distribuidora de Textiles y Confecciones S.A., $20,667 (2016 - $96,907); reimbursement of expenses to Gemex O&W S.A.S., $224 (2016 - $7); dividends received in advance from Carulla Vivero Holding Inc., $4,627 (2016 - $4,575); transportation services received from Logística, Transporte y Servicios Asociados S.A.S, $3,297 (2016 - $4,511); rentals, purchase of goods and tax withholdings on earnings declared by Patrimonios Autónomos, $2,202 (2016 - $7,898); collections, purchase of tourism packages and redemption of points with Éxito Viajes y Turismo S.A.S.,$2,605 (2016 - $1,981); purchase of inventories, assets and balance pending capitalization payable to Cdiscount Colombia S.A.S., $7,169 (2016 - $8,714) and loans from Libertad S.A., $14,377 (2016 - $0).

The balance of other non-financial liabilities relates to revenue received in advance from Patrimonio Autónomo Viva Malls for real estate project development services (Nota 22).

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

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 $9,030 (2016 - $41,818).

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

(5) Balances from transactions with key management personnel, including legal representatives and/or administrators, mainly relate to labor agreements entered between the parties. Key management personnel include the CEO, Vice-presidents, business corporate managers, directors, and members of their families.

Note 10. Inventories and cost of sales

Note 10.1. Inventories

The balance of inventories is as follows:

	June 30, 2017	**December 31, 2016**
Inventories available for trading	1,181,552	1,058,160
Inventories in transit	37,240	31,004
Materials, small spares, accessories and packaging material	8,142	12,596
Product in process	2,076	2,604
Raw materials	1,980	2,313
Inventories of property under construction (1)	2,960	1,897
Inventory impairment (2)	(16,511)	(30,915)
Total inventories	**1,217,439**	**1,077,659**

(1) Relates to Cota Hotel and Univalledupar real estate projects currently under construction, for trading purposes. Cota Hotel project is in a construction reorganization stage since 2015. The construction of the Univalledupar project was resumed for 2016.

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

Balance at December 31, 2016	**30,915**
Reversal of impairment provisions	(14,404)
Balance at June 30, 2017	**16,511**

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.

Note 10.2. Cost of sales

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Cost of goods sold (1)	4,421,710	4,395,157	2,176,304	2,155,428
Trade discounts and rebates on purchases	(612,709)	(522,182)	(288,972)	(259,146)
Logistics costs (2)	121,377	124,776	60,289	63,717
Damage and unknown reduction	74,425	77,844	37,275	37,252
(Reversal) of impairment loss recognized during the period (3)	(14,404)	5,829	447	4,289
Total cost of goods sold	**3,990,399**	**4,081,424**	**1,985,343**	**2,001,540**

(1) Includes $8,690 of depreciation and amortization cost (2016 - $2,627).
Includes $1,287 allowance for trade receivables (2016 - $2,194).

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Services	58,733	68,208	28,874	34,461
Employee benefits	28,464	24,596	14,482	12,720
Leases	26,790	25,888	13,250	13,401
Depreciation and amortization	7,390	6,084	3,683	3,135
Total	**121,377**	**124,776**	**60,289**	**63,717**

(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:

	June 30, 2017	December 31, 2016
Financial assets measured at amortized cost (1)	75,361	75,157
Derivative financial instruments (2)	52,169	9,547
Financial assets measured at fair value through income (3)	1,120	1,142
Financial assets measured at fair value through other comprehensive income	248	248
Total other financial assets	**128,898**	**86,094**
Current	**52,052**	**12,252**
Non-current	**76,846**	**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) 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 June 30, 2017 relates to the decrease in the valuation of closing rates for forwards and swaps, below 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 June 30, 2017 is as follows:

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 12 months	Total
Forward	2,783	7,919	15,017	4,851	-	30,570
Swap	399	-	3,263	10,376	7,561	21,599
	3,182	**7,919**	**18,280**	**15,227**	**7,561**	**52,169**

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**

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

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

	June 30, 2017	December 31, 2016
Current		
Derivative financial instruments	44,608	4,800
Financial assets measured at amortized cost	7,444	7,452
Total current	**52,052**	**12,252**
Non-current		
Financial assets measured at amortized cost	67,917	67,705
Derivative financial instruments	7,561	4,747
Financial assets measured at fair value through income	1,120	1,142
Financial assets measured at fair value through other comprehensive income	248	248
Total non-current	**76,846**	**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:

	June 30, 2017	December 31, 2016
Buildings	989,953	991,929
Land	651,062	643,398
Machinery and equipment	626,327	603,994
Furniture and fixtures	363,242	352,391
Improvements to third party properties	263,317	253,951
Computers	129,447	127,182
Assets under construction	21,608	26,222
Other	16,090	16,050
Vehicles and transportation equipment	5,060	5,280
Total cost of property, plant and equipment	**3,066,106**	**3,020,397**
Accumulated depreciation	(621,641)	(523,381)
Total net property, plant and equipment	**2,444,465**	**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	-	2,002	8,369	1,798	40,865	2,943	14	636	40	56,667
Increase (decrease) from movements between property, plant and equipment accounts	7,664	3,404	14,931	9,370	(45,479)	8,121	(234)	2,223	-	-
Derecognition of property, plant and equipment (1)	-	(7,382)	(968)	(317)	-	(2,356)	-	(121)	-	(11,144)
Other changes	-	-	1	-	-	658	-	(473)	-	186
Balance at June 30, 2017	**651,062**	**989,953**	**626,327**	**363,242**	**21,608**	**263,317**	**5,060**	**129,447**	**16,090**	**3,066,106**
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	-	14,466	34,378	21,298	-	17,787	368	12,041	394	100,732
Depreciation reversals (1)		(752)	(712)	(300)		(1,163)	-	(115)	-	(3,042)
Other changes	-	(138)	63	(42)	-	683	(26)	30	-	570
Balance at June 30, 2017	**-**	**99,287**	**210,554**	**129,568**	**-**	**105,815**	**2,854**	**71,524**	**2,039**	**621,641**

(1) Includes the closing of Carulla San Jerónimo store at a net value of $1,152; derecognition of the CEDI Envigado distribution center at a net value of $4,610, and derecognition of the Torre Sur Building at a net value of $539.

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:

	June 30, 2017	December 31, 2016
Machinery and equipment	769	769
Other property, plant and equipment	15,761	15,761
Total cost of property, plant and equipment	**16,530**	**16,530**
Accumulated depreciation	(2,222)	(2,006)
Total net property, plant and equipment	**14,308**	**14,524**

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

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

	June 30, 2017	December 31, 2016
Buildings	215,369	123,577
Construction in progress	142,982	126,073
Land	65,370	65,370
Total cost of investment property	**423,721**	**315,020**
Accumulated depreciation	(4,782)	(2,973)
Total investment property, net	**418,939**	**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	-	22,296	85,080	107,376
Capitalization of loan-related costs (1)	-	-	1,342	1,342
Increase (decrease) from movements between investment property accounts.	-	69,513	(69,513)	-
Other changes	-	(17)	-	(17)
Balance at June 30, 2017	**65,370**	**215,369**	**142,982**	**423,721**

Accumulated depreciation	Buildings
Balance at December 31, 2016	**2,973**
Depreciation expense	1,670
Other changes	139
Balance at June 30, 2017	**4,782**

(1) Capitalization rate used to determine the value of capitalized loan-related costs was 4.637%

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 June 30, 2017 and December 31, 2016, relates to goodwill resulting from the following business combinations:

	June 30, 2017	December 31, 2016
Carulla Vivero S.A.	827,420	827,420
Super Inter	453,649	453,649
Cafam	122,219	122,219
Other	49,789	49,789
Total	**1,453,077**	**1,453,077**

The balance of intangible assets other than goodwill at June 30, 2017 and at December 31, 2016 is as follows:

	June 30, 2017	December 31, 2016
Computer software	136,916	133,953
Trademarks	81,131	81,131
Rights	24,760	24,760
Other	1,522	1,522
Total intangible assets other than goodwill	**244,329**	**241,366**
Accumulated amortization	(78,520)	(66,953)
Total intangible assets other than goodwill, net	**165,809**	**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	-	3,718	-	-	3,718
Transfers	-	511	-	-	511
Disposals and derecognition	-	(1,266)	-	-	(1,266)
Balance at June 30, 2017	**81,131**	**136,916**	**24,760**	**1,522**	**244,329**
Accumulated amortization					
Balance at December 31, 2016	**-**	**65,462**	**-**	**1,491**	**66,953**
Amortization expense/cost	-	12,773	-	-	12,773
Transfers	-	60	-	-	60
Disposals and derecognition	-	(1,266)	-	-	(1,266)
Balance at June 30, 2017	**-**	**77,029**	**-**	**1,491**	**78,520**

(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), $15,114 (2016 - $17,801); trade information system (Sinco), $13,949 (2016 - $16,843); single customer, $3,688 (2016 - $4,244); pricing, $2,390 (2016 - $2,951); demand forecast, $3,629 (2016 - $2,737); databases, $2,257 (2016 - $2,648); printing, $3,073 (2016 - $2,281), display and space, $1,305 (2016 - $1,949); pos and pin pads, $1,345 (2016 - $1,890); exchange license, $1,223 (2016 - $1,862); sinemax, $1,241 (2016 - $1,516); IT security, $2,035 (2016 - $1,439); pc stations, $989 (2016 - $1,334), C&C licenses, $913 (2016 - $1,094); monitoring, $725 (2016 - $1,130); slotting, $927 (2016 - $1,088).

(3) $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 commitments 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	June 30, 2017	December 31, 2016
Onper Investment 2015 S.L.	Subsidiary	5,517,437	5,477,557
Spice Investment Mercosur S.A.	Subsidiary	1,885,768	1,789,663
Patrimonio Autónomo Viva Malls	Subsidiary	475,240	398,227
Patrimonio Autónomo Viva Villavicencio	Subsidiary	109,148	109,148
Distribuidora de Textiles y Confecciones S.A.	Subsidiary	102,621	159,415
Compañía de Financiamiento Tuya S.A.	Joint venture	93,626	90,171
Patrimonio Autónomo Centro Comercial	Subsidiary	57,294	57,294
Patrimonio Autónomo Viva Sincelejo	Subsidiary	42,071	42,531
Patrimonio Autónomo San Pedro Etapa I	Subsidiary	17,754	17,960
Cdiscount Colombia S.A.S. (1)	Subsidiary	12,597	22,838
Patrimonio Autónomo Centro Comercial Viva Barranquilla	Subsidiary	11,527	11,086
Cnova N.V.	Associate	9,222	9,222
Carulla Vivero Holding Inc.	Subsidiary	4,538	4,464
Éxito Viajes y Turismo S.A.S.	Subsidiary	4,199	4,221
Fideicomiso Girardot Plot of Land	Subsidiary	3,850	3,850
Logística, Transporte y Servicios Asociados S.A.S.	Subsidiary	3,476	606
Almacenes Éxito Inversiones S.A.S.	Subsidiary	3,369	-
Patrimonio Autónomo Iwana	Subsidiary	3,221	3,280
Puntos Colombia S.A.	Joint venture	1,127	-
Patrimonio Autónomo Centro Comercial Viva Riohacha (2)	Subsidiary	-	6,277
Total		**8,358,085**	**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 six-month period ended June 30, 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:

	June 30, 2017	December 31, 2016
Current		
Bank loans	1,026,113	465,700
Finance leases	3,719	3,662
Total current financial liabilities	**1,029,832**	**469,362**
Non-current		
Bank loans	3,488,951	3,484,498
Finance leases	13,582	14,956
Total non-current financial liabilities	**3,502,533**	**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.

Loans were obtained as follows: $430,000 in February 2017; $70,000 in March; $158,000 in April and $79,955 in May. In addition, in June a portion of the syndicated revolving credit in amount of $200,000 was repaid.

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

Year	Total
2018	1,595,758
2019	707,067
2020	479,526
>2021	720,182
	3,502,533

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 30 based on audited consolidated financial statements at each period closing.

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

   If the 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:

	June 30, 2017	December 31, 2016
Other (1)	16,692	17,092
Legal proceedings (2)	15,153	15,570
Taxes other than income tax (3)	11,091	11,091
Restructuring (4)	7,721	3,141
Total other provisions	**50,657**	**46,894**
Current Note 18.1	**29,417**	**23,801**
Non-current Note 18.1	**21,240**	**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) The balance of other provision relates to:

	June 30, 2017	December 31, 2016
Gemex O & W S.A.S. (a)	10,682	7,278
Provision to protect against the loss of merchandise "*VMI*"	6,010	5,599
Almacenes Éxito Inversiones S.A.S. (a)	-	4,215
Total	**16,692**	**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.

(2) 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 $9,723 (2016 -$10,155) for labor lawsuits and $5,430 (2016 - $5,415) for civil lawsuits.

(3) 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).

(4) 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.

The development of provisions during the period is as follows:

	Proceedings 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	1,846	-	20,534	4,855	27,235
Uses	-	-	-	(197)	(197)
Payments	(990)	-	(15,756)	(842)	(17,588)
Reversals (not used)	(1,273)	-	(198)	(4,216)	(5,687)
Balance at June 30, 2017	**15,153**	**11,091**	**7,721**	**16,692**	**50,657**

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:

	June 30, 2017	December 31, 2016
Current		
Other	16,692	17,092
Legal proceedings	5,004	3,568
Restructuring	7,721	3,141
Total other current provisions	**29,417**	**23,801**
Non-current		
Legal proceedings	10,149	12,002
Taxes other than income tax	11,091	11,091
Total other non-current provisions	**21,240**	**23,093**

Note 18.2. Forecasted payments of other provisions

Forecasted payments of other provisions for which the Company is responsible at June 30, 2017 are:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	5,004	-	7,721	16,692	29,417
More than one year	10,149	11,091	-	-	21,240
Total estimated payments	**15,153**	**11,091**	**7,721**	**16,692**	**50,657**

Note 19. Trade payables and other accounts payable

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

	June 30, 2017	December 31, 2016
Suppliers	1,967,573	2,304,514
Costs and expenses payable	215,561	279,075
Employee benefits	120,504	113,386
Funding for the acquisition of assets	63,831	137,365
Tax withholdings payable	30,779	48,613
Taxes collected payable	10,217	31,305
Dividends payable	8,660	35,134
Other	13,247	18,890
Total	**2,430,372**	**2,968,282**

Note 20. Income tax

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

a. Income tax

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

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

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

b. Tax on dividends

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

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

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

The above will apply to earnings obtained as of 2017.

c. IFRS base for tax purposes

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

d. Presumptive income

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

e. Foreign controlled entities

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

f. Tax losses and closing of tax returns

A term of 12 periods subsequent to 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

	June 30, 2017	December 31, 2016
Income tax advances and self-withholdings (1)	75,286	129,715
Industry and trade tax and withholdings paid in advance.	10,275	12,250
Income tax for equality - CREE balance receivable (2)	-	26,626
Income tax for equality - CREE paid in advance	-	22,701
Total current tax assets	**85,561**	**191,292**

(1) The balance is comprised of:

	June 30, 2017	December 31, 2016
Income tax withholdings	87,893	148,384
Tax discount to be requested	16,921	19,376
Subtotal	**104,814**	**167,760**
Income tax revenue (expense) (Note 20.2)	(29,528)	(38,045)
Total income tax advances and self-withholdings	**75,286**	**129,715**

(2) The balance is made as follows:

	June 30, 2017	December 31, 2016
Income tax for equality CREE withholdings	-	48,212
Less income tax for equality CREE expense	-	(21,586)
Total income tax for equality - CREE balance receivable	**-**	**26,626**

Current tax liabilities

	June 30, 2017	December 31, 2016
Industry and trade tax payable	27,071	43,920
Tax on wealth	9,902	-
Other taxes payable	1,142	-
Total current tax liabilities	**38,115**	**43,920**

Note 20.2. Income tax

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016	December 31, 2016
(Loss) earnings before income tax	**(29,862)**	**(40,219)**	**(12,837)**	**(8,636)**	**116,197**
Add:					
Tax on wealth	19,804	51,083	(577)	-	51,083
IFRS adjustments with no tax effects	18,850	56,806	68,610	50,562	(101,642)
Accounting provisions and receivables written off (recovered)	9,472	1,258	3,753	861	(5,423)
Tax on financial transactions	4,527	4,621	1,436	2,034	8,230
Non-deductible expenses	2,649	37	1,222	35	13,690
Non-deductible inventory losses	1,579	-	878	-	-
Taxes taken on and revaluation	1,447	2,412	1,220	1,004	6,488
Fines, penalties and litigation expenses	1,073	1,280	339	1,115	3,144
Non-deductible taxes	17	19	-	2	19
Net income - recovery of depreciation of fixed assets sold	-	8,901	-	8,901	21,356
Reimbursement of deduction of income-generating fixed assets	-	4,624	-	4.624	90,404
Selling price of fixed assets held less than two years	-	-	-	-	195,058
Accrued unpaid industry and trade tax expense	-	-	-	-	2,313
Less:					
Goodwill tax deduction, in addition to the accounting deduction	(182,328)	(14,214)	(154,739)	(45,459)	(18,362)
40% deduction of investment in income-generating assets	(58,545)	(77,618)	(33,613)	(19,598)	(128,076)
Tax-exempt dividends received from subsidiaries	(50,149)	-	(50,149)	-	-
Derecognition of gain from the sale of fixed assets reported as occasional gain	(3,654)	(19,711)	-	-	(72,984)
Recovery of provisions	(384)	(1,851)	(22)	(99)	(1,941)
Disabled employee deduction	(552)	(419)	(552)	(267)	(811)
2015 industry and trade tax paid in 2016	-	(14,392)	-	23,100	-
Allowance for doubtful accounts	-	(6,641)	-	(5,352)	-
Cost of fixed assets sold held less than two years	-	-	-	-	(195,058)
Net income (loss)	**(266,056)**	**(44,024)**	**(175,031)**	**12,827**	**(16,315)**
Current year presumptive income	**86,057**	-	**86,057**	-	**159,371**
Net taxable income	**86,057**	-	**86,057**	-	**159,371**
Income tax rate	34%	25%	34%	25%	25%
Subtotal income tax (expense)	**(29,261)**	-	**(29,261)**	-	**(39,843)**
Occasional gains tax (expense)	(267)	(888)	-	(888)	(1,988)
Adjustment to effective rate	-	(12,909)	**(41,062)**	(3,396)	-
Tax discounts	-	3,553	-	-	3,786
Total income tax (expense)	**(29,528)**	**(10,244)**	**(70,323)**	**(4,284)**	**(38,045)**
Income tax for equality - CREE (expense)	-	**(8,193)**	-	**(2,368)**	**(12,072)**
Income tax for equality - CREE surcharge (expense)	-	**(5,334)**	-	**(1,267)**	**(9,514)**
(Expense) from previous year tax	-	**(1,714)**	-	**(1,714)**	**(1,714)**
Total current income tax (expense)	**(29,528)**	**(25,485)**	**(70,323)**	**(9,633)**	**(61,345)**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Current income tax (expense)	(29,528)	(25,485)	(70,323)	(9,633)
Deferred income tax revenue (expense) (Note 20.3)	121,060	21,016	152,423	(27,366)
Total revenue from income tax	**91,532**	**(4,469)**	**82,100**	**(36,999)**

Presumptive income was determined as follows:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016	December 31, 2016
Net shareholders' equity	2,502,471	-	1,251,235	-	5,360,305
Less net shareholders' equity to be excluded	(43,705)	-	(21,853)	-	(47,962)
Shareholders' equity base	**2,458,766**	-	**1,229,382**	-	**5,312,343**
Presumptive income	**86,057**	-	**86,057**	-	**156,371**

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:

	June 30, 2017	December 31, 2016
Land	(40,109)	(39,031)
Buildings	(83,478)	(89,253)
Investment property	(4,446)	(2,966)
Construction in progress	(30,710)	(22,641)
Intangible assets	(80,279)	(51,167)
Other fixed assets	(26,770)	(26,851)
Non-operating real estate property	103	103
Equity investments	(76,856)	(74,214)
Investments at amortized cost	-	(2)
Deferred charges	3,655	8,849
Real estate for trading	(190)	(83)
Inventories	25,096	26,030
Accounts receivable	(1,314)	3,065
Financial liabilities	1,045	2,019
Other liabilities	33,878	(8,531)
Tax consolidation and readjustment	19,407	19,407
Excess presumptive income and tax losses	185,941	54,217
Total net deferred tax (liabilities)	**(75,027)**	**(201,049)**

Deferred tax assets and liabilities are made as follows:

	June 30, 2017	December 31, 2016
Deferred tax assets	1,378,815	1,208,494
Deferred tax (liabilities)	(1,453,842)	(1,409,543)
Total net deferred tax (liabilities)	**(75,027)**	**(201,049)**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Deferred income tax 25%	121,456	7,287	153,200	(12,079)
Deferred CREE tax 9%	-	2,623	-	(4,349)
Deferred CREE tax surcharge 5%	-	7,472	-	(12,293)
Deferred occasional gains tax 10%	(452)	(401)	(777)	(369)
Retained earnings Uruguay and Brazil	56	4,035	-	1,724
Total deferred tax revenue (expense)	**121,060**	**21,016**	**152,423**	**(27,366)**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Gain from derivative financial instruments denominated as hedge instruments	4,962	-	4,962	-
Total	**4,962**	**-**	**4,962**	**-**

In its financial statements, the Company does not recognize 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:

	June 30, 2017	December 31, 2016
Subsidiaries domiciled in Colombia	(209,765)	(112,723)
Other	(6,853)	(8,340)
Total	**(216,618)**	**(121,063)**

Temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized at June 30, 2017 amount to$110,394 (2016 - $164,538).

Note 21. Other financial liabilities

The balance of other financial liabilities is as follows:

	June 30, 2017	December 31, 2016
Current		
Collections received on behalf of third parties (1)	31,203	69,849
Derivative financial instruments designated as hedge instruments (2)	1,599	-
Derivative financial instruments (3)	865	17,608
Total current	**33,667**	**87,457**
Non-current		
Derivative financial instruments designated as hedge instruments (2)	14,005	-
Total non-current	**14,005**	**-**

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

	June 30, 2017	December 31, 2016
Éxito Card collections	17,339	27,812
Non-banking correspondent	8,871	34,376
Direct trading (market place)	3,221	3,967
Money transfer services	147	1,364
Other collections	1,625	2,330
Total	**31,203**	**69,849**

(2) As of 2017, derivative instruments designated as hedge instrument reflect swap transactions carried out by the Company under contracts executed with financial entities which purpose is the exchange, at specific intervals, of the difference between the amounts of fixed and variable interest rates calculated in relation with an agreed-upon nominal principal amount, which turns variable rates into fixed rates and cash flows then become capable of being determined in local currency. Fair values of these instruments are determined using valuation models, commonly used by market participants.

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

The Company documents accounting hedging relationships and conducts efficacy testing from initial recognition and along the hedging relationship to its derecognition. No inefficacy has been identified during the periods reported.

At June 30, 2017 relates to the following transactions:

Hedging instrument	Nature of risk hedged	Hedged item	Range of rates for hedged item	Range of rates for hedging instruments	Gross value Fair value
Swap	Interest rate	Financial obligations	IBR 3M	5.1% - 6.0%	15,106
Swap	Interest and exchange rates	Financial obligations	Libor USD 1M + 2.22%	9.96%	498
					15,604

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

	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 3 to 6 months	More than 6 months	Total
Swap	151	-	-	1,448	14,005	15,604

(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 June 30, 2017, relates to the reduction of closing valuation rates for forwards and swaps, which reached values above the average rates agreed upon with the various financial players.

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

	< 3 months	**3 to 6 months**	**Total**
Forward	-	6	6

	< 1 year	**> 1 year**	**Total**
Swap	859	-	859

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

	< 3 months	**3 to 6 months**	**Total**
Forward	4,160	12,186	16,346

	< 1 year	**➢ 1 year**	**Total**
Swap	1,262	-	1,262

Note 22. Other non-financial liabilities

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

	June 30, 2017	**December 31, 2016**
Current		
Advance payments under lease agreements and other projects (1)	186,221	54,766
Revenue received in advance (2)	39,237	57,862
Customer loyalty programs (3)	35,126	37,334
Instalments received under "plan resérvalo"	1,127	1,266
Repurchase coupon	501	49
Total current	**262,212**	**151,277**
Non-current		
Advance payments under lease agreements and other projects	46,338	47,388
Total non-current	**46,338**	**47,388**

(1) For 2017 includes revenue in amount of $185,205 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.

	June 30, 2017	**December 31, 2016**
Gift card	23,256	43,264
Cafam comprehensive card	10,079	9,035
Exchange card	3,020	3,326
Fuel card	973	932
Other	1,909	1,305
Total	**39,237**	**57,862**

(3) Represents customer loyalty programs, namely "Puntos Éxito" and "Supercliente Carulla". At June 30, 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 $821 (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 June 30, 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 June 30, 2017 and December 31, 2016. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. Capitalization means the transferring of a portion of such premium to a capital account, as result of the issue of a share-based dividend.

(*) Expressed in Colombian pesos.

Note 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:

	June 30, 2017			December 31, 2016		
	Net amount	Tax effect	Gross amount	Net 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)	181,807	-	181,807	131,545	-	131,545
(Loss) from the hedging of cash flows (4)	(15,005)	4,962	10,043	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	10,118	-	10,118	11,141	-	11,141
Total other accumulated comprehensive income	**171,895**	**5,638**	**177,533**	**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) Represents the accumulated value of the effective portion of gains or losses arising from the changes in the fair value of hedging instruments in a cash flow hedging. The accumulated value of gains or losses is reclassified to period results only when the hedged transaction influences period results or a highly-likely transaction is not foreseen to occur, or is included, as part of the carrying value, in a non-financial hedged entry.

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

Note 25. Revenue from ordinary activities

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Total retail sales (1)	5,103,245	5,216,990	2,506,218	2,564,357
Service revenue (2)	117,846	84,964	75,644	43,386
Other ordinary revenue (3)	21,643	58,402	11,222	36,164
Revenue from ordinary activities	**5,242,734**	**5,360,356**	**2,593,084**	**2,643,907**

(1) The balance of retail sales relates to the following items:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Sale of goods, net of sales returns and rebates	5,103,245	5,187,467	2,506,218	2,534,834
Revenue from the sale of real estate projects (a)	-	29,523	-	29,523
Total other ordinary revenue	**5,103,245**	**5,216,990**	**2,506,218**	**2,564,357**

(a) For 2016, relates to revenue obtained from the sale of Éxito Itagüí real estate project.

(2) Mainly relates to revenue from the lease of premises and physical spaces at the stores (traders), to revenue as non-banking correspondent and to revenue from the provision of advertising services.

(3) The balance of other revenue relates to:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Royalty revenue	2,990	36,920	2,269	22,217
Other revenue (a)	18,653	21,482	8,953	13,947
Total other ordinary revenue	**21,643**	**58,402**	**11,222**	**36,164**

(a) Relates to:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Other revenue from Latam strategic direction	5,258	3,630	2,574	3,630
Other exploitation activities	5,183	1,837	2,340	(501)
Revenue from financial services	1,121	1,003	321	313
Other	7,091	15,012	3,718	10,505
Total other revenue	**18,653**	**21,482**	**8,953**	**13,947**

Note 26. Distribution expenses and administration and sales expenses

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Leases	134,064	113,377	67,364	56,625
Depreciation and amortization	88,200	89,039	44,020	42,455
Taxes other than income tax	84,980	85,114	33,748	30,122
Fuels and power	83,073	84,802	42,387	40,934
Advertising	60,488	59,368	30,915	29,407
Repairs and maintenance	41,266	40,699	22,766	21,483
Administration of trade premises	19,056	15,802	9,521	7,897
Packaging and marking materials	14,724	13,838	8,244	6,575
Insurance	14,140	9,006	8,567	4,876
Commissions on debit and credit cards	13,665	13,120	6,683	6,468
Transport	11,721	11,060	6,106	5,911
Fees	10,976	8,205	6,162	4,089
Services	6,563	2,579	3,423	1,512
Allowance for trade receivables	4,643	1,295	655	518
Travel expenses	2,933	2,781	1,844	1,373
Legal expenses	2,249	1,806	1,109	1,153
Other	33,299	28,527	18,464	14,232
Total distribution expenses	**626,040**	**580,418**	**311,978**	**275,630**

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Fees	18,806	23,107	9,665	10,408
Depreciation and amortization	18,285	23,475	8,905	15,853
Taxes other than income tax	13,232	10,713	6,249	4,837
Travel expenses	3,463	4,085	1,949	2,313
Services	3,314	2,301	1,747	1,242
Repairs and maintenance	2,849	4,622	871	3,682
Outsourced employees	1,606	1,387	822	878
Fuels and power	1,264	1,148	659	539
Insurance	1,156	1,324	655	840
Legal expenses	1,045	315	1,000	225
Leases	929	765	555	453
Transport	760	1,950	433	1,018
Contributions and affiliations	564	303	355	111
Packaging and marking materials	11	22	5	11
Administration of trade premises	5	9	4	4
Other (1)	6,613	10,080	2,589	3,665
Total administration and sales expenses	**73,902**	**85,606**	**36,463**	**46,079**

(1) Includes impairment expense in amount of $1,296 (2015 - $5,232).

Note 27. Employee benefit expense

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Wages and salaries	384,005	371,938	194,481	190,776
Contributions to the social security system	5,443	5,102	2,617	2,503
Other short-term employee benefits	23,921	22,421	11,862	10,860
Total short-term employee benefit expenses	**413,369**	**399,461**	**208,960**	**204,139**
Post-employment benefit expenses, defined contribution plans	34,994	33,369	17,466	16,859
Post-employment benefit expenses, defined benefit plans	1,542	1,405	858	783
Total post-employment benefit expenses	**36,536**	**34,774**	**18,324**	**17,642**
Termination benefit expenses	1,297	850	549	404
Other long-term employee benefits (1)	115	(8,542)	53	(9,011)
Other personnel expenses	5,223	5,379	3,146	3,447
Total employee benefit expenses	**456,540**	**431,922**	**231,032**	**216,621**

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

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:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Other recurring operating revenue				
Recurring				
Other recurring operating revenue	3,753	5,000	-	456
Reimbursement of ICA-related costs and expenses	385	1,773	23	22
Revenue from insurance compensation	3,974	-	3,974	-
Recovery of other provisions related to labor legal proceedings	101	4,620	(23)	1,047
Recovery of other provisions related to civil lawsuits	-	1,541	(248)	1,227
Reimbursement of tax-related costs and expenses	-	42	-	42
Total non-recurring	**8,213**	**12,976**	**3,726**	**2,794**
Non-recurring				
Other revenue (1)	-	3,460	-	3,460
Insurance compensations for damages	277	-	277	-
Recovery of other provisions	199	-	199	-
Total non-recurring	**476**	**3,460**	**476**	**3,460**
Total other operating revenue	**8,689**	**16,436**	**4,202**	**6,254**
Other operating expenses				
Tax on wealth expense (2)	(19,804)	(51,083)	578	-
Restructuring expenses (3)	(20,534)	(8,896)	(10,318)	(8,896)
Other expenses (4)	(2,361)	(1,667)	380	6,789
Total other operating expenses	**(42,699)**	**(61,646)**	**(9,360)**	**(2,107)**
Other (loss) gains, net				
Derecognition of property, plant and equipment	(6,621)	1,352	(5,462)	1,348
(Loss) from the sale and derecognition of property, plant and equipment	(801)	(45)	(773)	(45)
Total other (loss) gains, net	**(7,422)**	**1,307**	**(6,235)**	**1,303**

(1) Refers to the price charged to Spice Investment Mercosur S.A. upon the assignment of the put option contract to which the Company was a party.

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

(3) 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.

(4) For 2017, relates to expenses incurred in establishing real estate vehicles in amount of $1,427; expenses arising from the closing of shops and stores in amount of $268; 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 $351

Note 29. Financial revenue and expenses

The balance of financial revenue and expenses is as follows:

	January 1 to June 30, 2017	**January 1 to June 30, 2016**	**April 1 to June 30, 2017**	**April 1 to June 30, 2016**
Gain from derivative financial instruments (1)	66,865	19,532	66,755	9,310
Gain (loss) from exchange difference (1)	10,245	219,424	(51,519)	54,260
Other financial revenue	5,658	10,457	3,016	5,462
Revenue from interest, cash and cash equivalents	6,755	4,219	2,780	1,311
Total financial revenue	**89,523**	**253,632**	**21,032**	**70,343**
Interest, borrowings and finance lease (expense)	(171,690)	(168,888)	(85,187)	(89,034)
(Loss) gain from derivative financial instruments (1)	(82,593)	(171,224)	7,416	(67,029)
(Loss) from exchange difference (1)	(41,378)	(112,941)	(38,080)	(18,740)
Other financial (expenses)	(8,747)	(10,736)	(7,746)	(5,915)
Commission (expense)	(1,137)	(1,422)	(344)	(393)
Total financial expenses	**(305,545)**	**(465,211)**	**(123,942)**	**(181,111)**

(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:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Onper Investments 2015 S.L.	61,494	(39,732)	37,598	(28,866)
Spice Investments Mercosur S.A.	59,413	62,761	18,400	11,669
Patrimonio Autónomo Viva Malls	10,694	-	6,645	--
Almacenes Éxito Inversiones S.A.S.	7,585	1,328	5,623	840
Patrimonio Autónomo Viva Villavicencio	4,687	6,970	3,204	5,279
Logística, Transportes y Servicios Asociados S.A.S.	1,897	(1,531)	1,415	(937)
Éxito Viajes y Turismo S.A.S.	1,700	303	828	273
Patrimonio Autónomo Centro Comercial	1,574	4,461	731	3,258
Patrimonio Autónomo Viva Sincelejo	1,361	1,453	744	791
Patrimonio Autónomo Fideicomiso San Pedro Etapa I	602	696	307	363
Patrimonio Autónomo Centro Comercial Viva Barranquilla	441	(560)	357	(165)
Patrimonio Autónomo Centro Comercial Viva Riohacha	385	2,701	-	1,198
Carulla Vivero Holding Inc.	193	-	193	-
Puntos Colombia S.A.S.	2	-	2	
Patrimonio Autónomo Iwana	(45)	29	2	27
Cdiscount Colombia S.A.S.	(366)	(6,034)	(217)	(2,571)
Distribuidora de Textiles y Confecciones S.A.	(2,847)	814	(269)	896
Gemex O & W S.A.S.	(3,403)	(2,391)	(1,637)	(1,177)
Compañía de Financiamiento Tuya S.A.	(12,147)	-	753	-
Patrimonio Autónomo Viva Laureles (1)	-	2,590	-	1,540
Patrimonio Autónomo Viva Palmas (1)	-	421	-	227
Patrimonio Autónomo Local 108 (Vizcaya) (1)	-	(2)	-	-
Total	**133,220**	**34,277**	**74,679**	**(7,355)**

(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:

In period results:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net gain (loss) attributable to continuing operations	61,670	(44,688)	69,263	(45,635)
Net gain (loss) attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**61,670**	**(44,688)**	**69,263**	**(45,635)**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic and diluted earnings (loss) per share (in Colombian pesos)	**137.78**	**(99.84)**	**154.74**	**(101.96)**

In total comprehensive period results:

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Net gains attributable to total comprehensive income	100,900	315,606	149,250	242,644
Net gain attributable to the holders of ordinary equity instruments of the controlling entity (basic and diluted)	**100,900**	**315,606**	**149,250**	**242,644**
Weighted average of the number of ordinary shares attributable to the basic earnings per share (basic and diluted)	447.604.316	447.604.316	447.604.316	447.604.316
Basic and diluted earnings per share (in Colombian pesos)	**225.42**	**705.10**	**333.44**	**542.09**

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 between the parties.

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

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Short-term employee benefits (1)	21,498	21,179	9,748	9,985
Post-employment benefits	761	703	348	348
Total	**22,259**	**21,882**	**10,096**	**10,333**

(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 with these companies. Revenue from Latam strategic direction was recognized during the six months ended June 30, 2017 in amount of $5,258 (2016 - $3,630) 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 other services, as well as to costs and expenses related to risk management and technical assistance support, and to the purchase of goods and services actually received. The amount of revenue, costs and expenses arising from transactions with related parties is as follows:

Revenue

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Controlling entity (1)	3,705	3,630	1,706	3,630
Subsidiaries (2)	7,883	10,678	3,891	4,380
Grupo Casino companies (3)	1,113	1,603	876	932
Joint ventures (4)	13,700	-	7,151	-
Total	**26,401**	**15,911**	**13,624**	**8,942**

Costs and expenses

	January 1 to June 30, 2017	January 1 to June 30, 2016	April 1 to June 30, 2017	April 1 to June 30, 2016
Controlling entity (1)	12,328	13,500	6,229	7,119
Subsidiaries (2)	200,679	159,174	105,185	84,072
Grupo Casino companies (3)	7,356	14,730	1,656	7,359
Joint ventures (4)	1,304	-	585	-
Members of the Board	532	663	301	254
Total	**222,199**	**188,067**	**113,956**	**98,804**

(1) Revenue with the Controlling entity refer to a Latin America strategic direction service agreement entered 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. For 2016 it also includes the revenue from the transfer to Spice Investments Mercosur S.A. of the put option contract entered with the holders of non-controlling interests in subsidiary Grupo Disco del Uruguay.

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.

	January 1 to June 30, 2017	**January 1 to June 30, 2016**	**April 1 to June 30, 2017**	**April 1 to June 30, 2016**
Distribuidora de Textiles y Confecciones S.A.	133,177	118,785	67,622	60,771
Logística, Transporte y Servicios Asociados S.A.S.	36,850	24,949	21,986	13,671
Patrimonios Autónomos (Stand-alone trust funds)	22,769	7,604	11,371	3,700
Almacenes Éxito Inversiones S.A.S.	7,509	4,499	4,137	2,597
Gemex O & W S.A.S.	197	-	8	-
Éxito Viajes y Turismo S.A.S.	177	-	61	-
Companhia Brasileira de Distribuição - CBD	-	4	-	4
Cdiscount Colombia S.A.S.	-	3,333		3,329
Total	**200,679**	**159,174**	**105,185**	**84,072**

(3) Costs and expenses accrued with Grupo Casino companies mainly arise from energy optimization services received 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

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

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

No significant losses arising from impairment of non-financial assets were recognized for other non-current assets. The 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 of the Company at June 30, 2017 and December 31, 2016 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose carrying values are an approximation of fair values are excluded, considering that they mature in the short term (in less than or up to one year), namely: trade receivables and other debtors, trade payables and other creditors, collections on behalf of third parties and short-term financial liabilities.

	June 30, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Loans at amortized cost	33,372	26,267	26,120	22,665
Investments in private equity funds	1,120	1,120	1,142	1,142
Equity investments	248	248	248	248
Investment in bonds	75,361	73,955	75,157	75,055
Forward contracts measured at fair value through income	30,570	30,570	1,569	1,569
Swap contracts measured at fair value through income	21,599	21,599	7,978	7,978

	June 30, 2017		December 31, 2016	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial liabilities				
Financial liabilities and finance leases measured at amortized cost	4,532,365	4,531,034	3,968,816	3,960,935
Forward contracts measured at fair value through income	6	6	16,346	16,346
Swap contracts measured at fair value through income	859	859	1,262	1,262
Swap contracts denominated as hedge instruments	15,604	15,604	-	-

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 value using a zero-coupon interest rate. The "*forward*" rate is determined based on the average price quoted for the two-way closing price ("bid" and "ask").	Peso/US Dollar exchange rate set out in the "*forward*" contract. Market representative exchange rate on the date of valuation. Forward points of the Peso-US Dollar "*forward*" market on the date of valuation. Number of days between valuation date and maturity date. Zero-coupon interest rate.
Swap contracts measured at fair value through income	Level 2	Operating cash flows forecast model	The method uses *swap* cash flows, forecasted using treasury security curves of the State that issues the currency in which each flow has been expressed, for further discount at present value, using swap market rates disclosed by the relevant authorities of each country. The difference between cash inflows and cash outflows represents the *swap* net value at the closing under analysis.	Reference Banking Index Curve (RBI) 3 months. Zero-coupon TES curve. *Swap* LIBOR curve. Treasury Bond curve. CPI 12 months
Equity investments	Level 1	Market quote prices	The fair value of such investments is determined as reference to the prices listed in active markets if companies are listed; in all other cases, the investments are measured at the deemed cost as determined in the opening balance sheet, considering that the effect is immaterial and that carrying out a measurement using a valuation technique commonly used by market participants might generate costs higher than the value of benefits.	N/A
Investment in bonds	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for 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.
Derivative *swap* contracts denominated as hedge instruments	Level 2	Discounted cash flows method	The fair value is calculated based on forecasted future cash flows of transactions using market curves and discounting them at present value, using *swap* market rates.	Swap curves calculated by Forex Finance Market Representative Exchange Rate (TRM)

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 June 30, 2017.

Note 35.2. Contingent liabilities

Contingent liabilities at June 30, 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.

- The memorandum of understanding executed on September 23, 2016 with Fondo Inmobiliario Colombia to capitalize the real estate business through Patrimonio Autónomo Viva Malls was formalized on December 23, 2016. By means of the capitalization, the Company gained 51% of the interest in such Patrimonio Autónomo. As part of memorandum of understanding, the Parent shall contribute the property Viva Envigado on March 31, 2018.

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

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 June 30, 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 six-month period ended June 30, 2017 amounted to $81,033.

<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 six-month period ended June 30, 2016 amounted to $140,476.

(*) 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 six-month period ended June 30, 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 June 30, 2017

Damages at Éxito Buenaventura store

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

New loyalty program "Puntos Colombia"

On April 19, 2017, The 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.

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

Termination of a shareholders' agreement

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

Appointment of the Statutory Auditor

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

Appointment of new members of the Board of Directors.

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

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

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

General Meeting of Shareholders

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

Revolving trench disbursement

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

Note 40. Events subsequent to the reporting period

No events have occurred subsequent to the date of the reporting period that entail significant changes in the Company.