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Statutory Auditor's Report

To the Shareholders of
Almacenes Éxito S.A. and Subsidiary companies

I have audited the accompanying consolidated financial statements of Almacenes Éxito S.A. and its subsidiary companies, which comprise the consolidated statement of financial position as at December 31, 2015 and the corresponding consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and other explanatory notes.

The Company's management is responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with accounting and financial information standards accepted in Colombia, as described in note 2 of the accompanying financial statements, of designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error; and selecting and applying appropriate accounting policies and making estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I obtained the necessary information to comply with my functions and performed my examinations in accordance with generally accepted auditing standards in Colombia. These standards require that an audit meets ethical requirements and is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes developing procedures to obtain the evidence supporting amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements in the financial statements. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. I believe that my audit provides a reasonable basis for my audit opinion.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group at December 31, 2015, the results of its operations, and the cash flows for the year then ended, in accordance with accounting and financial information standards accepted in Colombia, as stated in note 2 to the accompanying financial statements.

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As explained in note 5 to the accompanying financial statements, for the consolidation of the subsidiaries acquired in Brazil and Argentina, which represent 70.3% and 1.9% of the assets and 59.8% and 1.9% of operating revenues, respectively, provisional values were used at the acquisition date; these values will be feasible of changes and adjustments as the process of assignment of the purchase price is completed and determined. The assignment of the purchase price is being developed and the International Financial Reporting Standard 3 (IFRS 3 Business combinations) permits adjustments to provisional values until one year after the acquisition date of each subsidiary.

Sandra Milena Buitrago E.
Statutory Auditor
Professional Card No. 67229-T
Designated by Ernst & Young Audit S.A.S. TR-530

Medellín, Colombia
February 29, 2016

Certification by the Company's Legal Representative and Head Accountant

To
THE GENERAL MEETING OF SHAREHOLDERS OF ALMACENES ÉXITO S.A.
Envigado

WE, THE UNDERSIGNED LEGAL REPRESENTATIVE AND CPA AT THE PARENT ALMACENES ÉXITO S.A., EACH OF US DISCHARGING HIS AND HER AUTHORITY

DO HEREBY CERTIFY:

That we have previously verified the assertions contained in the financial statements of the Parent and its subsidiaries at December 31, 2015 and 2014, pursuant to the regulations, and that such have been fairly taken from the books.

Accordingly, we state the following regarding the mentioned financial statements:

1. The Parent's and subsidiaries' assets and liabilities do exist and the operations recorded were carried out during the relevant year.
2. All economic events occurred have been recognized.
3. Assets represent rights acquired and liabilities represent obligations imposed on the Parent and its subsidiaries.
4. All items have been recognized at proper values.
5. All economic events have been properly classified, described and disclosed.

The above, to comply with section 37 of Law 222 of 1995.

In witness whereof, we execute this certification on Februry 24th, 2016.

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Claudia Patricia Alvarez

Carlos Mario Giraldo Moreno
Legal Representative at Almacenes Éxito S.A.

Claudia Patricia Álvarez Agudelo
CPA at Almacenes Éxito S.A.
Professional Card No. 69447-T

Certification of consolidated financial statements
Law 964 of 2005

To
THE GENERAL MEETING OF SHAREHOLDERS OF ALMACENES ÉXITO S.A.
Envigado

I, THE UNDERSIGNED LEGAL REPRESENTATIVE OF THE PARENT ALMACENES ÉXITO S.A.

DO HEREBY CERTIFY:

That the financial statements and the operations of the Parent and its subsidiaries at December 31, 2015 and 2014 are free of defects, inaccuracies or misstatements that prevent users from gaining awareness of the true financial position thereof.

The above, to comply with section 46 of Law 964 of 2005.

In witness whereof, we execute this certification on Februry 24th, 2016.

Carlos Mario Giraldo Moreno
Legal Representative at Almacenes Éxito S.A.

Consolidated statements of financial position

At December 31, 2015 and 2014, and January 1, 2014 (Amounts expressed in millions of Colombian pesos)

Assets	Notes	2015	2014	January 2014
Current assets				
Cash and cash equivalents	7	10,068,717	2,953,938	2,717,162
Trade receivables and other accounts receivable	8	3,326,474	202,309	219,201
Prepaid expenses		166,892	27,012	17,030
Accounts receivable from related parties	9	63,251	52,862	23,273
Inventories	10	8,702,015	1,244,231	1,012,723
Tax assets	22	1,100,323	93,877	111,689
Other financial assets	11	445,365	25,119	1,977
Non-current assets held for trading	12	21,698	6,740	-
Total current assets		**23,894,735**	**4,606,088**	**4,103,055**
Non-current assets				
Property, plant and equipment, net	13	11,951,037	3,005,793	2,934,314
Investment property, net	14	1,083,600	754,775	647,815
Goodwill	15	6,522,208	1,592,133	1,391,543
Intangible assets other than goodwill, net	16	3,706,065	82,070	79,829
Investments accounted for using the equity method, net	17	304,102	1,052,157	996,853
Trade receivables and other accounts receivable	8	591,960	16,681	16,041
Prepaid expenses		57,576	12,919	14,978
Accounts receivable from related parties	9	245,987	-	-
Deferred tax assets	22	524,828	28,719	53,151
Tax assets	22	1,941,626	-	-
Other financial assets	11	1,134,331	147,100	138,385
Other non-financial assets		398	398	398
Total non-current assets		**28,063,718**	**6,692,745**	**6,273,307**
Total assets		**51,958,453**	**11,298,833**	**10,376,362**

Carlos Mario Giraldo Moreno
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(See attached certificate)

Claudia Patricia Álvarez
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CPA at Almacenes Éxito S.A.
Professional Card 69447-T
(See attached certificate)

Consolidated statements of financial position

At December 31, 2015 and 2014, and January 1, 2014 (Amounts expressed in millions of Colombian pesos)

Liabilities and shareholders' equity	Notes	2015	2014	January 2014
Current liabilities				
Financial liabilities	18	3,922,558	7,917	98,640
Employee benefit provisions	19	4,141	5,420	5,930
Other provisions	20	62,919	50,796	34,668
Trade payables and other accounts payable	21	18,336,741	2,646,415	2,035,052
Accounts payable to related parties	9	688,637	63,827	75,033
Tax Liabilities	22	899,029	107,823	187,955
Other financial liabilities	23	32,602	158,085	14,409
Other non-financial liabilities	24	849,766	79,361	75,078
Total current liabilities		**24,796,393**	**3,119,644**	**2,526,765**
Non-current liabilities				
Financial liabilities	18	6,707,561	36,416	4,996
Employee benefit provisions	19	41,231	42,775	41,846
Other provisions	20	1,124,682	13,214	-
Trade payables and other accounts payable	21	34,189	572	487
Accounts payable to related parties	9	12,704	-	-
Deferred tax liabilities	22	1,206,422	54,858	8,075
Tax Liabilities	22	455,355	-	-
Other financial liabilities	23	714,079	-	137,699
Other non-financial liabilities	24	1,036,782	51,588	53,688
Total non-current liabilities		**11,333,005**	**199,423**	**246,791**
Total liabilities		**36,129,398**	**3,319,067**	**2,773,556**
Shareholders' equity, see attached statement	25 and 26	**15,829,055**	**7,979,766**	**7,602,806**
Total liabilities and shareholders' equity		**51,958,453**	**11,298,833**	**10,376,362**

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

Sandra Milena Buitrago E.
Statutory Auditor
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(See my report of February 29, 2016)

Consolidated statements of income

For the years ended December 31, 2015 and 2014 (Amounts expressed in millions of Colombian pesos)

	Notes	2015	2014
Continuing operations			
Revenue from ordinary activities	28	33,402,211	10,484,822
Cost of sales	29	(25,147,776)	(7,855,400)
Gross profit		**8,254,435**	**2,629,422**
Distribution expenses	30	(3,309,466)	(1,009,657)
Administration and sales expenses	30	(517,471)	(198,829)
Employee benefit expenses		(2,922,013)	(803,649)
Other operating revenue	31	44,836	13,985
Other operating expense	31	(248,383)	(27,147)
Other profits, net	31	54,869	1,192
Profit from operating activities		**1,356,807**	**605,317**
Financial revenue	32	1,224,071	211,332
Financial expenses	32	(1,628,308)	(154,970)
Share of profits in associates and joint ventures that are accounted for using the equity method		18,359	30,104
Profit from continuing operations before income tax		**970,929**	**691,783**
Tax expense	22	(398,428)	(179,750)
Net period profit from continuing operations		**572,501**	**512,033**
Profit attributable to:			
Profit attributable to shareholders of the controlling entity		573,495	499,430
(Loss) profit attributable to non-controlling interests		(994)	12,603
Profit per share (*)			
Basic profit per share (*):			
Basic profit per share from continuing operations	33	1,281.26	1,115.79
Diluted profit per share (*):			
Diluted profit per share from continuing operations	33	1,281.26	1,115.79

(*) Amounts expressed in Colombian pesos.

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

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Consolidated statements of comprehensive income

For the years ended December 31, 2015 and 2014 (Amounts expressed in millions of Colombian pesos)

	Notes	2015	2014
Net period profit		**572,501**	**512,033**
Other comprehensive income for the period			
Components of other comprehensive income that will not be reclassified to period results, net of taxes			
Loss from investments in equity instruments	26.1	-	(2,677)
Profit from new measurement of defined benefit plans	26.1	1,839	(135)
Total other comprehensive income that will not be reclassified to period results, net of taxes		**1,839**	**(2,812)**
Components of other comprehensive income that will be reclassified to period results, net of taxes			
(Loss) gain from translation exchange differences	26.1	(998,815)	42,824
Grain from investment hedging in foreign businesses	26.1	902	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	26.1	(3,972)	27,498
Total other comprehensive income that will be reclassified to period results, net of taxes		**(1,001,885)**	**70,322**
Total other comprehensive income	**26.1**	**(1,000,046)**	**67,510**
Total comprehensive income		**(427,545)**	**579,543**
Profit (loss), attributable to:			
Profit attributable to shareholders of the controlling entity		122,029	565,892
(Loss) profit attributable to non-controlling interests		(549,574)	13,651
Profit per share (*)			
Basic profit per share (*):			
Basic profit per share in total comprehensive income	33	272.63	1,264.27
Diluted profit per share (*):			
Diluted profit per share in total comprehensive income	33	272.63	1,264.27

(*) Amounts expressed in Colombian pesos.

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

Claudia Patricia Alvarez

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Consolidated statements of cash flows

For the years ended December 31, 2015 and 2014 (Amounts expressed in millions of Colombian pesos)

	2015	2014
Cash flows from operating activities		
Net period profit	**572,501**	**512,033**
Period profit reconciliation adjustment		
Income tax	398,428	179,749
Financial costs	487,147	19,958
Financial revenue	(46,933)	(77,784)
Increase in inventories	(457,897)	(224,831)
Decrease in trade receivables	1,560,171	17,577
Increase in other accounts receivable from operating activities	(66)	(59,143)
Increase in trade receivables	5,892,300	405,089
Increase in deposits and legal deposits	1,292	-
Increase in other accounts receivable from operating activities	783,980	24,299
Depreciation and amortization of fixed assets and intangible assets	562,215	220,961
Impairment of value recognized in period results	-	-
Provisions	490,445	43,697
Net unrealized loss from exchange difference	(216,131)	10,340
Share-based payments	6,469	-
Gain from reappraisal at fair value	(27,988)	-
Undistributed profit from the application of the equity method	(18,360)	(30,104)
Other adjustment from items other than cash	57,196	34,582
Gain from the disposition of non-current assets	(78,181)	(21,367)
Other profit reconciliation adjustments	22,292	-
Total period profit reconciliation adjustment	**9,416,379**	**543,023**
Net cash flows from operating activities	**9,988,880**	**1,055,056**
Dividends received	109,674	**-**
Income tax paid	(209,565)	(107,871)
Net cash flows from operating activities	**9,888,989**	**947,185**
Net cash flows used in investment activities		
Cash flows from the loss of control of subsidiaries or other businesses	34,952	-
Cash flows used to gain control of subsidiaries or other businesses	(3,876,606)	(137,404)
Proceeds from the sale of property, plant and equipment	72,320	49,219
Acquisition of property, plant and equipment	(1,054,194)	(295,902)
Proceeds from the sale of intangible assets	89,358	2,340
Purchase of intangible assets	(559,150)	(96,115)
Resources from the sale of other assets - long term	9,225	33
Cash advances and loans to third parties.	221	(137)
Interest received	52,998	77,699
Other cash outflows	10,616	(2,910)
Net cash flows used in investment activities	**(5,220,260)**	**(403,177)**

Consolidated statements of cash flows

For the years ended December 31, 2015 and 2014 (Amounts expressed in millions of Colombian pesos)

	2015	2014
Cash flows from (used in) financing activities		
Proceedings from the issue of shares	102	-
Loans received	6,313,526	-
Repayment of financial liabilities	(3,417,158)	(96,706)
Repayment of finance lease liabilities	(956)	(2,108)
Dividends paid	(283,715)	(237,557)
Interest paid	(105,107)	(19,611)
Net cash flows from (used in) financing activities	**2,506,692**	**(355,982)**
Net increase in cash and cash equivalents, before the effect of changes in exchange rates	**7,175,421**	**188,026**
Effects of the variation in the exchange rate on cash and cash equivalents	(10,817)	11,007
Minority interest adjustment	(49,825)	37,743
Net increase in cash and cash equivalents	**7,114,779**	**236,776**
Cash and cash equivalents at the beginning of period	**2,953,938**	**2,717,162**
Cash and cash equivalents at the end of period	**10,068,717**	**2,953,938**

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(See my report of February 29, 2016)

Consolidated statements of changes in shareholders' equity

At December 31, 2015 and 2014, and January 1, 2014 (Amounts expressed in millions of Colombian pesos)

				Other reserves										
	Issued share capital	Premium on the issue of shares	Own shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other accumulated comprehensive income	Total reserves	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
Balance at January 1, 2014	**4,482**	**4,843,466**	**(2,734)**	**7,857**	**988,567**	**22,000**	**1,419**	**(2,976)**	**1,016,867**	**1,516,312**	**-**	**7,378,393**	**224,413**	**7,602,806**
Cash dividend declared	-	-	-	-	(42,720)	-	-	-	(42,720)	(194,958)	-	(237,678)	(7,958)	(245,636)
Net period profit	-	-	-	-	-	-	-	-	-	499,430	-	499,430	12,603	512,033
Other comprehensive income	-	-	-	-	-	-	-	66,462	66,462	-	-	66,462	1,048	67,510
Appropriation for reserves	-	-	-	-	243,449	-	-	-	243,449	(243,449)	-	-	-	-
Decrease from changes in interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	(588)	(1,012)	(1,600)	(443)	(2,043)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	46,767	46,767
Decrease from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,671)	(1,671)
Balance at December 31, 2014	**4,482**	**4,843,466**	**(2,734)**	**7,857**	**1,189,296**	**22,000**	**1,419**	**63,486**	**1,284,058**	**1,576,747**	**(1,012)**	**7,705,007**	**274,759**	**7,979,766**

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

Carlos Mario Giraldo Moreno
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(See my report of February 29, 2016)

Consolidated statements of changes in shareholders' equity

At December 31, 2015 and 2014, and January 1, 2014 (Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Own shares repurchased	Other reserves: Legal reserve	Other reserves: Occasional reserve	Other reserves: Reacquisition of shares	Other reserves: Future dividends	Other reserves: Other accumulated comprehensive income	Total reserves	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total in net equity
Balance at December 31, 2014	**4,482**	**4,843,466**	**(2,734)**	**7,857**	**1,189,296**	**22,000**	**1,419**	**63,486**	**1,284,058**	**1,576,747**	**(1,012)**	**7,705,007**	**274,759**	**7,979,766**
Cash dividend declared	-	-	-	-	-	-	-	-	-	(260,022)	-	(260,022)	(60,430)	(320,452)
Net period profit	-	-	-	-	-	-	-	-	-	573,495	-	573,495	(994)	572,501
Other comprehensive income	-	-	-	-	-	-	-	(451,466)	(451,466)	-	-	(451,466)	(548,580)	(1,000,046)
Appropriation for reserves	-	-	-	-	168,844	-	30,000	-	198,844	(198,844)	-	-	-	-
Increase from business combinations	-	-	-	-	-	-	-	2,677	2,677	(2,119)	-	558	8,642,475	8,643,033
Decrease from changes in interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	19	(40,004)	(39,985)	(36,134)	(76,119)
Increase from other contributions of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	28,135	28,135
Decrease from other distributions to non-controlling interests	-	-	-	-	-	-	-	-	-		-	-	(4,232)	(4,232)
Increase from share-based payments	-	-	-	-	-	-	-	-	-	895	-	895	5,574	6,469
Balance at December 31, 2015	**4,482**	**4,843,466**	**(2,734)**	**7,857**	**1,358,140**	**22,000**	**31,419**	**(385,303)**	**1,034,113**	**1,690,171**	**(41,016)**	**7,528,482**	**8,300,573**	**15,829,055**

At December 31, 2015 and 2014, and January 1, 2014 (Amounts expressed in millions of Colombian pesos, except those stated in a different currency)

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(See my report of February 29, 2016)

Grupo Éxito

Notes to the consolidated financial statements

At December 31, 2015 and 2014, and January 1, 2014 (Amounts expressed in millions of Colombian pesos, except those stated in a different currency)

Note 1. General information

Almacenes Éxito S.A., the Parent 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 Parent is under the surveillance of the Colombian Financial Superintendence.

The Group's Board of Directors authorized the issuance of the financial statements of Almacenes Éxito S.A. and its subsidiaries (hereinafter, the "Group"), for the periods ended December 31, 2015 and 2014, as reflected in the Minutes of such corporate body dated February 24, 2016.

Its 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 or 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 (France). The control situation has been registered with the Aburrá Sur Chamber of Commerce. At December 31, 2015, the controlling entity had a 54.77% interest in the share capital of the Parent company.

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

Below is a detail of information on the subsidiary companies:

Name	Segment	Country	Functional currency	Stock ownership 2015			Stock ownership 2014		
				Direct	Indirect	Total	Direct	Indirect	Total
Distribuidora de Textiles y	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%	100.00%	0.00%	100.00%
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	US Dollar	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Logística, Transporte y Servicios Asociados S.A.S.	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Laureles	Colombia	Colombia	Colombian peso	80.00%	0.00%	80.00%	80.00%	0.00%	80.00%
Patrimonio Autónomo Viva Sincelejo	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo Viva	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Patrimonio Autónomo San Pedro Etapa	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%
Patrimonio Autónomo Viva Barranquilla	Colombia	Colombia	Colombian peso	92.52%	0.00%	92.52%	0.00%	0.00%	0.00%
Patrimonio Autónomo Viva Palmas	Colombia	Colombia	Colombian peso	51.00%	0.00%	51.00%	0.00%	0.00%	0.00%
Fideicomiso Girardot plot of land	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Local 108	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Patrimonio Autónomo Viva Wajira	Colombia	Colombia	Colombian peso	100.00%	0.00%	100.00%	0.00%	0.00%	0.00%
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%	96.81%	96.81%
Devoto Hermanos S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	96.81%	96.81%
Lublo S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	96.81%	96.81%
Mercados Devoto S.A.	Uruguay	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Raxwy Company S.A. (a)	Uruguay	Uruguay	Uruguayan peso	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
Grupo Disco del Uruguay S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Supermercados Disco del Uruguay	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Maostar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.25%	31.25%	0.00%	31.25%	31.25%
Ameluz S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Fandale S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Odaler S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
La Cabaña S.R.L. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ludi S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Semin S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Randicor S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Ducellmar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Actimar S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Hiper Ahorro S.R.L.	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	0.00%	0.00%
Ciudaddel Ferrol S.C. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	61.24%	61.24%	0.00%	61.24%	61.24%
Maraluz S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%
Setara S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	62.49%	62.49%	0.00%	62.49%	62.49%
Mablicor S.A. (b)	Uruguay	Uruguay	Uruguayan peso	0.00%	31.87%	31.87%	0.00%	31.87%	31.87%

Name	Segment	Country	Functional currency	Stock ownership 2015			Stock ownership 2014		
				Direct	Indirect	Total	Direct	Indirect	Total
Vía Artika S. A.	Argentina	Uruguay	Uruguayan peso	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Spice España de Valores Americanos S.L.	Argentina	Spain	Euro	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Geant Argentina S. A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Gélase S. A.	Argentina	Belgium	Euro	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Libertad S. A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Ceibotel S. A.	Argentina	Argentina	Argentine peso	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%
Onper Investment 2015 S.L.	Brazil	Spain	Euro	100.00%	0.00%	100.00%	0.00%	0.00%	0.00%
Ségisor S.A.	Brazil	France	Euro	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
Oregon LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
Pincher LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
Bengal LLC	Brazil	United States of America	Euro	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
Wilkes Partipações S.A.	Brazil	Brazil	Brazilian real	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
Companhia Brasileira de Distribuição CBD (c)	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Novasoc Comercial Ltda. (d)	Brazil	Brazil	Brazilian real	0.00%	1.88%	1.88%	0.00%	0.00%	0.00%
Sendas Distribuidora S.A. (e)	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Bellamar Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
GPA Malls & Properties Gestão de Ativos e Serviços Imobiliários Ltda. (GPA M&P)	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
CBDHolland B.V.	Brazil	Holland	Euro	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
CBD Panamá Trading Corp.	Brazil	Panama	US Dollar	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Barcelona Comércio Varejista e Atacadista S.A.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Xantocarpa Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
GPA 2 Empreed. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
GPA Logística e Transporte Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Posto Ciara Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Auto Posto Império Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Auto Posto Duque Salim Maluf Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Auto Posto Duque Santo André Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Auto Posto Duque Lapa Ltda.	Brazil	Brazil	Brazilian real	0.00%	18.76%	18.76%	0.00%	0.00%	0.00%
Luxco– Marneylectro S.A.R.L	Brazil	Luxembourg	Euro	0.00%	13.55%	13.55%	0.00%	0.00%	0.00%
Dutchco - Marneylectro B.V.	Brazil	Holland	Euro	0.00%	13.55%	13.55%	0.00%	0.00%	0.00%
Cnova N.V (f)	Brazil	Holland	Euro	0.15%	6.77%	6.92%	0.00%	0.00%	0.00%
CNova Comércio Eletrônico S/A	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	0.00%	0.00%
E-Hub Consult. Particip. e Com. S.A.	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	0.00%	0.00%
Nova Experiência PontoCom S.A.	Brazil	Brazil	Brazilian real	0.00%	6.92%	6.92%	0.00%	0.00%	0.00%
Cdiscount S.A.	Brazil	France	Euro	0.00%	6.88%	6.88%	0.00%	0.00%	0.00%
Cnova Finança B.V.	Brazil	Holland	Brazilian real	0.00%	6.92%	6.92%	0.00%	0.00%	0.00%
Financière MSR S.A.S.	Brazil	Brazil	Brazilian real	0.00%	6.91%	6.91%	0.00%	0.00%	0.00%
Cdiscount Afrique S.A.S.	Brazil	France	Euro	0.00%	6.91%	6.91%	0.00%	0.00%	0.00%
CD Africa S.A.S.	Brazil	France	Euro	0.00%	5.87%	5.87%	0.00%	0.00%	0.00%
Cdiscount International BV.	Brazil	Holland	Euro	0.00%	6.91%	6.91%	0.00%	0.00%	0.00%
C-Distribution Asia Pte. Ltd.	Brazil	Singapore	Euro	0.00%	4.14%	4.14%	0.00%	0.00%	0.00%
CLatam S.A.	Brazil	Uruguay	Uruguayan peso	0.00%	34.84%	34.84%	0.00%	0.00%	0.00%

Name	Segment	Country	Functional currency	Stock ownership 2015 Direct	Stock ownership 2015 Indirect	Stock ownership 2015 Total	Stock ownership 2014 Direct	Stock ownership 2014 Indirect	Stock ownership 2014 Total
Cdiscount Colombia S.A.S.	Brazil	Colombia	Colombian peso	49.00%	3.53%	52.53%	0.00%	0.00%	0.00%
C Distribution Thailand Ltd.	Brazil	Thailand	Thai bath	0.00%	2.90%	2.90%	0.00%	0.00%	0.00%
E-Cavi Ltd.	Brazil	Hong Kong	US Dollar	0.00%	3.32%	3.32%	0.00%	0.00%	0.00%
Cdiscount Vietnam Co Ltd.	Brazil	Vietnam	Vietnamese dong	0.00%	3.32%	3.32%	0.00%	0.00%	0.00%
Cnova France S.A.S.	Brazil	France	Euro	0.00%	6.92%	6.92%	0.00%	0.00%	0.00%
Cdiscount Côte d'Ivoire S.A.S.	Brazil	Ivory Coast	West Afrian CFA franc	0.00%	5.87%	5.87%	0.00%	0.00%	0.00%
Cdiscount Sénégal S.A.S.	Brazil	Senegal	West African CFA franc	0.00%	5.87%	5.87%	0.00%	0.00%	0.00%
Cdiscount Panama S.A.	Brazil	Panama	US Dollar	0.00%	34.84%	34.84%	0.00%	0.00%	0.00%
Cdiscount Cameroun S.A.S.	Brazil	Cameroun	West African CFA franc	0.00%	5.87%	5.87%	0.00%	0.00%	0.00%
Ecdiscoc Comercializadora S.A.	Brazil	Ecuador	US Dollar	0.00%	34.83%	34.83%	0.00%	0.00%	0.00%
Cdiscount Uruguay S.A.	Brazil	Uruguay	Uruguayan peso	0.00%	34.84%	34.84%	0.00%	0.00%	0.00%
Monconerdeco.com S.A.S.	Brazil	France	Euro	0.00%	5.22%	5.22%	0.00%	0.00%	0.00%
Moncorner	Brazil	France	Euro	0.00%	6.88%	6.88%	0.00%	0.00%	0.00%
3W S.A.S.	Brazil	France	Euro	0.00%	6.88%	6.88%	0.00%	0.00%	0.00%
3W Santé S.A.S.	Brazil	France	Euro	0.00%	6.37%	6.37%	0.00%	0.00%	0.00%
Via Varejo S.A. (g)	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
Indústria de Móveis Bartira Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
VVLOG Logística Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
Globex Adm e Serviços Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
Lake Niassa Empreend. e Participações Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%
Globex Adm. Consórcio Ltda.	Brazil	Brazil	Brazilian real	0.00%	8.13%	8.13%	0.00%	0.00%	0.00%

(a) During an extraordinary meeting held on November 30, 2015, the General Meeting of Shareholders approved the winding-up and further liquidation of Raxwy Company S.A.

(b) At December 31, 2014, the interest in Grupo Disco Uruguay was classified as a joint venture and accounted for using the equity method. Under a Shareholders Agreement executed on April 27, 2015 by and among the Company and non-controlling investors of Grupo Disco Uruguay, which vested the Company with more than 75% of the voting rights, the Company gained control over such interest as from January 1, 2015, undertaking the global consolidation thereof in the Group's consolidated financial statements (See Note 5 Business combinations).

(c) In compliance with the share purchase-sale agreements entered into with Casino Guichard Perrachon on July 29, 2015, Almacenes Éxito S.A. acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição (CBD), a company with domicile in Brazil (See Note 5 Business combinations).

(d) The interest of Companhia Brasileira de Distribuição in Novasoc represents 10% of its shares; however, it has control with 99.98% of the voting rights, pursuant to the shareholders agreement. Novasoc bylaws state that its net income not necessarily is to be allocated in proportion to the percentage interest in this company, thus 99.98% goes to Companhia Brasileira de Distribuição.

(e) Companhia Brasileira de Distribuição directly owns 100% of Sendas Distribuidora S.A. The businesses of Sé Supermercados were incorporated into this company on December 22, 2015, as described in Note 42 Relevant facts.

(f) On October 17, 2013, Companhia Brasileira de Distribuição gained direct control over Novapontocom, *holding* of the e-commerce companies. On December 22, 2015, Novapontocom was merged into Companhia Brasileira de Distribuição as described in Note 42, Relevant facts.

(g) Companhia Brasileira de Distribuição has 43.35% interest in Vía Varejo S.A. and 62% of the shares with voting rights, which result in control over this subsidiary.

The following is a detail of information regarding the main subsidiaries of the Group:

- **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 law does not forbid the sale thereof. 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 brands "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 18.76% 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 the Grupo 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 Group.

- **Libertad S.A.** Company domiciled 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.** Its core business the retail in the local market of mass consumption products through a chain of supermarkets located in the departments of Montevideo, Canelones and Maldonado.

- **Odaler S.A.** Its core business is the exploitation of the Géant hypermarket in the department of Canelones (Uruguay).

- **Ameluz S.A**. Its core business the exploitation of a Géant hypermarket located at Shopping Nuevo Centro, in Uruguay.

- **La Cabaña S.R.L.** Its core business is the exploitation of a supermarket at El Pinar, department of Canelones (Uruguay).

- **Devoto Hermanos S.A.** 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 (Uruguay).

- **Mercados Devoto S.A.** 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 (Uruguay).

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

- **Almacenes Éxito Inversiones S.A.S.** It was 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 December 31, 2015, the subsidiary accrues losses amounting to $16,889 that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management is committed to undertake all measures as required to overcome this situation. The most significant measure is submitting to the forthcoming General Meeting of Shareholders to be held in March 2016 a business plan that allows the company to yield profits. Pursuant to legal regulations in force, the subsidiary management has a term until September 2016 to overcome the grounds for dissolution.

- **Éxito Viajes y Turismo S.A.S.** It was 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 life span of the company is indefinite.

- **Gemex O & W S.A.S.** It was 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 December 31, 2015, the subsidiary accrued losses amounting to $3,737 that decreased its equity below 50% of its share capital, thus giving rise to the special grounds for dissolution foreseen in section 457 of the Code of Commerce. Subsidiary management is committed to undertake all measures as required to overcome this situation. The most significant measure is submitting to the forthcoming General Meeting of Shareholders to be held in March 2016 a business plan that allows the company to yield profits. Pursuant to legal regulations in force, the subsidiary management has a term until September 2016 to overcome the grounds for dissolution.

- **Logística, Transporte y Servicios Asociados S.A.S.** It was 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 life span of the company is indefinite.

  At December 31, 2015, the company accrued losses amounting to $2,271 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. During the forthcoming General Meeting of Shareholders, to be held in March 2016, subsidiary management will inform the shareholders of such grounds, for them to make the relevant decisions. Pursuant to legal regulations in force, the subsidiary management has a term until September 2017 to overcome the grounds for dissolution.

- **CDiscount Colombia S.A.S.**, incorporated by private document on June 26, 2014. Its corporate purpose is: (I) Launching and operating e-commerce businesses in Colombia; (II) Entering into all kinds of agreements including, without limitation, lease, distribution, operation, association, sale-purchase, technical assistance, supply, inspection, control and services agreements, as required for the proper development of the corporate purpose; (III) Rendering all kinds of services including, without limitation, management, advisory, consultancy, technical assistance and representation agreements, as required for the proper development of the corporate purpose; and (IV) Carrying out any licit activity.

  At December 31, 2015, the company accrued losses amounting to $42,229 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. During the forthcoming General Meeting of Shareholders, to be held in March 2016, subsidiary management will inform the shareholders of such grounds, for them to make the relevant decisions. Pursuant to legal regulations in force, the subsidiary management has a term until September 2017 to overcome the grounds for dissolution.

- **CNova N.V.** was incorporated on May 30, 2014; its corporate purpose is participating or carrying out all activities and operations related with or suitable for e-commerce and regular trade, and the provision of services in the fields of retail sales, advertising, transportation, data communications, business advisory and business funding. Its main domicile is Amsterdam, The Netherlands.

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&F Bovespa") level 1 Corporate Governance under the symbol "PCAR4" and on the New York Stock Exchange (ADR level III), under the symbol "CBD".

Subsidiary Via Varejo S.A. is a joint stock corporation subsidiary of Companhia Brasileira de Distribuição (GPA), admitted to the so-called "Corporate Governance Level 2" of the special offer segment of the Brazil Stock Exchange - BM & F BOVESPA SA - Bolsa de Valores, Mercancías y Futuros ("BM & F BOVESPA") -, subject to the Regulations for Issuers Quote and Admission to the Trading of Securities.

Subsidiary Cnova NV is a public limited liability company of the Netherlands incorporated on May 30, 2014 under the laws of Holland. Its common shares were listed on the NASDAQ - Global Select Market in November 2014, and on January 23, 2015, its common shares were listed on Euronext Paris.

Note 2. Basis for preparation

The financial statements for the years ended December 31, 2015 and December 31, 2014 have been prepared in accordance with accounting and financial information standards accepted in Colombia, set forth by Law 1314 of 2009 as a translation of the International Financial Reporting Standards (IFRS) 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 without applying any of the exceptions to the IFRS therein contained.

Regulatory Decrees 2420 and 2496 of 2015 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 from January 1, 2017, regardless that the conceptual framework for financial information is mandatory as from January 1, 2016; early application of both regulations is permitted. The Parent has decided to early implement such regulation, in order to present financial information incorporating the amendments to the regulations that reflect the requirements of the various information users.

Explicit and unreserved statement

Up to the year ended December 31, 2014, the Parent prepared its financial statements in accordance with accounting principles generally accepted in Colombia (GAAP). The financial statements for the years ended December 31, 2015 are the first financial statements prepared by the Parent in accordance with accounting and financial information standards accepted in Colombia, set forth by Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) 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 without applying any of the exceptions to the IFRS therein contained.

An additional statement of financial position at January 1, 2014 has been included in these financial statements, due to the first-time adoption, IFRS 1, and in compliance with the regulations regarding the issue of the first financial statements under accounting and financial information standards accepted in Colombia, set forth by Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) 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 without applying any of the exceptions to the IFRS therein contained.

It must be noted that financial statements presented to the General Meeting of Shareholders and regulators and stakeholders, for the year ended December 31, 2014, were prepared by the Parent under accounting principles generally accepted in Colombia pursuant to the law, the rules and instructions from the Colombian Financial Superintendence, the Superintendence of Companies and other legal regulations; such principles may differ in certain aspects from those enforced by other Government controlling bodies and other international accounting standards.

The financial statements for the year ended December 31, 2014 have been prepared in accordance with accounting and financial information standards accepted in Colombia, set forth by Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) 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 without applying any of the exceptions to the IFRS therein contained.

Basis for consolidation

For the purpose of consolidating the financial statements of Spice Investments Mercosur S.A., a company with domicile in Uruguay, which in turn is the parent of all other subsidiaries domiciled in Uruguay except Vía Artika S.A., the policies and principles adopted by the Group were standardized in accordance with accounting and financial information standards accepted in Colombia, set forth by Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) 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 without applying any of the exceptions to the IFRS therein contained. As regards the consolidation of Companhia Brasileira de Distribuição – CBD, which in turn is the parent of CNova and all other subsidiaries domiciled in Brazil, and Libertad S.A., an Argentine company, it is worth mentioning that since the parent and its subsidiaries in Brazil and Argentina were owned by and consolidated their financial statements with the Grupo Casino in France prior to the acquisition, such companies comply with uniform accounting policies standardized by said parent.

Assets and liabilities, as well as revenue and expenses in foreign currency, have been translated into Colombian pesos at the exchange rates in force on each closing date and average range, as follows:

	Closing rates			Average rates	
	2015	2014	January2014	2015	2014
US Dollar	3,149.47	2,392.46	1,926.83	3,247.60	2,346.79
Uruguayan peso	105.16	98.18	89.94	100.20	86.20
Brazilian real	796.07	-	-	793.51	-
Argentine peso	243.30	-	-	309.99	-

Consolidated financial statements include the financial statements of the Parent and all subsidiaries, as follows:

- **Subsidiaries** (including special-purpose entities) are entities over which the Parent company has direct or indirect control. See listing of companies under Note 1.

- **Stand-alone trust funds** (SPV) of the Group, relate to organizations set up with a defined purpose and limited term.

"Control" is the power to govern the financial and operating policies of an entity. 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 such 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.

Global integration: Under this method, all of subsidiaries' assets, liabilities, shareholders' equity and results are incorporated into the Parent's financial statements, after elimination at the Parent of equity investments in such subsidiaries and the balance of intercompany accounts.

All significant transactions and balances among subsidiaries have been eliminated upon consolidation; non-controlled interest represented in third parties' ownership interests in the subsidiaries have been recognized and separately included under the Group's equity. At the time of assessing whether the Parent has control over a subsidiary or not, analysis is made of the existence and effect of potential voting rights currently exercised. Subsidiaries are consolidated as from the date on which control is transferred to the Group and excluded from consolidation upon termination of control.

All controlled entities 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 results, including the relevant items of other comprehensive income. Cash flows arising from the acquisition or loss of control of a subsidiary are classified in the statement of cash flows as investment activities.

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

Financial statements herein presented

These Group's consolidated financial statements include the statements of financial position and statements of changes in shareholders' equity at December 31, 2015, 2014 and January 1, 2014 (transition date), as well as the statements of comprehensive income and the statements of cash flows for the years ended on December 31, 2015 and 2014.

Statement of accountability

The Group's and its subsidiaries' management are responsible for the information contained in these financial statements. Preparing such financial statements pursuant to accounting and financial information standards accepted in Colombia, set forth by Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) 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 without applying any of the exceptions to the IFRS therein contained, requires management's judgement to apply the accounting policies.

Estimates and accounting judgement

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

- The hypotheses used to estimate the fair value of financial instruments,
- The valuation 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 benefits liability, 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 restructures,

- 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 of the date of preparation of the attached financial statements, which may give rise to future changes by virtue of potential situations that may occur and would result in prospective recognition thereof; this situation would be treated as a change in accounting estimations in future financial statements.

Distinction between current and non-current items

The Group presents its current and non-current assets, as well as its current and non-current liabilities, as separate categories in the 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 and transactions in foreign currency

The parent and each subsidiary define their functional currency and their transactions are measured in such currency. The Colombian peso is the functional currency of the parent. (Functional currencies used by each of subsidiaries are described in Note 1 - General Information).

The accounting treatment of transactions in foreign currency for the parent and each subsidiary considers the following:

Transactions in foreign currency are those denominated in a currency other than the functional currency, and are translated to the functional currency at the market representative exchange rate. During the year, the exchange differences arising from the translation of such transactions, between the historical exchange rate when recorded 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 on the closing date expressed in a currency other than the functional currency, are updated using the exchange rate in force at period closing; exchange differences arising from such valuation are recognized in the statement of income as part of the net financial result.

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.

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 valuation of their fair value.

Translation to the presentation currency

These financial statements are shown in Colombian pesos, functional currency of the Group's parent company, which is the currency used in the prime economic environment where it operates. The amounts shown have been adjusted to millions of Colombian pesos.

The financial statements of subsidiaries with different functional currencies have been translated to Colombian pesos.

Transactions and balances are translated to the Parent's functional currency:

- Assets and liabilities are translated to Colombian pesos at the 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.

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 separate 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 of offsetting on a net basis to realize assets and settle 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.

Measurement of the fair value

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 Group's own valuation models applying non-perceptible estimated variables for assets or liabilities (level 3).

Note 3. Significant accounting policies

The financial statements have been prepared using the accounting policies, measurements and bases described below, pursuant to accounting and financial information standards accepted in Colombia, set forth by Law 1314 of 2009 as an official translation of the International Financial Reporting Standards (IFRS) 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 without applying any of the exceptions to the IFRS therein contained, requires management's judgement to apply the accounting policies.

The accounting policies have been applied as from January 1, 2014, date of preparation of the Opening Statement of Financial Position, until December 31, 2015, date of preparation of the first financial statements under the standards mentioned in the preceding paragraph.

Investments in associated companies and joint arrangements

An associate is an entity over which the parent is in a position of exercising significant influence, but not control or joint control, through the power of participating in the decisions on the operating and financial policies thereof.

In general, significant influence is alleged in those cases where the Group has an ownership interest higher than 20%, even though such influence, as well as the control, must be assessed.

A joint arrangement is an agreement by means of which two or more parties maintain a joint control. Joint arrangements can be joint business or joint ventures. There is joint control only when decisions on significant activities require the unanimous consent of the parties sharing control. Acquisitions of such arrangements are recorded using the principles applicable to business combinations set forth in IFRS 3.

Joint venture: is a joint agreement by which the parties having joint control over the arrangement are entitled to the net assets of the arrangement.

A joint operation is a joint arrangement by means of which the parties having joint control over the arrangement are entitled to the assets and liability-related obligations associated with the arrangement.

In its consolidated financial statements, the Group applies the equity method to all investments in associates and joint ventures.

Under the **equity method**, upon initial recognition, the investment in associates or joint ventures is recorded at cost and subsequently the book value is increased or decreased to recognize the Group's participation in the invested company's comprehensive results, which will be recognized in period results or in other comprehensive results, as the case may be. Profit distributions or dividends received from the invested company are deducted from the book value of the investment.

Wherever the Group's share of the losses of an associate or joint venture equals to or exceeds its interest, the Group ceases to recognize its share of further losses. Once the Group's interest comes to zero, a provision is recognized, only in as much as the Group has incurred legal or implicit liabilities.

Unrealized gains or losses arising from transactions between the Group and its associates or joint ventures, are eliminated in the proportion of the Group's interest in such entities upon application of the equity method.

Once the equity method has been applied, the Group decides whether there is need to recognize impairment losses related with its interest in the invested company.

Transactions involving a significant loss of influence over the associate or joint venture are booked recognizing any ownership interest retained at its fair value, and the gain or loss arising from the transaction is recognized in period results including the relevant items of other comprehensive income.

Regarding transactions not involving a significant loss of influence over the associate or joint venture, the equity method continues being applied and the portion of the gain or loss recognized in other comprehensive income relevant to the decrease in the ownership interest is reclassified to income.

Related parties

All transfers of resources, services and obligations between the Group and its related parties are deemed to be related party transaction.

The Group has defined as related parties: its parent; its associates and joint ventures; those entities having joint control or significant influence over the Group; key senior management, including Board directors, CEOs and senior officers with the capacity of directing, planning and controlling the Group's activities; companies over which key senior management can exercise control or joint control; and the immediate family of the key senior management that can influence the Group.

No transaction contains special terms and conditions; transactions carried out are similar to those carried out with third parties, and do not involve market price differences for similar transactions; sales and purchases are conducted under conditions that are equivalent to those existing for transactions with independent parties.

Business combinations and goodwill

Business combinations are booked using the acquisition method; this involves the identification of the acquirer, the definition of the acquisition date, the recognition and measurement of identifiable assets acquired, liabilities taken on and any non-controlling ownership interest in the acquiree, as well as the recognition and measurement of goodwill.

If at the closing of the accounting period during which a business combination takes place the initial booking is incomplete, the Group will inform in its financial statements the provisional amounts of assets and liabilities which booking is incomplete, and within 12 months of the measurement period, the Group will retroactively adjust such provisional amounts recognized to reflect the new information obtained from the *Purchase Price Allocation (PPA) survey.*

The measurement period will end as soon as the Group has received information from the purchase price allocation survey or concludes that no further information can be obtained, but in any event one year after the acquisition date at the latest.

The consideration transferred in a business combination is measured at its fair value, which is the aggregate of the fair values of the assets transferred by the acquirer, the liabilities taken on by the acquirer facing the former owners of the acquiree and the ownership interests in the equity issued by the acquirer.

Any contingent consideration is included in the consideration transferred at its fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration, arising from events and circumstances existing on the date of acquisition, are booked by adjusting the good will if occurring during the measurement period, or directly to period results if arising after the measurement period, unless the liability is settled using variable-income instruments, in which event the contingent consideration is not remeasured.

The Group recognizes identifiable assets and liabilities taken on acquired under a business combination, regardless of whether they have been recognized in the financial statements of the business acquired prior to the acquisition. Identifiable assets acquired and liabilities taken on are booked on the date of acquisition at fair values. The excess of the consideration transferred and the fair value of identifiable assets acquired (including intangible assets not previously recognized) and liabilities taken on (including contingent liabilities) and any non-controlling interest in the acquiree are recognized as goodwill.

For each business combination, the Group may elect to measure any non-controlling interest at its fair value or as a proportion of the acquiree's identifiable net assets.

In the event of a business combination achieved in stages, the previous ownership interest in the acquiree is remeasured at its fair value on the date of acquisition of control. The difference between the fair value and the book value of such ownership interest is directly taken to period results.
Disbursements related to a business combination, other than those related to the issue of debt, are booked as expenses in the periods they are incurred.

On the date of acquisition, goodwill is measured at fair value and subsequently monitored at the level of the cash-generating unit or groups of cash-generating units benefited from the business combination. Goodwill is not amortized, and is subject to impairment testing within one year or before, should there be indications of impairment. Impairment losses applied to goodwill are booked to period results and the effect thereof is not reverted.

The method applied by the Group to test for impairment is described in the asset impairment policy. Negative goodwill arising from a business combination is directly recognized to period results, upon recognition and measurement of identifiable assets, liabilities taken on and non-controlling interest in the acquiree.

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

The Group recognizes *put option* agreements entered into with the holders of non-controlling ownership interests in subsidiaries pursuant to IFRS 9. Liabilities arising from these agreements, related to subsidiaries consolidated under the global integration method, are recognized as financial liabilities at its fair value.

Intangible assets

They refer to non-monetary assets, without physical substance, controlled by the Group because of past events and from which future economic benefit may be expected.

An intangible asset is recognized as such wherever the item is identifiable, severable and will bring future economic benefit. It is identifiable wherever the asset is severable or arises from rights.

Intangible assets acquired under a business combination are recognized as goodwill wherever they do not meet these criteria.

Intangible assets acquired independently are initially recognized at cost, and intangible assets acquired under a business combination are recognized at fair value.

Internally generated brands are not recognized in the statement of financial position.

The cost of intangible assets includes acquisition cost, import duties, indirect not-recoverable taxes and costs directly incurred to bring the asset to the place and use conditions foreseen by Company management, after trade discounts and rebates, if any.

Intangible assets having indefinite useful lives are not amortized, but are subject to impairment testing, on an annual basis or wherever there is indication that value thereof has been impaired. Intangible assets having a defined useful life are amortized using the straight-line method over its estimated useful lives. The most significant useful lives are:

Acquired software	Between 3 and 5 years
ERP-like acquired software	Between 5 and 8 years

Intangible assets are subsequently measured using the cost model and amortization as a function of the estimated useful lives and impairment losses are deducted from the amount initially recognized. The effects of amortization and potential impairment are taken to income for the period, unless amortization has been booked as a higher value in the construction of a new asset.

An intangible asset is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is recognized in period results.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.

Research and development costs

Research costs are recognized as expenses as they are incurred. Disbursements for development of separate projects are recognized as intangible assets wherever the Group is in the capacity of demonstrating:
- The technical feasibility of completing the intangible asset to have it available for use or sale;

- Its intention of completing the asset and its ability to use or sell the asset;
- The ability to use or sell the intangible asset;
- How the asset will generate future economic benefit;
- The availability of resources to complete the asset; and
- The ability to accurately measure the disbursement during development.

Development costs not complying with these criteria for capitalization are taken to period results. Development costs recognized as intangible assets are subsequently measured using the cost model.

Property, plant and equipment

The name property, plant and equipment is given to all of Group's tangible assets held for use in production or in the provision of goods and services, or for administration purposes, and which are further expected to be used over one period, that is to say, more than one year, and that meet the following conditions:
- It is probable that the Group will obtain future economic benefit from the asset;
- The cost may be accurately measured;
- The Group has taken the risks and benefits arising from the use or possession of the asset, and
- They are assets which separate acquisition cost exceeds the minimum amounts defined for each country based on the materiality criteria and actual business conditions.

Property, plant and equipment are initially measured at cost; subsequently they are measured at cost less accumulated depreciation and any accumulated impairment loss.

The cost of property, plant and equipment elements includes acquisition cost, import duties, non-recoverable indirect taxes, future dismantling costs, if any, costs from loans directly attributable to the acquisition of a suitable asset and the costs separately attributable to place an asset on the site and usage conditions foreseen by Company management, net of trade discounts and rebates.

Costs incurred for expansion, modernization, improvements that increase productivity, capacity or efficiency, or an increase in the useful lives thereof, are carried as a higher value of the asset. Maintenance and repair costs from which no future benefit is foreseen are taken to period results.

Land and buildings are deemed to be separate assets, wherever they are significant and physical separation is feasible, even if they have been jointly acquired.

Constructions in progress are transferred to operating assets upon completion of the construction or commencement of operation, and depreciated from that moment on.

The useful life of land is unlimited and consequently it is not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, considering nil residual value. The groups of property, plant and equipment and relevant useful lives are as follows:

Low-value assets	3 years
Computers	5 years
Vehicles	5 years
Machinery and equipment	Between 10 and 20 years
Furniture and fixtures	Between 10 and 12 years
Other transportation equipment	Between 5 and 20 years
Surveillance team armament	10 years
Buildings	Between 40 and 50 years

Improvements to third party properties	40 years or the term of the lease agreement or the remaining of the lease term (*), whichever is less.

(*) Urban improvements related to the construction or delivery of environmental resources and/or related to the visual or architectural improvement of the zone affected by the construction or work under the responsibility of the Group, are recognized in period results.

The Group estimates depreciation by components, which means applying separate depreciation to the components of an asset with useful lives that are different from the asset as a whole and has a material cost in relation to the entire fixed asset. Cost is material wherever the component exceeds 50% of total asset value, or may be separately identified.

Residual values, useful lives and depreciation methods are reviewed at the closing of each annual period and changes, if any, are applied prospectively.
An item of property, plant and equipment is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof. The gain or loss from derecognition of an asset is estimated as the difference between the net proceeds of sale and the book value of the asset. Such effect is recognized in period results.

Investment property

Are properties held to obtain revenue or goodwill and not for use in the production or supply of goods or services, or for administrative use or sale in the normal course of business. This category includes the shopping malls owned by the Group.
Investment properties are initially measured at cost, including transaction costs. Following initial recognition, they are valued at historic cost less accumulated depreciation and accumulated impairment loss.

Investment properties are depreciated using the straight-line method over their estimated useful lives, regardless their residual value. The useful life estimated to depreciate buildings classified as investment property is from 40 to 50 years.

Investment properties are transferred to other assets and other assets are transferred to investment properties only wherever there is a change in the use of the asset. For transfers from investment properties to property, plant and equipment, the cost taken into consideration for subsequent accounting is the book value on the date the use is changed. If a property, plant and equipment item would become investment property, it will be recorded at book value.

Situations that can lead to transfer are:
- The Group occupies an asset classified as investment property; in this event, the asset is reclassified to property, plant and equipment,
- The Group starts a development on investment property or property, plant and equipment towards its sale, provided there is a significant advance in the development of tangible assets or in the project to be sold as a whole. In these events, the asset is reclassified to inventory.
- The Group enters into an operating lease agreement with a third party on a property, plant and equipment item. In this event, the asset is reclassified to investment property.

An investment property is derecognized upon its sale or wherever no future economic benefit is expected from the use or disposition thereof.

The gain or loss from derecognition of investment properties is estimated as the difference between the net proceeds of sale and the book value of the asset. The effect is taken to income during the period where the asset was derecognized.

The Group updates the fair values of investment property on an annual basis for the purposes of disclosure in the financial statements.

Non-current assets held for trading and discontinued operations

Non-current assets and the groups of assets for disposal are classified as held for trading if their book value will be recovered via a sale instead of continued use thereof and do not meet the conditions to be classified as real estate inventory. Such condition is met wherever the asset or group of assets are available for immediate sale, under current condition, and the sale is highly probable. In order for the sale be highly probable, Company management must be committed to a plan to sell the asset (or group for disposition) and the sale is expected within the year following the classification date.

Non-current assets and groups of assets for disposition are valued at the lower of book value or fair value, less costs of sale, and are not depreciated or amortized as from the date they are classified as held for trading. Such assets or groups of assets are shown under current assets.

The revenue, costs and expenses from a discontinued operation are reported separately from those from continued activities, in one single line item after income tax, in the consolidated statement of income for the current period and the comparative period for the preceding year, even if the Group retains a non-controlling interest in the discontinued operation after the sale. An operation is deemed to be discontinued wherever it meets the definition of non-current assets held for trading and represents a business line or geographical area of operations that are significant to the Group, or a subsidiary acquired with trading purposes. It is part of a single coordinated plan to dispose of a business line or a geographical area of the operation that is significant and that may be deemed separate.

Lease agreements

Lease agreements are classified as finance lease and operating lease. Lease agreements that transfer substantially all risks and benefits arising from the title to the assets are classified as finance lease; otherwise, they are classified as operating lease. Some of the criteria to be taken into consideration to reach conclusion of whether substantial risks and benefits have been transferred include (i) where the term of the lease is equal to or higher than 75% of the economic life of the asset and/or (ii) where the present value of minimum payments under the lease agreement is equal to or higher than 90% of the fair value of the asset.

Contingent instalments of the lease are estimated based on the cause that results in the instalment variance for reasons other than the passage of time.

Financial leases

1. If the Group acts as the lessee

Wherever the Group acts as the lessee of an asset under finance lease, the leased asset is shown in the consolidated statement of financial position as an asset, according to the nature of the asset pursuant to the lease agreement, and at the same time, a liability in the same value is recorded in the consolidated statement of financial position, estimated as the lower of the fair value of the leased asset or the present value of minimum instalments payable to the lessor, plus, as applicable, the price of the purchase option.

Such assets are depreciated or amortized with the same criteria applied to the property, plant and equipment elements, or intangible assets for own use, regarding useful life, provided the property of the asset is transferred to the Group at the end of the contract, via purchase option or else; otherwise, the useful life is set as the term of the agreement or the useful life of the property, plant and equipment element, whichever is less. Lease instalments are split between interests and the decrease of the principal. Financial expenses are recognized in the statement of income for the period.

2. If the Group acts as the lessor

Wherever the Group acts as the lessor of an asset under financial lease, the leased asset is not shown as property, plant and equipment given that the risks associated to the property have been transferred to the lessee; instead, a financial asset is recognized for the present value of the minimum lease instalments receivable plus the unsecured residual value.

Lease instalments received are split between interests and the decrease of the principal. Interest-related financial revenue is recognized in the statement of income for the period.

Operating leases

Are lease agreements under which title to the leased asset and all substantial risks and benefits attached thereto remain with the lessor. The Group has assets received and delivered under operating lease agreements.

Payments or collections because of operating lease are recognized as expenses or revenue in the statement of income on a linear basis over the term of the lease agreement.
Contingent payments are recognized during the period they are incurred.

Wherever the Group makes or receives advance payments because of lease agreements, related to the usage of assets, such payments are booked as expenses paid in advance and collections are booked as revenue received in advance, and both are amortized over the term of the lease agreement.

Cost for loans

Loan costs directly attributable to the acquisition, construction or manufacturing of a qualifying asset, in other words an asset that necessarily takes a substantial period (generally more than six months) to become ready for its intended use or sale, are capitalized as part of the cost of the respective assets. All other loan costs are accounted for as expenses during the period they are incurred. Loan costs are made of interests and other costs incurred for securing the loan.

Impairment of non-financial assets

At the closing of each annual period, the Group assesses whether there is indication that the value of an asset may be impaired. Assets with a defined useful life are subject to impairment testing at least once a year, provided there is objective evidence that, as result of one or more events subsequent to initial recognition, the book value thereof cannot be recovered, in full or in part.

Intangible assets with an indefinite useful life not subject to amortization are tested for impairment at the closing of each year, except for those intangible assets attached to a business combination still undergoing a measuring period where the purchase price allocation (PPA) has not been completed. Impairment indicators as defined by the Group, in addition to external data sources (economic environment and the market value of the assets, among other), are based on the nature of assets:
- Movable assets attached to a cash-generating unit: ratio between the net book value of the assets related to each store and sales value (VAT included). There is sign of impairment if such ratio is higher than the percentage defined for each format;
- Immovable assets: comparison of the net book value of the assets to market value.

In order to assess value impairment losses, assets are grouped at the level of cash-generating unit or groups of cash-generating units as applicable, and estimation is made of the recoverable value thereof. The Group has defined each store or each shop as a separate cash-generating unit; regarding goodwill, the generating units are grouped based on the brand, which represents the lowest value at which goodwill is monitored.

The recoverable value is the higher of the fair value less costs of sale of the cash-generating unit or groups of cash-generating units and the value in use. This recoverable value is estimated for a separate asset unless such asset does not generate any cash flows independent of the cash inflows obtained by other assets or groups of assets.

Impairment losses are recognized with charge to period results in amount of the excess of book value of the asset over recoverable value thereof, first reducing the book value of the goodwill allocated to the cash-generating unit or group of cash-generating units; should there be a remaining balance, to all other assets of the cash-generating unit or group of units as a function of the book value of each asset until such book value reaches zero.

To determine the fair value less the costs of sale, a pricing model is used in accordance with the cash-generating unit or groups of cash-generating units, if it can be established.

To assess the value in use:

- Estimation is made of future cash flows of the cash-generating unit or groups of cash-generating units over a period not to exceed five years. Cash flows beyond the forecasted period are estimated by applying a steady or declining growth rate.
- The terminal value is estimated by applying a perpetual growth rate, according to the forecasted cash flow at the end of the explicit period.
- The cash flows and terminal value are discounted at present value, using a discount rate before taxes that corresponds to outstanding market rates reflecting the value of money over time and the particular risks attached to the cash-generating unit or groups of cash-generating units.

The Group assesses whether the impairment losses previously recognized no longer exist or have decreased; in such events, the book value of the cash-generating unit or groups of cash-generating units is increased to the revised estimation of the recoverable value, without exceeding the book value that would have been determined if no previous impairment had been recognized. Such reversal is recognized as a revenue in period results, except for goodwill which impairment is not reverted.

Inventories

Inventories include goods acquired with the purpose of being sold in the ordinary course of business, goods in process of manufacturing or construction with a view to such sale, and goods to be consumed in the process of production or provision of services.

Inventories in transit are recognized upon the Group's receiving all substantial risks and benefits attached to the asset, according to procurement conditions.

Inventories include real estate where the Group has started an urban development or project on the property with a view of selling it.

The Group's policy is that inventories are valued using the first-in-first-out (FIFO) method.

The cost of initial recognition includes the costs of purchase, costs of transformation and other costs incurred in bringing the inventories to their present location and condition, that is to say, upon completion of the production process or receipt at the store. Logistics costs and supplier discounts are capitalized as part of the inventories and recognized in the cost of goods sold upon sale thereof.

Inventories are valued at period closing at the lower of cost and net realization value.
The Group assesses whether the impairment losses previously recognized in the inventory no longer exist or have decreased; in these events, the book value of inventories is the cost or the net realizable value, whichever is lower. This reversal is recognized as a decrease of the impairment cost.

The Group makes an estimation of obsolescence and physical losses of inventory, based on the age of inventories, changes in manufacturing and sale conditions, trade regulations, probability of loss and other variables affecting the recoverable value.

Financial assets

Financial assets are recognized in the statement of financial position when the Group becomes a party pursuant to the contract terms and conditions.
Financial assets are classified in the following categories:

- Financial assets at fair value through income;
- Financial assets measured at amortized cost;
- Financial assets at fair value through other comprehensive income;

The classification depends on the business model used by the Group to manage its financial assets and on the characteristics of the financial asset's contract cash flows; such classification is defined upon initial recognition. Financial assets are classified as current assets if they mature in less than one year; otherwise, they are classified as non-current assets.

1. Financial assets at fair value through income

Includes financial assets incurred mainly seeking to manage liquidity through frequent sales of the instrument. Instruments are measured at fair value and the variations in value are taken to income upon their occurrence.

2. Financial assets measured at amortized cost

These are non-derivative financial assets with known payments and fixed maturity dates, for which Group management has the intention and the capability of collecting the instrument's cash inflows under the contract.

These instruments are valued at their amortized cost using the effective interest method. The amortized cost is estimated by adding or deducting any premium or discount, revenue or incremental cost, during the remaining life of the instrument. Gains and losses are recognized in the statement of income by the amortization or if there were objective evidence of impairment.

These financial assets are included as non-current assets, exception made of those that mature in less than 12 months following the date of the statement of financial position.

3. Financial assets at fair value through other comprehensive income

They represent variable-income investments that neither are held for trading nor are deemed an acquirer's contingent consideration in a business combination. Regarding these investments, upon initial recognition the Group has made irrevocable decision of presenting the gains or losses based on a subsequent measurement at fair value in other comprehensive income upon initial recognition.

The gains and losses arising from the new measurement at fair value are recognized in other comprehensive income until they are written off in asset accounts. In this event, the gains and losses previously recognized in equity are reclassified to retained earnings.

These financial assets are included as non-current assets, unless the Company intends to dispose of the investment within 12 months following the date of the statement of financial position.

4. Write-offs

A financial asset, or a portion thereof, is written off in the accounts upon its sale, transfer, expiry or loss of control over contract rights or over the instrument's cash flows. When substantially all risks and benefits of ownership are retained by the Group, the financial asset continues being recognized in the statement of financial position at its full value.

5. Effective interest method

Is the method used to estimate the amortized cost of a financial asset and of the allocation of interest revenue during the entire relevant period. The effective interest rate is the rate that exactly discounts the estimated net future cash flows receivable (including all charges and revenue received that are an integral part of the effective interest rate, the transaction costs and other rewards or discounts), during the expected life of the financial asset.

6. Impairment of financial assets

Given that trade accounts receivable and other accounts receivable are deemed to be short-term receivables of less than 12 months from the date of issue and not containing a significant financial component, the impairment thereof is estimated from initial recognition and on each presentation date as the expected loss for the following 12 months.

For financial assets other than those measured at fair value, the Company estimates the expected losses over the life of the relevant asset. For this purpose, the Company determines if the credit risk arising from an asset assessed on an individual basis has significantly increased, by comparing the risk of failure on the date of presentation against that on the date of initial recognition; if so, an impairment loss is recognized in period results in the amount of the credit losses expected over the following 12 months.

7. Loans and accounts receivable

Loans and accounts receivable are financial assets issued or acquired by the Group in exchange for cash, goods or services delivered to a debtor.

Accounts receivable from sales transactions are measured at invoice values less accrued impairment losses. These accounts receivable are recognized when all risks and benefits have been transferred to a third party.

Long-term loans (more than one year after issuance date) are valued at its amortized cost using the effective interest method wherever the amounts involved are material. Losses from impairment are recognized in the statement of income.

These instruments are included as current assets, except for those maturing after 12 months following the date of the statement of financial position, which are classified as non-current assets. Classification of accounts receivable which collection is expected over a period of more than 12 months and include payments during the first 12 months, is allotted to current portion and non-current portion.

8. Cash and cash equivalents

Include cash at hand and in banks, and highly liquid investments. To be classified as cash equivalents, an investment should meet the following criteria:

- Short-term investments, in other words, to be held less than or up to three months following date of acquisition;
- Highly liquid investments;
- Readily converted into cash, and
- Subject to a low risk of change in value.

In the statement of financial position, the accounting accounts showing actual overdrafts with financial institutions are classified as financial liabilities. In the statement of cash flows such overdrafts are shown as a component of cash and cash equivalents, provided they are an integral part of the Group's cash management system.

Financial liabilities

Financial liabilities are recognized in the statement of financial position when the Group becomes a party pursuant to the contractual terms and conditions governing an instrument. Financial liabilities are classified as financial liabilities at fair value through income and financial liabilities valued at amortized cost.

1. Financial liabilities at fair value through income

Are classified under this category when held for trading or designated at fair value through income from initial recognition.

2. Financial liabilities measured at amortized cost:

Include loans received and bonds issued, which are initially recognized by the cash received, net of transaction costs. They are subsequently measured at the amortized cost using the effective interest method and recognizing interest expenses on the basis of effective return.

3. Write-offs

A financial liability or a part thereof is written off in the accounts upon settlement or expiry of the contract obligation.

4. Effective interest method

The effective interest method is the method to calculate the amortized cost of a financial liability and the allocation of interest expenses over the relevant period. The effective interest rate is the rate that accurately discounts estimated future cash flows payable during the expected life of a financial liability, or, as appropriate, a shorter period wherever a prepayment option is associated to the liability and it is likely to be exercised.

Embedded derivatives

The Group has implemented a procedure that enables assessing the existence of embedded derivatives in financial and non-financial agreements. Should an embedded derivative exist, and if the main agreement is not accounted for at fair value, the procedure defines whether the characteristics and risks thereof are not closely related with the core agreement, in which event separate booking is required.

Derivative financial instruments

Derivative financial instruments are recognized, both initially and subsequently, at fair values. Derivative instruments are recognized as financial assets when its fair value involves a right, and as financial liabilities when its fair value involves an obligation.
The fair value of these instruments is estimated on the closing date of presentation of the financial statements.

The gains or losses arising from changes in the fair value of derivative instruments are directly recognized in the statement of income, except those maintained under hedge accounting and deemed to be cash flow hedges or net investment hedges abroad.

Derivative transactions involve "*forwards*" and "*swaps*", aimed at reducing the market risk of assets and liabilities by using the best hedging structures available in the market, being able to stabilize debt service cash flows.

By using such hedging structures, regarding *"forwards"* the intention is to manage the foreign exchange risk, and regarding *"swaps",* additionally to manage the interest rate risk in foreign currency. The effects of both, derivative financial instruments and elements under the line item of net financial results are recognized in the statement of income.

Even if it is true that the Group does not use derivative financial instruments for speculative purposes, in these financial statements such derivatives have not been deemed hedge instruments given that they do not meet the requirements of International Financial Reporting Standards adopted in Colombia.

"Forwards" and *"swaps"* that meet hedge accounting requirements are recognized pursuant to the hedge accounting policy.

Financial derivatives are measured at fair value using financial valuation techniques based on discounted cash flows. The variables used for valuation are exchange rates in force on the valuation date applicable to the currencies agreed upon in the instrument and the interest rates associated thereto.

Hedge accounting

The Group carries out hedge transactions under future-performance "*forward"* contracts and *"swap"* contracts, to cover the risks associated with changes in the exchange rates applicable to its investments and in the exchange rates and interests rates applicable to its liabilities.

Hedge instruments are measured at its fair value and shall only be used if:
- The hedge relationship has been clearly defined and documented initially, and
- The efficacy of the hedge may be evidenced initially and throughout its life.

Documents include the identification of the hedge instrument, the item or transaction hedged, the nature of the risk being hedged and the manner in which the Group will measure the efficacy of the hedge instrument to offset the exposure to changes in the fair value of the item hedged or to changes in the cash flows attributable to the hedged risk.

Hedges are deemed to be efficient when there is an economic relationship between the item hedged and the hedge instrument, the effects of the credit risk do not prevail over the value changes arising from such economic relationship, and the hedge ratio is the same as that arising from the item hedged and the amount of the hedge instrument used.

Hedge instruments are recognized initially at fair value, on the date of execution of the derivative contract, and subsequently measured at fair value. They are shown as non-current assets or non-current liabilities wherever the remaining maturity of the item hedged goes beyond 12 months, and, failing that, as current assets and current liabilities if the maturity of the item hedged does not exceed 12 months.

Hedges are classified and booked as follows, upon compliance with strict hedge accounting criteria:

- **Cash flow hedges**: This category includes hedges covering the exposure to the variation in cash flows arising from a particular risk associated to a recognized asset or liability or to a foreseen transaction, which occurrence is highly probable and may have an impact on period results.

  The effective portion of the changes in the fair value of derivative instruments defined as cash flow hedge instruments is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of income.

  Values recognized in other comprehensive income are reclassified to the statement of income wherever the hedged transaction has an impact on the results, on the same line item of the statement of income where the hedged item was recognized. However, when the foreseen transaction that is hedged results in recognition of a non-financial asset or a non-financial liability, the gains or losses previously recognized in other comprehensive income are reclassified at the initial value of such asset or liability.

  Hedge accounting is discontinued upon the Group's voiding the hedge relation, when the hedge instrument matures or is sold, expires, or is exercised, or no longer qualifies for hedge accounting. In those events, any gain or loss recognized in other comprehensive income is maintained in shareholders' equity and is recognized when the foreseen transaction actually has an impact on period results. When it is no longer expected that a foreseen transaction would occur, then the retained gain or loss recognized in other comprehensive income is immediately recognized in the statement of income.

- **Fair-value hedges:** this category includes hedges covering the exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

  A change in the fair value of a derivative that is a fair-value hedging instrument is recognized in the statement of income as financial expense or revenue. A change in the fair value of a hedged item attributable to the hedged risk is booked as part of the book value of the hedged item, and is recognized in the statement of income as financial expense or revenue.

  Wherever an unrecognized firm commitment is identified as a hedged item, the subsequent accrued change in the fair value of the firm commitment attributable to the hedged risk will be recognized as an asset or liability and the relevant gain or loss will be recognized in period results.

- **Net investment hedges abroad:** this category includes hedges covering exposure to the variation in exchange rates arising from the translation of foreign businesses to the Group's presentation currency.

  The effective portion of the changes in the fair value of derivative instruments defined as instruments to hedge a net investment abroad is recognized in other comprehensive income. The gain or loss related to the non-effective portion is immediately recognized in the statement of income.

  If the Group would dispose of a foreign business, in whole or in part, the accrued value of the effective portion recorded to other comprehensive income is reclassified to the statement of income.

Share-based payments

Employees (including senior management) of Grupo Companhia Brasileira de Distribuição - CBD, receive compensation in the form of share-based payments, by means of which employees render services in exchange for equity instruments ("Transactions settled with shares").

The cost of transactions settled with shares is recognized as a period expense with an increase in net shareholders' equity as balancing entry, over the period during which the performance and service conditions are met. Service conditions require that an employee complete a certain service period and performance conditions require than an employee complete a certain service period and certain performance goals.

Accrued expenses recognized from equity instruments at the closing of each period until the vesting date (irrevocability) of the benefit, reflect the degree in which the vesting period has expired and the best Group's estimation of the number of equity instruments that will eventually vest. It is understood that the vesting date is that on which Companhia Brasileira de Distribuição – CBD and employees reach agreement on share-based payments, that is to say, when the parties jointly agree on the terms and conditions of the agreement. On such date, Companhia Brasileira de Distribuição – CBD confer upon its counterparty the right to receive equity instruments, subject to compliance, where appropriate, of certain vesting conditions (irrevocability).

When an equity instrument is amended, the minimum expense recognized is the expense that would have been incurred if the conditions had not changed; an additional expense is recognized for any change that may increase the fair value of the share-based payment, or is of benefit to the employee, measured on the date of the amendment.

Upon cancellation of an equity instrument, treatment is given as if fully vested on the date of cancellation, and any unrecognized expense related to the premium is immediately recognized in period results. This includes any premium whose non-consolidation conditions, under the Group's or employee's control, are not met. However, if the plan that has been cancelled is replaced by another plan and is named as replacement on the date it is carried out, the granting plan cancelled and the new plan are treated as if they were and amendment of the original plan, as described in the preceding paragraph.
All cancellations of settled equity instrument transactions are treated equally (Note 27 Share-based payments),

Employee benefits

1. Defined contribution plans
Post-employment benefit plans under which the Group pays predetermined contributions into a separate entity (a retirement fund or insurance company) and will have no legal or constructive obligation to pay further contributions. Such contributions are recognized as expenses in the statement of income, to the extent that the relevant contributions are enforceable.

2. Defined post-employment benefit plans:
Post-employment benefit plans under which the Group is mandated to directly provide retirement benefit payments and retroactive severance pay, pursuant to legal requirements. The Group has no specific assets intended for guaranteeing the defined benefit plans.

Defined post-employment benefit plan liabilities are estimated severally for each plan, with the support of independent third parties, applying the projected credit unit's actuarial valuation method, using actuarial assumptions on the date of the period reported, such as salary increase expectations, average time of employment, life expectancy and personnel turnover. For the parent and its Colombian subsidiaries, information on actuarial assumptions is taken as a reference to Regulatory Decree 2496 of December 23, 2015. Actuarial gains or losses are recognized in other comprehensive income. Interest expense on defined post-employment benefits, as well as settlements and plan reductions, are recognized in period results as financial costs.

3. Long-term employee benefits
These are benefits not expected to be fully settled within twelve months following the closing date of the statement of financial position regarding which the employees render their services. These benefits relate to time-of-service bonuses and similar benefits. The Group has no specific assets intended for guaranteeing the long-term benefits.

The liability for long-term benefits is determined separately for each plan with the support of independent third parties, following the actuarial valuation of the forecasted credit unit method, using actuarial assumptions on the date of the reporting period. The cost of current service, cost of past service, cost for interest, actuarial gains and losses, as well as settlements or reductions in the plan are immediately recognized in the statement of income.

4. Short-term employee benefits
These are benefits expected to be fully settled within twelve months and after the closing date of the statement of financial position regarding which the employees render their services. Such benefits include a share of profits payable to employees based on performance. Short-term benefit liabilities are measured based on the best estimation of disbursements required to settle the obligations on the closing date of the reporting period.

5. Employee termination benefits
The Group pays to employees certain benefits upon termination, wherever the Group decides to terminate a labor contract earlier than on the ordinary retirement date, or wherever an employee accepts a benefits offer in exchange for termination of his labor contract.

Termination benefits are classified as short-term employee benefits and are recognized in period results when they are expected to be fully settled within 12 months of the closing of the reporting period; and are classified as long-term employee benefits when they are expected to be settled after 12 months of the closing of the reporting period.

Provisions, contingent assets and liabilities

The Group recognizes as provisions all liabilities outstanding on the date of the statement of financial position, resulting from past events that may be accurately measured and settlement thereof may require an outflow of resources incorporating economic benefits and whose timing and/or amount are uncertain.

Provisions are recognized at the present value of the best estimation of cash outflows required to settle the liability. In those cases where the Group expects the provision to be reimbursed, in full or in part, the reimbursement is recognized as an independent asset with a revenue to income as balancing entry, only when such reimbursement is virtually certain.
The provisions are revised periodically, and quantified based on the best information available on the date of the statement of financial position.

Current obligations under contracts for consideration are recognized as provisions wherever unavoidable costs to be incurred in performing under the contract exceed the economic benefits expected to be received thereunder.

A business restructure provision is recognized wherever the Group has a constructive obligation to conduct a restructure, that is to say, when a formal and detailed restructure plan has been prepared and has raised a valid expectation in those affected because its overall conditions were announced prior to the closing of the reporting period.

Contingent liabilities are obligations arising from past events, which existence is subject to the occurrence or non-occurrence of future events not entirely under the control of the Group; or current obligations arising from past events, from which the amount of the obligation cannot be accurately estimated or it is not probable that an outflow of resources will occur for payment of the obligation. Contingent liabilities are not included in the financial statements; instead, they are disclosed in notes to the financial statements, except for those separately included in the purchase pricing report under a business combination, which fair value may be accurately established.

A contingent asset is a possible asset that arises from past events, which existence will be confirmed only by the occurrence or non-occurrence of future events not entirely under the control of the Group. Contingent assets are not recognized in the statement of financial position until revenue realization is virtually true; instead, they are disclosed in the notes to the financial statements.

Taxes

Taxes include liabilities payable to Government by the Group, determined based on private assessments generated during the relevant taxable period; they include, among other:

Colombia:

- Income tax,
- Income tax for equality - CREE,
- Value added tax - VAT,
- National excise tax,
- Tax on wealth and tax standardization,
- Property tax, and
- Industry and trade tax.

Brazil:

- Financial Contribution to Social Security (COFINS),

- Social Security Tax (PIS),
- Corporate Income Tax (IRPJ),
- VAT on Sales and Services (ICMS),
- Tax on Services (ISS),
- Tax on Property (IPTU),
- Social Contribution on net profit (CSLL), and
- Imposto de Renda de Pessoa Jurídica (IRRF).

Argentina:
- Value Added Tax,
- Income tax,
- Province taxes,
- Tax on personal property - substitute responsible party, and
- Trade and Industry municipal tax.

Uruguay:
- Income tax (IRIC)
- Value added tax,
- Tax on equity,
- Real property tax,
- Industry and trade tax, and
- ICOSA tax.

Current income tax

The income tax for the parent and its subsidiaries in Colombia is assessed on the higher of the presumptive income and the taxable net income at the official rate applicable annually on each closing of presentation of financial statements. In addition to the income tax, there is the tax for equality CREE, and for the years 2015 to 2018 a CREE surtax, assessed on the same base as the income tax with certain additional clearance items.

In the case of Brazilian subsidiaries, the income tax includes the "Imposto de Renda da Pessoa Jurídica ("IRPJ")" and the "Contribuição Social sobre o Lucro Líquido ("CSLL")", assessed on the income adjusted pursuant to legal regulations: 15% on the adjusted income, and additional 10% on the adjusted income exceeding R$240,000 for the IRPJ and 9% for the CSLL.

The income tax is assessed for subsidiaries in Uruguay at the official rate of 25% for 2015 and 2014; and for subsidiaries in Argentina, at the rate of 35%.

The income tax expense is recognized with charge to income.

Current tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right, have been incurred with the same tax authority and the intention is to settle them at the net value, or realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income taxes arise from temporary differences and other events that give rise to differences between the accounting base and the taxable base of assets and liabilities. The deferred income tax is recognized at the non-discounted value that the Group expects to recover from or pay to tax authorities, assessed at expected tax rates to be applied during the period when the asset will be realized or the liability will be settled.

Deferred income tax assets are only recognized in as much as it is probable that in future the Group will have taxable income against which such deductible temporary differences may be offset. Deferred income tax liabilities are always recognized. Deferred tax assets and liabilities arising from business combinations have an impact on goodwill.
Deferred taxes are recognized in period results or in other comprehensive income depending on where the originating profits or losses were booked and are presented in the statement of financial position as non-current items.

Deferred tax assets and liabilities are offset for presentation purposes if there is a legally enforceable right and they have been incurred with the same tax authority.

The Group does not carry the deferred tax liabilities for the total of the differences that may arise between the accounting balances and the taxable balances of investments in associates and joint ventures, since the Group applies the exemption contained in IAS 12 when recording such deferred tax liabilities.

Shareholders' Contributed Capital

Contributed capital is made of common shares.

Incremental costs directly attributable to the issue of new shares or options are shown under shareholders' equity as a deduction from the amount received, net of taxes.

Ordinary revenue

Net operating revenue includes the sales of goods at the stores, the provision of services, the sale of real estate inventory and complementary businesses such as insurance, travel, financing, telephone and transportation services, among other.

Revenue is measured at the fair value of the consideration received or to be received, net of trade rebates, cash discounts and volume discounts; value added tax is also excluded.

Revenues from the sale of goods are recognized when significant risks and benefits attached to the ownership of goods are transferred to purchaser, in most cases upon transfer of legal title, such revenues can be accurately measured and there is a probability that economic benefits from the transaction will flow into the Group.

Revenues from services are recognized in the period during which services are rendered. Wherever the provision of a service is subject to compliance with a number of commitments, the Group analyze the proper timing for recognition. Consequently, revenues or sales of goods can either be recognized immediately (when the service is deemed rendered) or be deferred over the period during which the service is provided or the commitment is fulfilled.

When goods are sold along with customer loyalty incentives, the revenue is allotted between the sale of goods and the sale of incentives, at fair values. Deferred revenues from the sale of incentives are recognized in the statement of income upon customer redemption for products, or upon expiry.

Intermediation contracts are analyzed on the grounds of specific criteria to determine when the Group acts as principal and when as a commission agent.

Revenues from dividends are recognized when the right to receive payment for investments classified as financial instruments arise; dividends received from investments in associates and joint ventures are recognized as lower value of the investment.

Revenues from royalties are recognized when conditions set forth in the relevant agreements are met.

Revenues from operating leases on investment properties are recognized on a linear basis over the term of the agreement.

Revenues from interests are recognized using the effective interest method.

Barter revenues are recognized: (i) upon actual bartering, assets are recognized at the fair value of the consideration received on the date of exchange; (ii) or at the fair value of goods delivered.

Loyalty programs

Under its loyalty program, the Group awards its customers points on their purchases, which may be exchanged in future for benefits such as prizes or goods available at the stores, means of payment or discounts, redemption with allies and continuity programs, among other. The points are measured at fair value, which is the value of each point received by the customer, considering the various redemption strategies. The fair value of each point is estimated at the end of each accounting period.

The obligation of awarding such points is recorded as a deferred revenue that represents the portion of unredeemed benefits at fair value, considering for such effect the portion of points expected not to be redeemed by the customers.

Costs and Expenses

Costs and expenses are recognized in period results upon a decrease in economic benefits, associated with a decrease in assets or an increase in liabilities, and the value thereof may be accurately measured.

Costs and expenses include all cash outflows necessary to complete the sales as well as the expenses required to provide the services, such as depreciation of property, plant and equipment, personnel expenses, payments under service agreements, repairs and maintenance, operating costs, insurance, fees and lease expenses, among other.

Operation segments

An operating segment is a Group component that develops business activities from which it may obtain revenues under ordinary activities and incur costs and expenses, which operating results are reviewed on an ongoing basis by the highest operating decision-making authority of the Group, namely the Board of Directors, and regarding which distinct financial information is available. Company management assesses the profitability of such segments based on the revenues from ordinary activities.

Information by segment is structured in four main segments: Colombia, Brazil, Uruguay and Argentina. In turn, such segments are subdivided as follows:

- **Colombia:** Éxito, Carulla, Descuento, B2B. (Including all direct subsidiaries of Almacenes Éxito S.A. in the country).
- **Brazil:** Food, Non-Food, E-Commerce. (Including all subsidiaries of Companhia Brasileira de Distribuição – CBD and holding companies).
- **Uruguay:** and holding companies.
- **Argentina:** and holding companies.

For information presentation purposes by segment, non-operating companies - Holding companies that hold interests in the operating companies - are assigned to the geographical area to which the operating companies belong. Should a Holding Company hold interests in various operating companies, it is assigned to the most significant operating company.

Total assets and liabilities by segment are not reported internally for management purposes and consequently they are not included in the note regarding disclosure of information by segment.

Information by segment is prepared under the same accounting policies as those applied to consolidated financial statements.

Profits per share

The basic profit per share is calculated dividing the net profit for the period attributable to the Group, not including the average number of Group shares held by any subsidiary, as appropriate, by the weighted average of common shares outstanding during the period, excluding, if any, common shares acquired by the Group and held as Treasury shares.

The diluted profit per share is calculated dividing the net profit for the period attributable to the Group, by the weighted average of common shares that would be issued should all potential common shares be converted with dilutive effect. The net profit for the period, if any, is adjusted by the amount of dividends and interest related to convertible bonds and subordinated debt instruments.

The Group has not carried out any transaction having a potential dilutive effect leading to a profit per share on a diluted basis other than the basic profit per share.

First-time adoption

Law 1314 of July 2009 governs accounting and financial information and information assurance principles and standards accepted in Colombia. In addition, Decree 2784 of December 28, 2012 established the legal technical framework for preparers of financial information classified under Group 1 pursuant to International Financial Reporting Standards. Subsequently, 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, incorporated International Financial Reporting Standards (IFRS/IAS), interpretations (IFRIC and SIC) and the 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 from January 1, 2017, regardless that the conceptual framework for financial information is mandatory as from January 1, 2016; early application of both regulations is permitted. The parent has decided for the early application of the regulation.

The accompanying financial statements for the years ended December 31, 2015 and 2014 are the outcome of the application of the regulations mentioned in the preceding paragraph. Pursuant to IFRS 1, to start such presentation and preparation, the opening balance sheet is that at January 1, 2014.

Standards applied in preparing these financial statements at January 1, 2014 are the regulations in force for the period ended December 31, 2014 and published by the *International Accounting Standards Board – IASB*, under the above-mentioned Colombian Decrees.

The first-time adoption of these standards in Colombia requires the parent to apply standards and interpretations in force, on a retroactive basis. The above means going back to the time of first recognition of assets, liabilities and equity items, and adjust them to IFRS requirements from such a time until the time of the opening statement of financial position.

The first-time adoption standard, IFRS 1, sets forth exemptions and exceptions to the retroactive application of International Financial Reporting Standards. Exemptions are optional, while exceptions are mandatory (retroactive application is not permitted). Consequently, the parent applied the following exemptions and exceptions:

1. Property, plant and equipment, and investment property

- The cost attributable to real estate property will be the fair value, which is the value of the technical appraisal under IFRS 13 on the date of transition conducted by an independent appraiser.
- The cost attributable to movable assets will be the restated value, which is the latest technical appraisal carried out pursuant to Accounting Principles Generally Accepted in Colombia (COLGAAP).
- The cost attributed to real estate property not appraised at fair value and to other movable assets not included in the preceding paragraph, was determined based on the restated cost, which was established as the book value under local GAAP.

2. Intangible assets

- The cost attributed to trademarks is the fair value, determined under the requirements of IFRS 13.

- Restatement of the cost of intangible assets to eliminate non-capitalizable outflows of resources pursuant to the IFRS.

3. Cost attributed to investments in subsidiaries, joint ventures and associates

- No restatement of business combinations and acquisitions carried out, on the date of transition to the IFRS, in the consolidated financial statements for goodwill arising from mergers.
- For investments in subsidiaries, associates and joint ventures adopting the IFRS earlier than the parent, the assets in the opening balance sheet were measured at book value as they appear in the financial statements of subsidiaries and associates and join ventures, after the relevant adjustments upon consolidation and application of the equity method.

4. Capitalization of borrowing costs in qualifying assets

The Group has elected to apply transient IAS 23 (Borrowing costs) provisions, which means capitalizing borrowing costs in qualifying assets as from transition date.

5. Designation of previously recognized financial instruments

Financial instruments previously recognized under Accounting Principles Generally Accepted in Colombia will be classified on the date of transition.

6. Measure at fair value of financial assets or financial liabilities in the initial recognition

Prospectively apply the requirements of IFRS 9 to transactions carried out as from the date of transition.

7. Derecognition of financial assets and liabilities

Prospectively apply the requirements of IFRS 9 to derecognition of financial assets and liabilities as from the date of transition.

8. Embedded derivatives

The analysis of separating an embedded derivative from the core contract, under existing conditions, was carried out on the latest of the following dates:

- The date on which the Group become a party to the contract.
- The date on which amendments were introduced to the contract, resulting in significant changes to contract cash flows.

9. Hedge accounting

Not to reflect in the opening statement of financial position, the hedge relations that do not comply with the hedge accounting conditions set forth in IAS 39 - Financial Instruments: recognition and measurement.

10. Embedded leases

The Group has elected to apply transient IFRIC 4 (Determining whether an arrangement contains a lease) provisions, and has assessed all lease arrangements based on existing conditions at January 1, 2014.

11. Accumulated translation differences in the consolidated financial statements

Accumulated translation differences arising from foreign businesses are not restated; in other words, they will be deemed null on the date of transition.

Below are the significant adjustments made upon transition of the financial statements prepared under Accounting Principles Generally Accepted in Colombia to accounting and financial information standards accepted in Colombia, enacted by Law 1314 of 2009 that relate to 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 information and information assurance standards", amended on December 23, 2015 by Regulatory Decree 2496 without applying any of the exceptions to the IFRS therein contained. Significant adjustments at the closing of December 31, 2014, date of the latest accounting period included in the annual financial statements presented under Accounting Principles Generally Accepted in Colombia are additionally shown:

Equity reconciliation			Adjustments		
		January 2014	Other comprehensive income	Other	December 2014
Shareholders' equity local GAAP	Note	7,860,630	Other comprehensive income	Other	8,159,057
Changes in assets					
Other increase (decrease) in debtors	A	(500)	(5,550)	-	(6,050)
Adjustment to amortized cost of other financial assets	B	(630)	(950)	-	(1,580)
Adjustment to the fair value of financial assets	C	(127)	(4,916)	-	(5,043)
Other increase (decrease) in current assets	D	(64,924)	(10,784)	-	(75,708)
Adjustment from changes in the application or elimination of the equity method in investments	E	198,968	41,571	(4,672)	235,867
Adjustment from measurement at deemed cost in property, plant and equipment	F	758,752	-	-	758,752
Adjustment from depreciation of property, plant and equipment	F	-	102,832	-	102,832
Elimination of revaluation in property, plant and equipment	F	(1,311,642)	-	(73,168)	(1,384,810)
Other adjustments to the cost of property, plant and equipment	G	-	(6,340)	-	(6,340)
Elimination of deferred charges	H	5,855	(2,388)	-	3,467
Adjustment in the cost of intangible assets	I	(13,004)	49,482	-	36,478
Finance lease adjustment	J	5,203	-	-	5,203
Other assets		-	-	-	-
Total (decrease) in assets		**(422,049)**	**162,957**	**(77,840)**	**(336,932)**
Changes in liabilities		**-**	**-**	**-**	**-**
Adjustment to amortized cost in financial liabilities	K	4,869	(733)	-	4,136
Recognition or adjustment to provisions	L	16,520	(6,024)	-	10,496
Adjustment to retirement benefit liabilities	M	4,894	(426)	-	4,468
Adjustment to other long-term employee benefit liabilties	M	26,081	1,429	-	27,510
Booking of credit deferred tax	N	14,910	70,066	-	84,976
Adjustment to customer loyalty programs	O	-	10,775	-	10,775
Adjustment to tax on quity	P	(1,715)	(1,114)	-	(2,829)
Other liabilities	Q	(995)	(30,599)	99	(31,495)
Total increase in liabilities	**-**	**64,564**	**43,374**	**99**	**108,037**
Minority interest adjustment	R	228,789	(12,556)	49,445	265,678
Total increase (decrease) in equity		**228,789**	**(12,556)**	**49,445**	**265,678**
Total IFRS adjustments		**(257,824)**	**107,027**	**(28,494)**	**(179,291)**
Shareholders' equity under IFRS		**7,602,806**			**7,979,766**

Reconciliation of total comprehensive income

		December 2014
Income under local GAAP	**Note**	**458,865**
Changes in assets		
Other increase (decrease) in debtors	A	(5,550)
Adjustment to amortized cost of other financial assets	B	(950)
Adjustment to the fair value of financial assets	C	(4,916)
Other increase (decrease) in current assets	D	(10,784)
Adjustment from changes in the application or elimination of the equity method in investments	E	41,571

Adjustment from measurement at cost attributable in property, plant and equipment	F	-
Adjustments from depreciation of property, plant and equipment	F	102,832
Other adjustments to the cost of property, plant and equipment	G	(6,340)
Elimination of deferred charges	H	(2,388)
Adjustment in the cost of intangible assets	I	49,482
Finance lease adjustment	J	-
Other assets	K	-
Total increase in assets		**162,957**
Changes in liabilities		
Adjustment amortized cost in financial liabilities	K	(733)
Recognition or adjustment to provisions	L	(6,024)
Adjustment to retirement benefit liabilities	M	(426)
Adjustment to other long-term employee benefit liabilties	M	1,429
Booking of credit deferred tax	N	70,066
Adjustment to customer loyalty programs	O	10,775
Adjustment to tax on quity	P	(1,114)
Other liabilities	Q	(30,599)
Total increase in liabilities		**43,374**
Minority interest adjustment	R	(12,556)
Total decrease in shareholders' equity		**(12,556)**
Total adjustments		**107,027**
Total comprehensive income		**565,892**

Notes to shareholders' equity reconciliation at January 1, 2014 and December 31, 2014 and comprehensive income for the period ended December 31, 2014.

Note A: Accounts receivable

Assets that do not generate future economic benefits are not recognized in the financial statements; in this respect, the Group analyzed the recoverability of advance payments and wrote off those not complying with recognition criteria. Advance payments deemed to be recoverable are reclassified to each line item in the statement of financial position according to their purpose.

During the transition period, 2014, the Group recognized further impairment of accounts receivable arising from the application of impairment policies.
Such higher value was recognized as operating expense in period results.

Note B: Amortized cost of financial assets

Certain investments and accounts receivable were classified to investments measured at amortized cost in accordance with existing conditions on the date of the opening balance sheet pursuant to the exemption of IFRS 1 elected by the Group, given that as part of its business model, Company management has the intention and the capability of collecting contract cash flows under the instrument.

According to the above, and given that to measure these financial instruments IFRS 1 does not set forth a voluntary exemption to make transition easier, the Group measured the financial assets at amortized cost using the effective interest method on a retroactive basis, including loans at rates lower than market rates.

During 2014, transition period, the effect of the valuation of investments and receivables at amortized cost resulted in higher financial expenses recognized in period results.

Note C: Fair value of financial assets

The adjustment recognized in the opening balance sheet includes:

- Measurement of investments at the fair value of derivatives designated as hedging instruments under local GAAP and which on the date of the opening balance sheet do not meet hedge accounting requirements. Such hedging instruments were recognized at fair value, which is determined by a valuation technique commonly used by market participants.
- The measurement of investments at fair value through other comprehensive income where the Group used the exemption of designating these financial instruments on the date of transition on the grounds of events and circumstances existing on the date of transition. The fair value of such investments was determined as reference to the prices listed in active markets if the instruments are listed in such markets; in all other cases, the fair value was measured at the book value under local GAAP, considering that the effect is immaterial and that carrying out a measurement applying a valuation technique commonly used by market participants might generate higher costs than the value of benefits.

During 2014, transition period, transactions related to the above items resulted in the following effect:

- Gains or losses arising from the valuation of derivative instruments were recognized in period results and did not generate material effects as compared to local GAAP, given that they were measured at fair value under both accounting policies.
- Losses related to investments at fair value through other comprehensive income during the transition period were recognized in such comprehensive result. Amounts previously recognized under local GAAP were reversed.

Note D: Other adjustments in current assets

Cost of inventories includes all costs arising from acquisition and conversion, as well as other costs incurred to bring inventories to the current condition and location, net of trade discounts, rebates and other similar items. Under local GAAP, financial discounts and other discounts related to the purchase of inventories are recognized as revenue in the Group's statement of income. Discounts granted by suppliers on the acquisition of inventories were included in the cost of inventories in the opening balance sheet and during 2014, transition period.

Note E: Equity method in associates and joint ventures

In accordance with the exemption under IFRS 1, the net assets of investments in associates and joint ventures were recognized in the consolidated financial statements at the same book values included in the separate financial statements of such companies, after the adjustments from the application of the equity method pursuant to IAS 28. The effect of applying such procedure was recognized in retained earnings in the opening balance sheet. Equity variations in net assets of these invested companies during transition period were recognized in period results, in other comprehensive income or other equity components, in accordance with the nature of the originating item.

Note F: Property, plant and equipment

On the date of the opening statement of financial position, the Group decided to measure the elements of investment property, plant and equipment under the following options, according to IFRS 1:

- The deemed cost of real estate property was determined based on its fair value on the date of transition, pursuant to IFRS 13 "Measurement at fair value", according to the estimation of an independent firm that used discounted cash flows as valuation technique.

- The cost attributed to movable assets was determined based on revalued GAAP, which corresponds to the latest technical appraisal carried out pursuant to Accounting Principles Generally Accepted in Colombia (COLGAAP) on the date of transition or on a previous date, and recalculate the depreciation from the date of the technical appraisal until the date of the opening balance sheet with the remaining technical useful life determined on the date of the appraisal.
- The cost attributed to real estate property not appraised at fair value and to other movable assets not included in the preceding paragraph, was determined based on the restated cost, which was established as the book value under local GAAP.

- There is also a decrease arising from the elimination of asset revaluation accounts recognized in the Colombian accounting system.

During 2014, transition period, a lower depreciation expense was recognized in period results, given that the useful lives determined by the Group were longer than those under local GAAP. In addition, an equity decrease in transition is shown, arising from derecognition of the asset revaluation accounts previously recognized in equity under local GAAP.

Note G: Other adjustments to the cost of property, plant and equipment

Relate to the difference during 2014, transition period, between the gain and the loss from the sale of property, plant and equipment assets, given that the assets have different costs under local GAAP and under IAS 16 arising from the cost attributed in the opening balance sheet, as well as different useful lives.

Note H: Deferred charges

Under local GAAP, goods or services received from which economic benefit is expected in future periods are recognized as deferred charges, and they are amortized over the time expected to use or receive such benefit. In accordance with recognition criteria under IAS 38 for intangible assets, the Group derecognized the deferred disbursements on account of advertisement and other concepts capitalized in improvement to third party property.

During 2014, transition period, such deferred charges continued being amortized under local GAAP.

Note I: Intangible assets other than goodwill

For the trademark Surtimax, received upon merging with Carulla Vivero S.A., the Group determined its deemed cost in the opening balance sheet using the option of fair value in application of the revenue approach, particularly the royalty method.

According to the options offered by IFRS 1, for all other intangible assets the deemed cost was determined based on the restatement option; such option consists of determining the deemed cost based on the acquisition cost, recalculating the amortization from the purchase date until the date of the opening balance sheet using the technical useful life for intangible assets with a finite useful life, and measuring the impairment of assets.

According with the above procedure, intangible assets not complying with the recognition criteria were derecognized and the trademark Surtimax was recognized at fair value in the opening balance sheet.

During 2014, transition period, a lower amortization expense was recognized in period results, given that the useful lives determined by the Group were longer than those under local GAAP.

Note J: Leases

Under local GAAP, certain lease agreements where the Group is the lessee were classified as operating lease. The Group analyzed the transfer of the risks and benefits under such agreements on the date of commencement of the obligation, considering that IFRS 1 does not allow a voluntary exemption in the classification and measurement of IAS 17 - Leases. As a result, lease agreements are classified as financial leases in the opening balance sheet, recognizing the relevant asset and liability in the opening statement of financial position.

Note K: Amortized cost of financial liabilities

Pursuant to measurement requirements set out in IFRS 9, the Group valued issued bonds at amortized cost using the effective interest method, adding or deducting any premium or discount over the remaining life of the instrument, from the date of commencement of the obligation; in other words, the measurement is carried out on a retrospective basis given that there is no voluntary exemption under IFRS 1 regarding the measurement of these financial instruments. In addition, the financial lease liability was valued using the constructive interest rate according to the criteria of IAS 17 - Leases.

During 2014, transition period, the effect of valuation of the amortized cost of such financial liabilities was recognized in income as a financial component. In addition, a lower value of lease expenses is shown, reflecting the payment for the use of the asset that under local GAAP was recognized in income and now is recognized as a lower value of the liability recognized.

Note L: Provisions

The Group recognized existing obligations on the date of the opening balance sheet, where an outflow of resources will be probably required to settle such obligations. The value accounted for represents the best estimation of the outflow of resources required for settlement. Additionally, provisions that did not meet the recognition criteria under IAS 37 Provisions, contingent assets and liabilities, were derecognized.

During 2014, transition period, provision-related effects resulted from:

- The effects of money value over time recognized in period results as a financial component.

- The effect of changes in the estimations and new provisions recognized in period results.

The above generated a higher value of provision expense.

Note M: Retirement pension benefit liabilities and other long-term benefits

The Group determined retirement benefit liabilities and other long-term benefits using actuarial calculation by applying the projected credit unit method foreseen in IAS 19. The effects of such measurement were recognized in retained earnings.

During 2014, transition period, the effect of measurement of retirement pension liabilities and other long-term benefits resulted from:

- Amounts related to the cost of present services and cost of past services in period results as operating expense.
- The effect of money value over time was recognized in period results as a financial component.
- The amounts related to actuarial (losses) because of retirement liabilities were recognized in other comprehensive income, and those from other long-term benefits were recognized in period results.

The above resulted in a higher value of expenses arising from retirement pension liabilities and employee benefits.

Note N: Deferred tax

Under local GAAP, the deferred tax is determined based on temporary differences between accounting results and results for tax purposes. Under IAS 12, the deferred tax was determined based on temporary differences of the balances of assets and liabilities in the statement of financial position and tax-related balances, and including deferred tax assets arising from taxable losses, taxable credits and the excess presumptive income, wherever there is probability of future recovery. The most significant effect of such differences was recognized under retained earnings in the opening balance sheet.

For 2014, transition period, the effect of such differences was recognized under retained earnings and in other comprehensive results, according to the nature of the original entry.

Note O: Loyalty program

Represents the measurement of liabilities arising from the customer loyalty program at fair value that, during 2014, transition period, was recognized in period results.

Note P: Tax on equity

At January 1, 2014, the Group presented an equity tax-related liability. Such tax is triggered by the wealth held on January 1, 2011, equal to or exceeding $1,000. For the purpose of this tax, wealth means the net equity of the taxpayer at January 1, 2011. Pursuant to tax regulations, such tax is to be paid in eight equal installments during 4 years (2 installments per year), according to the terms established by National Government.

The Group defined an accounting policy related to the treatment of this obligation, and measured such long-term liability at discounted value recognizing the effects of valuation in retained earnings.

During 2014, transition period, the adjustment in value over time of the tax on equity was recognized in period results.

Note Q: Other liabilities

Under local GAAP, the Group had recognized the inflation adjustments on constructions in progress and on non-monetary deferred charges in pre-operating stage until December 31, 2006 as credit deferred monetary correction and amortization thereof was applied as from the date on which revenue began to be perceived and during the term established for the relevant deferred charge.

In addition, the Group recognized inflation adjustments on the proportion of shareholders' equity regarding assets that generated a credit to the credit deferred monetary correction such as the debit deferred monetary correction, and amortization thereof was applied as from the date on which revenue began to be received and during the term established for the relevant deferred charge.

Inflation adjustments are not applicable by the Group given that it is not located in a highly inflationary economy pursuant to IAS 29. Such balances were recognized in retained earnings in the opening balance sheet and are not recognized in period results during the transition period.

Also, during the transition period, this component includes the effect of translation to the Group's presentation currency of the assets and liabilities of subsidiaries, associates and joint ventures abroad, which shows differences in book values between local GAAP and the amounts reported by such subsidiaries, associates and joint ventures, considering the exemption applied by the Group in the opening balance sheet of not restating business combinations and incorporate the net assets of subsidiaries, associates and joint ventures at the same book values as they appear in the separate financial statements of such companies after the adjustments required for consolidation and application of the equity method, under IFRS 1.

Note R: Minority interest

As of the date of the opening balance sheet, the Group conducted a control, joint control and significant influence analysis on stand-alone trust funds, which under local standards are classified as investments. As result, the Group classified such investments as subsidiaries and they are incorporated into assets and liabilities by global consolidation, as well as recognition of non-controlling interests. During transition period, this component includes the variations in non-controlling interests of stand-alone trust funds related to new contributions, payment of dividends and recognition of the participation in results.

In addition, this component includes the effect of the translation to the Group's presentation currency of foreign subsidiaries' assets and liabilities allotted to non-controlling interests.

Shareholders' equity revaluation

Under local GAAP, the Group recognized in shareholders' equity the inflation adjustments of balances in shareholders' equity accounts accrued until December 31, 2006, excluding the revaluation surplus. Pursuant to legal regulations, this balance may be distributed as profits upon winding-up of the company, or upon capitalization of this value. By means of Regulatory Decree 1536 of May 7, 2007, the National Government eliminated the accounting of comprehensive inflation adjustments as of January1, 2007.

Given that inflation adjustments are not applicable at the Group for it is not located in a highly inflationary economy pursuant to IAS 29, such balances were transferred to retained earnings.

Variations in the consolidated cash flow 2014

At December 31, 2014, the most significant variations in the statement of cash flows represent:

1) Under operating cash flows, the clearance of the gain related to tax expense in amount of $20,712 includes, in the cash flows presented under previous principles, the net of indirect taxes such as VAT, excise tax, etc. Under the current presentation, only that related to the income tax and the income tax for equality (CREE) in amount of $179,063 is included.
2) In the clearance of period profit or loss, in cash flows related to operating activities, $386,264 are included under previous principles for depreciation of property, plant and equipment, and intangible assets. The cleansed value in the presentation under IAS 7 is $220,961 mainly due to the extension of useful lives of real estate assets and intangible assets.
3) Under the previous principles, the acquisition and disposition of temporary investments are classified as investment activities in amount of $455,756. Pursuant to IAS 7, some of these investments meet the definition of cash equivalents, reason why such are classified as part of cash available in the presentation of the cash flow and $6,706 are reported under investment activities.
4) In financing activities, $62,567 are included under the previous principles representing realized exchange difference related to financial instruments. These items do not report cash movements, since the relevant inflows and outflows are classified where the main financial instrument has been classified.

Note 4. New and modified standards and interpretations

Note 4.1 Standards not yet in force.

IFRS 15 Revenue from contracts with customers (May 2014)

The standard sets forth 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 the customers, in exchange for a sum 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 the contract with the customer.
- Stage 2: Identify the performance obligations under the contract.
- Stage 3: Define the consideration for the transaction.
- Stage 4: Allocate the transaction price to performance obligations under the contract.
- Stage 5: Recognize the revenue from ordinary activities wherever (or in as much as) the company meets 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 require a higher level of disclosure.

The standard will become effective for periods commencing on or after January 1, 2017. Company management is assessing the quantitative impact on information systems, internal processes and controls, arising from the new requirements set forth by the standard.

The Group does not consider early application since Decree 2496 of December 23, 2015 expressly forbids early application during the current year.

Note 4.2 Standards adopted early

IFRIC 21 - Levies (May 2013)

The interpretation includes the recording of outflows of resources mandated by the Government (government agencies and similar bodies), pursuant to the laws and/or regulations, other than the income tax, fines and penalties for breaches of the legislation and amounts gathered by the entities on behalf of governments.

It sets forth that the triggering event of the liability is the activity that results in payment of the levy, and mentions that the date of payment thereof does not affect the time when the liability is recognized.

The Group started to apply this interpretation as of January 1, 2014. The impact of application thereof during 2015 in the separate statement of income, line item other operating revenue and expenses and other profits, amounted to $57,772 due to the recognition of the expense arising from the tax on equity enacted by the National Government through Law 1739 of December 23, 2014. The application during 2014 did not have any impact on period results.

In addition, this interpretation was applied to the recognition of the real estate tax in force in Colombia, with an impact in interim periods but not for the periods ended December 31, 2015 and 2014.

Amendment to IAS 27 "Equity participation method in Separate Financial Statements" (August 2014)

The amendment gives entities the option of recording their investments in subsidiaries, joint ventures and associates at cost, pursuant to IFRS 9 "Financial Instruments" or using the equity method as described in IAS 28 "Investments in Associates and Joint Ventures".

The Group elected the early application of this amendment, incorporating its effects from the preparation of its opening statement of financial position on January 1, 2014. Revenue under the equity method recognized on investments, associates and joint ventures for the period ended 2015 amounted to $144,415 (2014 $70,007).

IFRS 9 - "Financial Instruments" (July 2014)

IFRS 9 introduced new requirements for the classification, measurement and derecognition of financial assets and liabilities, as well as new requirements for hedge accounting and impairment of financial assets.

The Group started to apply this standard as of January 1, 2014, without significant effects from implementation thereof.

Amendment to IAS 36 Information to be disclosed on the recoverable value of non-financial assets (May 2013).

This amendment includes the requirements of information to be disclosed on the recoverable value of non-monetary assets for which an impairment loss has been recorded or reversed. In these events, there is a requirement to disclose whether the recoverable value of assets was estimated from its fair value less disposition costs or value in use. Should fair values be used, it is required to disclose the value hierarchy used as set forth in IFRS 13 - Fair Value Measurement.

The Group started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 11 -Joint Arrangements - Accounting for acquisitions of interests in Joint Operations (May 2014)

The amendment sets forth that a joint operator should account for the acquisition of an interest in a joint operation that constitutes a business using the principles related to business combinations contained in IFRS 3 "Business combinations" and other standards.

The Group started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IAS 16 and IAS 38 Acceptable methods of depreciation and amortization (May 2014)

The amendments make it clear that the methods of amortization based on revenue are not accepted, since they do not reflect the expected consumption pattern of the future economic benefits embodied in an asset. Such general rule might be refuted for intangible assets if the intangible asset is expressed as a function of revenues and it can be proved that the revenues and consumption of the economic benefits embodied in intangible assets are closely correlated.

The Group started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Amendment to IFRS 10 and IAS 28 and IAS 27 Sales or contribution of assets between an investor and its Associate or Joint Venture (September 2014)

The amendments refer to a well-known inconsistency between the requirements under IFRS 10 and IAS 28 (2011), in the treatment of sales or contribution of assets between an investor and its associate or joint venture.

The Group started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Annual improvement to IFRS Cycle 2012-2014 (September 2014)

Annual improvements to IFRS for the cycle 2012-2014 include:

- IFRS 5 "Non-current assets held for trading and discontinued operations", wherein it is made clear that wherever an asset (or group for disposition) is reclassified from "held for trading" to "held for distribution", or vice versa, this situation does not represent a change to the sales or distribution plan. This means that the asset (or group for disposition) does not need to be reinstated as if it had never been classified as "held for trading" or "held for distribution".
- IFRS 7 - "Financial Instruments: Disclosures", includes two amendments for the purpose of analyzing disclosure requirements regarding financial instruments: (a) Provides guidance to help company management to determine whether the terms of a certain arrangement to provide financial asset management services make a continued implication, and (b) Makes it clear that additional information to be disclosed on the offsetting of financial assets and financial liabilities is not specific for all interim periods.
- IAS 19 "Employee benefits" clarifies that to determine the discount rate for liabilities arising from post-employment benefits, what matters is the currency of liabilities and not the country where they are triggered. Likewise, where there is no broad market of high-quality corporate bonds in such currency, government bonds are to be used in the relevant currency.
- IAS 34 "Interim financial information" requires cross-reference of interim financial statements to the location of such information.

The Group started to apply this standard as of January 1, 2014, without significant effects from implementation thereof.

The amendments to IFRS 10, IFRS 12 and IAS 28 Consolidation exception for investment entities and their subsidiaries (December 2014)
Amendments to IFRS 10 clarify that an investment entity must consolidate a subsidiary that is not an investment entity and which supports the entity's investment activities, in such a way that it acts as an extension of the investment entity.

The Group started to apply this interpretation as of January 1, 2014. No transactions affected by this amendment were carried out during the reporting period, and there were no effects from implementation thereof.

Note 5. Business combinations

The provisional values at the time of acquisition were taken as the starting point to consolidate subsidiaries acquired in Brazil and Argentina; such values will be subject to modification and adjustment, as required, in as much as the process to allocate the purchase price be completed. The allocation of purchase price in in process and IFRS 3 (Business combinations) allows adjusting provisional values until up to one year following acquisition date of each subsidiary.

Note 5.1 Business combinations during 2015

Acquisition of control over "Companhia Brasileira de Distribuição – CBD" and Libertad S.A.

In performance of the share purchase and sale agreements entered into with Casino Guichard Perrachon, on August 20, 2015, the parent, through the Spanish Onper Investment S.L., acquired the following operations:

- 100% of Libertad S.A., which operates the Libertad and Mini Libertad chains in Argentina; and
- 18.76% of the share capital and 49.97% of the voting rights in Companhia Brasileira de Distribuição – CBD, which owns the chains operating under the banners Pão de Açúcar, Extra, Assaí, Casas Bahia and Ponto Frio in Brazil, and the e-commerce operation through CNova.

The effective date of the business combinations for accounting purposes was August 31, 2015.

As result of the acquisition, the parent seeks to consolidate the Group as the leading retailer in South America, and become the largest company in Colombia in terms of annual consolidated sales. The price paid for the operations in Brazil and Argentina was USD $1,536 million and USD $292.6 million, respectively.

The provisional goodwill amounts to $4,027,480, of which $3,379,484 come from the operations in Brazil and $647,996 from the operations in Argentina. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax.

The method used to measure the fair value of the interest previously held by the parent in Cnova NV was the listed-price-of-the-share approach. Non-controlling interests were measured from the provisional values of these companies' assets and liabilities on the date of acquisition.

Revenue and net loss shown in the consolidated statement of income between September 1, 2015 and December 31, 2015 amounted to $19,980,619 and $25,575, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income amounted to $637,482 and $19,002, respectively, both after eliminating intercompany transactions at a Group level.

Should operations had been included as of January 1, 2015, revenues and net loss would have been $57,165,643 and $3,189, respectively, for the Brazilian operations. For operations in Argentina, revenue and net income would have been $1,606,690 and $30,936, respectively.

Transaction costs related with the acquisition of the invested companies amounted to $50,333 and were recognized as other operating expenses in the consolidated statement of income for the period ended December 31, 2015.

At present, the Group is in the process of allocating the purchase price - Purchase Price Allocation pursuant to IFRS 3 "Business combinations", with an independent advisor. The following table summarizes the consideration paid for these interests, as well as the provisional fair value of assets acquired and liabilities assumed as of the date of gaining control, taken from the books and business combination adjustments identified to date, which are detailed as adjustments to the measurement period:

	Temporary fair values at August 31, 2015 (*)			Adjustments measurement period			Temporary fair values at August 31, 2015		
	Brazil	Argentina	Total	Brazil	Argentina	Total	Brazil	Argentina	Total
Assets									
• Cash and cash equivalents	1,460,170	76,012	1,536,182	(11,070)	3,044	(8,026)	1,449,100	79,056	1,528,156
Trade accounts receivable	6,121,468	126,934	6,248,402	(261,178)	(5,519)	(266,697)	5,860,290	121,415	5,981,705
Prepaid expenses	-	-	-	229,701	5,930	235,631	229,701	5,930	235,631
Inventories	7,189,300	235,424	7,424,724	(73,269)	-	(73,269)	7,116,031	235,424	7,351,455
Current tax assets	3,230,960	6,141	3,237,101	-	-	-	3,230,960	6,141	3,237,101
Assets classified as held for trading	13,208	-	13,208	-	-	-	13,208	-	13,208
Property, plant and equipment	8,623,140	109,858	8,732,998	(31,187)	-	(31,187)	8,591,953	109,858	8,701,811
Investment property	21,608	63,594	85,202	-	-	-	21,608	63,594	85,202
Intangible assets other than goodwill	3,718,046	14	3,718,060	(17,009)	-	(17,009)	3,701,037	14	3,701,051
Investments accounted for using the equity method	400,714	-	400,714	-	-	-	400,714	-	400,714
Deferred tax assets	559,284	9,745	569,029	(23,706)	-	(23,706)	535,578	9,745	545,323
Other non-current financial assets	831,297	-	831,297	-	-	-	831,297	-	831,297
Total identifiable assets	**32,169,195**	**627,722**	**32,796,917**	**(187,718)**	**3,455**	**(184,263)**	**31,981,477**	**631,177**	**32,612,654**
Liabilities									
Current financial liabilities	3,614,591	-	3,614,591	-	-	-	3,614,591	-	3,614,591
Non-current employee benefit provisions	10,916	-	10,916	-	-	-	10,916	-	10,916
Other current provisions	20,551	1,562	22,113	1,938	-	1,938	22,489	1,562	24,051
Accounts payable	10,276,713	350,148	10,626,861	63,126	503	63,629	10,339,839	350,651	10,690,490
Current tax liabilities	763,424	26,319	789,743	(17,300)	303	(16,997)	746,124	26,622	772,746
Other current non-financial liabilities	651,097	6,975	658,072	-	-	-	651,097	6,975	658,072
Non-current financial liabilities	3,415,787	-	3,415,787	-	-	-	3,415,787	-	3,415,787
Other non-current provisions	1,159,034	7,438	1,166,472	47	-	47	1,159,081	7,438	1,166,519
Non-current accounts payable	65,171	-	65,171	-	-	-	65,171	-	65,171
Deferred tax liabilities	1,075,624	-	1,075,624	19	-	19	1,075,643	-	1,075,643
Non-current tax liabilities	524,749	-	524,749	-	-	-	524,749	-	524,749
Other non-current financial liabilities	569,392	-	569,392	-	-	-	569,392	-	569,392
Total liabilities taken on	**22,147,049**	**392,442**	**22,539,491**	**47,830**	**806**	**48,636**	**22,194,879**	**393,248**	**22,588,127**

	Temporary fair values at August 31, 2015 (*)			Adjustments measurement period			Temporary fair values at August 31, 2015		
	Brazil	Argentina	Total	Brazil	Argentina	Total	Brazil	Argentina	Total
100% identifiable net assets and liabilities	**10,022,146**	**235,280**	**10,257,426**	**(235,548)**	**2,649**	**(232,899)**	**9,786,598**	**237,929**	**10,024,527**
Non-controlling interest	3,091,745	-	3,091,745	(126,498)	-	(126,498)	2,965,247	-	2,965,247
Net identifiable assets	**6,930,401**	**235,280**	**7,165,681**	**(109,050)**	**2,649**	**(106,401)**	**6,821,351**	**237,929**	**7,059,280**
Segisor's net identifiable assets	21,443	-	21,443	(11,070)	-	(11,070)	10,373	-	10,373
Interest									
Argentina	-	100.00%	100.00%	-	100.00%	100.00%	-	100.00%	100.00%
Segisor	50.00%	-	50.00%	50.00%	-	50.00%	50.00%	-	50.00%
Companhia Brasileira de Distribuição CBD	18.76%	-	18.76%	18.76%	-	18.76%	18.76%	-	18.76%
Net identifiable assets and liabilities after application of the interest	**1,307,065**	**235,280**	**1,542,345**	**(23,920)**	**2,649**	**(21,271)**	**1,283,145**	**237,929**	**1,521,074**

The value of temporary goodwill is:

	Temporary fair values at August 31, 2015 (*)			Adjustments measurement period			Temporary fair values at August 31, 2015		
	Brazil	Argentina	Total	Brazil	Argentina	Total	Brazil	Argentina	Total
Consideration transferred	**4,650,802**	**885,925**	**5,536,727**	**-**	**-**	**-**	**4,650,802**	**885,925**	**5,536,727**
Fair value of the previous interest in Cnova	9,189	-	9,189	2,638	-	2,638	11,827	-	11,827
Less fair value of identifiable net assets	(1,307,065)	(235,280)	(1,542,345)	23,920	(2,649)	21,271	(1,283,145)	(237,929)	(1,521,074)
Goodwill from the acquisition	**3,352,926**	**650,645**	**4,003,571**	**26,558**	**(2,649)**	**23,909**	**3,379,484**	**647,996**	**4,027,480**

(*) Relates to temporary fair values at August 31, 2015 as disclosed by Company management in the quarterly report at September 30, 2015.

Acquisition of control over Grupo Disco Uruguay

As at September 2011, the parent had acquired a share interest of 62.49% in Grupo Disco Uruguay (GDU) under a situation of joint control arising from the capital structure and the various kinds of share capital, which was accounted for using the equity method until December 31, 2014.

On April 27, 2015, the parent entered into a Shareholder Agreement with non-controlling interests of Grupo Disco Uruguay -GDU, which granted it the voting rights of more than 75% of the share capital of Grupo Disco Uruguay - GDU, during an initial term of two years counted as from January 1, 2015 (effective date for accounting purposes, for no consideration). Resulting from such agreement, the parent ensures the exercise of effective control over Grupo Disco Uruguay - GDU and global consolidation thereof into the financial statements.

On the date of execution of the agreement, Grupo Disco had 28 establishments of the Disco and Géant chains, which, added to the Devoto operation acquired in 2011 and wherein currently the parent has 100% of the share capital, represent the largest retail operation in Uruguay.

The fair value of the parent's previous interest in Grupo Disco Uruguay - GDU amounted to $1,067,037. The valuation method used to measure such fair value was mainly based on the discounted cash flow method and the effect thereof was recognized in period results in amount of $29,681 at December 31, 2014 under other revenue.

Non-controlling interest in Grupo Disco Uruguay - GDU was measured at fair value and amounted to $448,347. The valuation method used to measure such fair value was the discounted cash flow method, which considers a discount in value arising from the lack of control and the restriction associated to the sale of securities.

Below is a summary of the fair value of net assets acquired as of the date of the business combinations and at the closing of the measurement period, based on the purchase price allocation survey:

	Temporary fair values at January 1, 2015	Adjustments measurement period	Final fair values at January 1, 2015
Assets			
Cash and cash equivalents	132,858	-	132,858
Current trade receivables and other receivables	80,439	-	80,439
Prepaid expenses	3,624	-	3,624
Current accounts receivable from related parties and associates	3,947	-	3,947
Current inventories	106,831	-	106,831
Current tax assets, current portion	44,189	-	44,189
Other current financial assets	7,200	-	7,200
Property, plant and equipment	240,721	188,007	428,728
Investment property	19,466	60,191	79,657
Intangible assets other than goodwill	732	103,968	104,700
Non-current trade receivables and other receivables	4,399	-	4,399
Deferred tax assets	30,130	-	30,130
Other non-current financial assets	4,475	4,825	9,300
Total identifiable assets	**679,011**	**356,991**	**1,036,002**
Liabilities			
Current financial liabilities	4,117	-	4,117
Current trade payables and other accounts payable	250,204	7,315	257,519
Current accounts payable to related parties and associates	3,961	-	3,961
Current tax liabilities, current portion	49,616	-	49,616
Other current non-financial liabilities	10,347	1,292	11,639
Other non-current provisions	843	-	843
Deferred tax liabilities	-	56,463	56,463
Other non-current non-financial liabilities	12,785	-	12,785
Total liabilities taken on	**331,873**	**65,070**	**396,943**
Net assets and liabilities measured at fair value	**347,138**	**291,921**	**639,059**

The goodwill amounted to:

	Temporary fair values at January 1, 2015	Adjustments measurement period	Final fair values at January 1, 2015
Fair value of interests previously held in the acquiree	1,067,037	-	1,067,037
Non-controlling interest measured at fair value	448,347	-	448,347
Less fair value of identifiable net assets	(347,138)	(291,921)	(639,059)
Goodwill from the acquisition	**1,168,246**	**(291,921)**	**876,325**

The goodwill was fully allocated to the Uruguay segment and is attributable to the synergies expected from the integration of the operation of the stores acquired in this country. For tax purposes in Colombia, 100% of the goodwill is not deductible from the income tax.

The consolidation of Grupo Disco Uruguay - GDU since January 1, 2015 resulted in revenue from ordinary activities in amount of $1,339,700 and generated a gain of $75,372 after elimination of intercompany transactions at Group level. No consolidation was carried out during 2014.

Transaction costs related with the acquisition of the invested company were not significant and they were recognized as other operating expenses in the consolidated statement of income for the period.

Agreement between the Company and Caja de Compensación Familiar - CAFAM

During September 2010, the Company entered into an agreement with Caja de Compensación Familiar - CAFAM, which enabled the parent to operate the stores owned by Cafam, and enabled Cafam to operate the drugstores owned by the parent.

On February 23, 2015, the parties executed an agreement which main purpose was:

- The acquisition by the parent of the stores owned by Cafam, which had been operated by the parent since September 2010, date on which the inventories in amount of $33,506 and property, plant and equipment in amount of $21,200 associated to such stores had been purchased.

  Since it is deemed a business combination completed in various stages, the consideration transferred of $127,267 includes $5,048 because of the measurement at fair value on the date of the business combination, of property, plant and equipment previously acquired by the parent. The amount recognized as goodwill amounts to $122,219, based on the purchase price allocation survey, which is expected to be tax-deductible.
- The sale to Cafam of the drugstores owned by the parent, some of which had been operated by Cafam since September 2010, resulted in a net gain of $74,515, recognized in period results under "Other revenue"
- The termination of the cooperation agreement executed in September 2010 by and between the parties.

The conditions precedent under the agreement, including approval by the relevant authorities, were completed on May 27, 2015.

Expenses associated with the acquisition of such stores were not material.

Exercise of the purchase option of the Super Inter stores.

On April 15, 2015, the parent exercised the purchase option with Comercializadora Giraldo y Cía. S.A. granted on the acquisition of 29 trade establishments, which had been operated since October 2014, and on the Super Inter trademark. Previously, the parent had acquired the inventories associated with such establishments in amount of $29,833 under a separate transaction.

The price of acquisition amounted to $343,920, out of which $284,173 were paid at the closing on December 31, 2015.

Below is a summary of the fair values of identifiable net assets and liabilities of the business acquired, as of the date of acquisition and at the closing of the measurement period, based on the purchase price allocation survey:

	Temporary fair values at April 1, 2015	Adjustments measurement period (1)	Final fair values at April 1, 2015
Super Inter banner	95,121	(31,417)	63,704
Property, plant and equipment	18,169	-	18,169
Total identifiable assets	**113,290**	**(31,417)**	**81,873**
Total liabilities taken on	**-**	**-**	**-**
Net assets and liabilities measured at fair value	**113,290**	**(31,417)**	**81,873**

Operating goodwill amounts to:

	Temporary fair values at April 1, 2015	Adjustments measurement period	Final fair values at April 1, 2015
Consideration transferred	343,920	-	343,920
Less fair value of identifiable net assets	(113,290)	31,417	(81,873)
Goodwill from the acquisition	**230,630**	**31,417**	**262,047**

The goodwill of $262,047 is attributable to economies of scale expected from the integration of the operations of the stores acquired and the parent's stores, which is expected to be tax-deductible.

Expenses associated with the acquisition of such stores were not material.

(1) Refers to the fair value measurement adjustment of the Super Inter trademark, resulting from the revision of the variables used in the initial provisional valuation.

Note 5.2 Business combinations during 2014

In September 2014, the Superintendence of Industry and Trade authorized the transaction executed in February of that year to acquire Super Inter's trade establishments, subject to the sale of four stores (2 acquired and 2 operated) to a competitor. Consequently, the parent: (i) acquired 19 trade establishments for $200,000 on October 16, 2014, (ii) operates 31 trade establishments over a five-year period and initiated operation thereof between October 16, 2014 and December 18, 2014, (iii) uses Super Inter's registered trademarks, and (iv) agrees on a purchase option by means of which Super Inter grants the parent the option to acquire in 2015 the remaining 31 trade establishments, as well as the mentioned trademarks.

The fair values of Super Inter's identifiable net assets and liabilities, as of the date of acquisition and at the closing of the measurement period, based on the purchase price allocation survey, are summarized as follows:

	Temporary fair values at October 16, 2014	Adjustments measurement period	Final fair values at October 16, 2014
Intangible assets	4,499	-	4,499
Property, plant and equipment	9,349	-	9,349
Non-current assets held for trading	6,740	-	6,740
Total identifiable assets	**20,588**	**-**	**20,588**
Total liabilities taken on	**-**	**-**	**-**
Net assets and liabilities measured at fair value	**20,588**	**-**	**20,588**

Operating goodwill amounts to:

	Temporary fair values at October 16, 2014	Adjustments measurement period	Final fair values at October 16, 2014
Consideration transferred	200,000	-	200,000
Less fair value of identifiable net assets	(20,588)	-	(20,588)
Goodwill from the acquisition	**179,412**	**-**	**179,412**

The goodwill in amount of $179,412 is attributable to economies of scale expected from the integration of the operations of Super Inter's stores with the parent. The goodwill expected to be tax-deductible amounts to $199,410.

Expenses associated with the acquisition of these stores amounted to $7,831 and were recognized under other expenses in the statement of income for the period ended December 31, 2014.

The purchase option agreement on the acquisition of 31 trade establishments and Super Inter's registered trademarks could be exercised as of April 1, 2015 over 30 days, or until the date agreed upon by the parties. The transferred consideration consisted of $250,000 and a contingent consideration in amount of $90,000.

Revenue from ordinary activities contributed by these 17 stores between October 16, 2014 and the period ended December 31, 2015 amounted to $43,097. Such stores also contributed with a net profit of $1,613 during the same period.

Should these stores had been acquired on January 1, 2014, period results would reflect pro forma revenues from ordinary activities amounting to $293,423 million and a net profit of $9,682 million.

Note 6. Subsidiaries with material non-controlling interests

Below is a summary of financial information on subsidiaries whose non-controlling interests are material. Amounts are shown before consolidation eliminations among Group entities:

	2015											
	Statementoffinancialposition							Statementofcomprehensiveincome				
Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' Equity	Controlling interest	Non-controlling interest	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income	Controlling interest	Non-controlling interest
Companhia Brasileira de Distribuição - CBD	20,279,204	16,233,387	20,463,097	7,035,665	9,013,829	1,212,776	7,801,053	19,980,882	(26,455)	(69,213)	28,737	(97,950)
Patrimonio Autónomo Viva Laureles	2,451	116,664	2,031	-	117,084	93,667	23,417	13,689	6,967	6,967	5,574	1,393
Patrimonio Autónomo Viva Sincelejo	1,991	85,509	1,507	-	85,993	43,856	42,137	11,414	5,729	5,729	2,922	2,807
Patrimonio Autónomo Viva Villavicencio	28,456	215,351	19,307	-	224,500	114,495	110,005	23,380	15,209	15,209	7,757	7,452
Patrimonio Autónomo San Pedro Etapa I	597	35,797	364	-	36,030	18,375	17,655	3,926	2,653	2,653	1,353	1,300
Patrimonio Autónomo Centro Comercial	4,365	116,565	2,452	-	118,478	60,424	58,054	11,826	8,687	8,687	4,430	4,257

	2014											
	Statementoffinancialposition							Statementofcomprehensiveincome				
Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' Equity	Controlling interest	Non-controlling interest	Revenue from ordinary activities	Income from continuing operations	Total comprehensive income	Controlling interest	Non-controlling interest
Patrimonio Autónomo Viva Laureles	2,594	119,216	2,064	-	119,746	95,797	23,949	13,416	7,047	7,047	5,638	1,409
Patrimonio Autónomo Viva Sincelejo	8,407	87,405	5,282	-	90,530	46,171	44,359	10,372	5,184	5,184	2,644	2,540
Patrimonio Autónomo Viva Villavicencio	10,853	206,714	6,042	-	211,525	107,878	103,647	8,713	5,537	5,537	2,824	2,713
Patrimonio Autónomo San Pedro Etapa I	3,800	36,626	282	-	40,144	20,473	19,671	3,862	2,739	2,739	1,397	1,342
Patrimonio Autónomo Centro Comercial	11,203	117,910	602	-	128,511	65,541	62,970	10,623	7,707	7,707	3,931	3,776

Regarding cash flows, flows are as follows:

Companies	2015				2014			
	Operating activities	Investment activities	Financing activities	Net increase (decrease)	Operating activities	Investment activities	Financing activities	Net increase (decrease)
Companhia Brasileira de Distribuição - CBD	8,921,884	975,100	(1,154,665)	8,742,319	N/A	N/A	N/A	N/A
Patrimonio Autónomo Viva Laureles	8,946	68	(9,629)	(615)	7,942	177	(10,707)	(2,588)
Patrimonio Autónomo Viva Sincelejo	3,760	(1)	(10,266)	(6,507)	5,654	130	-	5,784
Patrimonio Autónomo Viva Villavicencio	32,683	(13,172)	(2,235)	17,276	7,306	(258)	-	7,048
Patrimonio Autónomo San Pedro Etapa I	3,664	63	(6,820)	(3,093)	3,654	95	(1,303)	2,446
Patrimonio Autónomo Centro Comercial	13,247	(1,027)	(18,720)	(6,500)	10,192	(9,018)	(4,817)	(3,643)

During the period, the Group presented changes in its interests in the following subsidiaries, without losing control, which resulted from higher contributions by non-controlling interests and from the exercise of share-based payments related with the employees of Companhia Brasileira de Distribuição – CBD:

Company	2015		
	Stock ownership before change	Stock ownership after change	Dilution
Éxito Viajes y Turismo S.A.S	100%	51%	49%
Companhia Brasileira de Distribuição - CBD	18.7632%	18.7629%	0.0003%

Company	2014		
	Stock ownership before change	Stock ownership after change	Dilution
Patrimonio Autónomo Viva Villavicencio	54%	51%	3%

There are no restrictions on the capability of the subsidiaries to transfer funds to the parent in the form of cash dividends, or loan repayments or advance payments.

Note 7. Cash and cash equivalents

The balance of cash and cash equivalents is as follows:

	2015	2014	January 2014
Local currency			
Banks	474,331	866,692	1,349,026
Cash in hand	301,339	538,154	285,933
Fiduciary rights (1)	76,085	122,568	67,480
Short-term deposits	-	916,031	829,498
Total local currency	**851,755**	**2,443,445**	**2,531,937**
Foreign currency			
Buy-back operations (2)	8,422,076	-	-
Banks	724,453	119,429	89,352
Cash in hand	26,216	2,558	2,049
Short-term deposits	36,476	144,270	85,856
Bonds (3)	7,741	244,236	7,968
Total foreign currency	**9,216,962**	**510,493**	**185,225**
Total cash and cash equivalents	**10,068,717**	**2,953,938**	**2,717,162**

(1) For 2015, the parent shows restricted cash equivalents in local currency in amount of $3,907, related to the profits from the film "Colombia Magia Salvaje", with the specific destination of a donation to Fundación Éxito.

(2) Mainly relate to the reacquisition of securities of Companhia Brasileira de Distribuição - CBD, with yields of 13.3% E.A.R. equivalent to 100.5% of the Interbank Deposit Certificate - IDC (13.36% E.A.R.) They mature in less than 90 days of negotiation date.

(3) For 2014 includes $239,306 representing the investment in Polca Holding, a subsidiary of the Belgium Casino Group, at a 4.50% effective annual rate, settled on January 28, 2015 for $251,973.

The Group registered a yield on cash and cash equivalents in amount of $147,154 (2014 $75,469) (See Note 32 Financial revenue and expenses).

Exception made of resources aimed at Fundación Éxito, there are no restrictions or liens that limit the disposition of cash and cash equivalents.

Note 8. Trade receivables and other accounts receivable

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

	2015	2014	January 2014
Trade accounts receivable (8.1)	2,994,796	142,352	159,433
Other accounts receivable (8.2)	923,638	76,638	75,809
Total accounts receivable	**3,918,434**	**218,990**	**235,242**
Current	**3,326,474**	**202,309**	**219,201**
Non-current	**591,960**	**16,681**	**16,041**

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

	2015	2014	January 2014
Consumer financing - DCCI (1)	1,582,596	-	-
Sales on credit cards and other (2)	1,365,257	94,445	112,777
Extended warranty	167,972	-	-
Accounts receivable from suppliers	130,556	-	-
Employee funds	52,833	37,498	27,919
Compañía de Financiamiento Tuya S.A. (3)	19,212	21,210	23,090
Impairment loss (4)	(323,630)	(10,801)	(4,353)
Total trade receivables	**2,994,796**	**142,352**	**159,433**

(1) Refers to Via Varejo sales financed through consumer direct credit under intervention (DCCI), that may be paid in up to 24 months; however, the term most used is less than 12 months.

Via Varejo has entered into agreements with financial institutions, which act as intermediaries in these transactions.

(2) Refers to sales financed through consumer direct credit granted by intermediaries that may be paid in up to 24 months; however, the term most used is less than 12 months.

(3) Includes items related with the operation of Tarjeta Éxito, such as royalties, reimbursement of shared expenses and collections from recovery of coupons, to be paid in the short term.

(4) Impairment of receivables is estimated on a case-by-case basis, and recognized as net expenses in period results based on accounts overdue exceeding the behavior of the historic of payments; however, even if impaired, the Group deems such amounts as recoverable given the extensive credit risk analysis conducted on customers, including credit ratings where available in credit databases recognized by the market. For 2015 it amounted to $312,829 (2014 $6,448). The movement of the impairment of receivables during the period is as follows:

Balance at January 1, 2014	**4,353**
Impairment loss	10,867
Reversal of impairment loss	(1,708)
Receivables written-off	(2,711)
Balance at December 31, 2014	**10,801**
Acquisition via business combination	312,674
Recognized impairment loss	196,462
Reversal of impairment loss	(10,087)
Receivables written-off	(174,177)
Effect of exchange difference	(12,043)
Balance at December 31, 2015	**323,630**

Note 41 Policies on financial risk management includes the considerations on the credit risk for trade debtors.

Note 8.2 Other accounts receivable

The balance of other accounts receivable is as follows:

	2015	2014	January 2014
Accounts Receivable - Paes Mendonça (1)	423,512	-	-
Securities receivable	120,207	-	-
Rent instalments receivable	85,977	2,309	3,566
Business agreements	44,436	22,859	21,812
Accounts receivable from the sale of companies (2)	41,396	-	-
Money transfer services	26,587	-	-
Supplier contribution (3)	16,718	-	-
Promotional coupons	10,267	10,457	10,382
Distributors	8,223	8,472	14,193
Shipments	6,283	599	112
Tax claims	2,442	2,652	2,652
Other	137,590	29,290	23,092
Total accounts receivable	**923,638**	**76,638**	**75,809**

1) Since 1999, certain stores owned by Paes Mendonça S.A. (a supermarket network in Brazil) were leased through subsidiary Novasoc. Novasoc 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 on this account. Pursuant to payment agreements entered into between the parties, balances receivable are updated from a monetary point of view by the IGP-M (Índice Geral de Preço de Mercado) and are secured with some stores operated by Novasoc. There is no objective evidence of impairment of such accounts receivable. Maturity of these accounts receivable is related to lease agreements, which were extended to April 30, 2016 under the same conditions previously agreed upon; they are deemed non-current assets given the possibility of turning such accounts into trade rights on the leased stores.

(2) Refers to accounts receivable arising from the acquisition of Companhia Brasileira de Distribuição - CBD's service stations. 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, with payment foreseen in 240 monthly instalments.

(3) The contribution of suppliers refers to the attention to purchase volume, price protection and part of the agreements defining the participation of the supplier in the expenses related to advertising, in subsidiary Companhia Brasileira de Distribuição - CBD.

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:

	2015	2014	January 2014
Current			
Consumer financing - DCCI	1,494,232	-	-
Sales on credit cards and other	1,365,257	94,445	112,777
Extended warranty	167,972	-	-
Accounts receivable from suppliers	130,556	-	-
Securities receivable	116,227	-	-
Rent instalments receivable	85,977	2,309	3,566
Business agreements	44,436	22,859	21,812
Employee funds	34,214	22,086	13,076
Money transfer services	26,587	-	-
Compañía de Financiamiento Tuya S.A.	19,212	21,210	23,090
Supplier contribution	16,718	-	-
Promotional coupons	10,267	10,457	10,382
Distributors	8,223	8,472	14,193
Shipments	6,283	599	112
Tax claims	2,442	2,652	2,652
Other	111,152	28,021	21,894
Impairment loss	(313,281)	(10,801)	(4,353)
Total current trade receivables	**3,326,474**	**202,309**	**219,201**
Non-current			
Accounts Receivable - Paes Mendonça	423,512	-	-
Consumer financing - DCCI	88,364	-	-
Accounts receivable from the sale of companies	41,396	-	-
Employee funds	18,619	15,412	14,843
Securities receivable	3,980	-	-
Other	26,438	1,269	1,198
Impairment loss	(10,349)	-	-
Total non-current accounts receivable	**591,960**	**16,681**	**16,041**
Total accounts receivable	**3,918,434**	**218,990**	**235,242**

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			
Years	**Total**	**Not due**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**
2015	4,242,064	3,491,673	217,477	119,036	107,287	306,591
2014	229,791	97,234	45,788	32,703	19,203	34,863
January 2014	239,595	132,099	37,820	24,687	13,404	31,585

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

Transactions with related parties refer to the sale of goods, loans granted and purchase of goods for sale. The balance of accounts receivable from and accounts payable to related parties is as follows:

	Accounts receivable			Accounts payable		
	2015	2014	January 2014	2015	2014	January 2014
Controlling entity (1)	35,006	862	708	188,465	41,969	41,184
Associates (2)	7,961	24,537	-	9,553	1,020	-
Joint ventures (3)	-	18,877	8,914	-	12,230	18,513
Key management personnel	78	149	99	-	-	-
Members of the Board	-	-	-	1	-	6
Grupo Casino companies (4)	28,002	8,337	13,462	497,587	7,265	13,162
Other related parties (5)	238,191	100	90	5,735	1,343	2,168
Total	**309,238**	**52,862**	**23,273**	**701,341**	**63,827**	**75,033**
Current portion	**63,251**	**52,862**	**23,273**	**688,637**	**63,827**	**75,033**
Non-current portion	**245,987**	**-**	**-**	**12,704**	**-**	**-**

(1) Refers to accounts receivable and payable from the next agreements:

a. Technical Assistance Agreement entered into between Companhia Brasileira de Distribuição and Casino on July 21, 2005. This agreement was authorized by the Extraordinary Meeting of Shareholders on August 16, 2005 and terminated on August 1, 2014.

b. Cost sharing agreement entered into between Companhia Brasileira de Distribuição and Casino on August 10, 2014, which purpose is the reimbursement of expenses incurred by professionals and companies of Grupo Casino to the benefit of the Company. The Board of Directors authorized this agreement on July 22, 2014.

c. Expense reimbursement agreement entered into between Companhia Brasileira de Distribuição and Casino Global Sourcing, under which Cnova's initial public offering costs were partially reimbursed.

Other companies of Grupo Éxito have carried out technical assistance, insurance and administration support transactions with the controlling entity.

(2) Refers to accounts receivable from and accounts payable to FIC Promotora de Vendas Ltda., mainly arising from the infrastructure contract executed with this entity (See Note 34.2 Transactions with related parties)

(3) Accounts receivable and payable refer to transactions covering the purchase and sale of goods with Grupo Disco del Uruguay, of which Grupo Éxito has effective control since January 1, 2015 by virtue of a Shareholders Agreement entered into with non-controlling interests on April 27, 2015. (See Note 5 Business combinations).

(4) Relate to loans payable to: Polca Emprestimos, Big C-Thailandia and other Grupo Casino companies; and to costs and expenses payable to C´est Chez Vous arising from home delivery services, to EMC from procurement centralization services, and to Easydis from logistics services.

(5) Account receivable by Via Varejo from Casas Bahía Comercial Ltda. related to the "Primera Enmienda del Acuerdo de Asociación" (First Amendment to the Association Agreement) entered into between Via Varejo, GPA and Casas Bahia Comercial Ltda., that secures the reimbursement by Casas Bahia of certain contingencies recognized before June 30, 2010 (Date of the agreement).

Note 10. Inventories

The detail of the balance of inventories is as follows:

	2015	2014	January 2014
Inventories available for trading	8,658,466	1,204,501	984,251
Inventories of property under construction (1)	133,248	-	-
Inventories in transit	27,542	24,794	15,050
Materials, small spares, accesories and packaging material	17,546	13,535	16,464
Product in process	9,192	10,554	5,359
Raw materials	5,337	6,266	7,018
Inventory impairment (2)	(149,316)	(15,419)	(15,419)
Total inventories	**8,702,015**	**1,244,231**	**1,012,723**

(1) The inventory of construction in progress mainly includes the Thera Faria Lima Pinheiros ("Thera"), Figue, Classic and Carpe Diem projects, and a store built on the first floor of the Thera project, related with Grupo Companhia Brasileira de Distribuição - CBD. The construction and incorporation is carried out by Cyrela Polinésia Empreendimentos Imobiliários Ltda., Pitangueiras Desenvolvimento Imobiliário SPE Ltda. and Hesa Investimentos Imobiliários Ltda. The Figue project started in February 2015, and delivery of the Thera, Classic and Carpe Diem projects is foreseen for 2016.

(2) The variation in inventory impairment includes the effect of the acquisition via business combination of the operations of Companhia Brasileira de Distribuição – CBD in Brazil and Libertad S.A. in Argentina, through Spanish Onper Investments 2015 S L. in amount of $76.868.

The information related with the cost of sales, impairment and reversals of impairment recognized in inventories is shown in Note 29 Cost of sales.

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

Note 11. Other financial assets

The balance of other financial assets is as follows:

	2015	2014	January 2014
Financial assets measured at fair value through income, foreign currency (1)	801,305	-	-
Derivative financial instruments designated as hedge instruments (2)	573,174	-	-
Financial assets measured at amortized cost (3)	136,179	141,209	138,324
Derivative financial instruments (4)	67,027	20,344	111
Financial assets at fair value through other comprehensive income (5)	1,046	9,691	1,034
Financial assets at fair value through income, local currency (6)	965	975	893
Total other financial assets	**1,579,696**	**172,219**	**140,362**
Current	**445,365**	**25,119**	**1,977**
Non-current	**1,134,331**	**147,100**	**138,385**

(1) Financial assets measured at fair value through income in foreign currency relate to some bank account balances representing legal and tax deposits amounting to $795,278 that are not available to Companhia Brasileira de Distribuição – CBD for they are restricted to the payment of lawsuits brought against it. Balance thereof is monthly updated in the statement of income, using an interest rate (see detail below).

	2015
Deposit for tax proceedings	167,176
Deposit for labor proceedings	566,009
Deposit for civil proceedings	35,027
Deposit for regulatory proceedings	27,066
Total	**795,278**

The remaining balance of these assets represents restricted cash related to legal deposits in amount of $203 for Libertad S.A. in Argentina and Grupo Disco Uruguay's investment in Bonds in amount of $5,824.

(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 interest rate. The term of these contracts equals that of the debt and hedge both principal and interests. The IDC annual average rate in 2015 was 13.24% (10.81% in 2014). Reasonable values of these instruments are determined using valuation models, commonly used by market participants. The detail of maturities of these instruments at December 31, 2015 is as follows:

Derivative	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 1 year	More than 1 year	Total
Swap	5,573	65,278	0,502	248,375	93,446	573,174

(3) Financial assets measured at amortized cost are investments that the Group intends, and has the capacity, to hold until maturity.
Such investments are comprised of:

	2015	2014	January 2014
Bonos Tuya S.A. (3a)	136,166	136,397	136,444
Other investments to be held until maturity	13	4,812	1,880
Total	**136,179**	**141,209**	**138,324**

(3a) Are investments in bonds issued by Compañía de Financiamiento Tuya S.A., where the Company has the intention and capability of maintaining them until maturity. These investments are part of Tarjeta Éxito shared advertisement agreement, with nominal value of $134,500, with a term of 10 years and a yield of CPI + 2% plus the share of profit under the agreement.

(4) Derivative financial instruments reflect the fair value of forward contracts to cover the fluctuation in the exchange rates of liabilities. Reasonable values of these instruments are determined using valuation models, commonly used by market participants.

(5) Financial assets measured at fair value with changes in other comprehensive income are equity investments not held for trading. 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 attributed 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 higher costs than the value of benefits. The fair value on each date of presentation is:

	2015	2014	January 2014
Fogansa S.A.	798	798	798
Other minor equity investments	248	231	236
Cnova (4a)	-	8,662	-
Total	**1,046**	**9,691**	**1,034**

(4a) CNova is a subsidiary of Companhia Brasileira de Distribuição – CBD; consequently, up to August 31, 2015, date of the business combination, the investment in Cnova was classified as a financial instrument measured at fair value with changes in other comprehensive income; however, as from such date, it is classified as an investment in subsidiaries, joint ventures and associates. As of this date, it is classified as an investment in a subsidiary.

Dividend revenues from investments neither were received nor were any such investments sold during the reporting periods.

(6) Include investments in debt 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.

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

Note 12. Non-current assets held for trading

Note 12.1 Non-current assets held for trading in Companhia Brasileira de Distribuição – CBD

Companhia Brasileira de Distribuição CBD, its subsidiary Via Varejo S.A. (“Via Varejo”) and Casa Bahia Comercial Ltda. ("CB"), and the Consejo Administrativo de Defensa Económica ("CADE") entered into a Profitability Commitment Agreement ("PCA") to approve the Association Agreement executed between CBD and CB on December 4, 2009 and amended on July 1, 2010. As the main purpose of the PCA, Via Varejo was committed to sell 74 stores located in 54 municipalities over six states and in the Federal District of the Republic of Brazil.

Out of 74 stores, 32 were not sold. Consequently, pursuant to the PCA, these stores closed their operations between May and June 2014, paying a penalty of $9,522. Sixteen of such stores reopened in November 2014 authorized by the CADE.

The remaining 42 stores were sold between October 2013 and January 2014, via direct sales to other companies and open auction. The CADE authorized those sales. During 2015, out of these 42 stores, 19 were not finally sold given that the negotiations between some acquirers and building owners were not successful, resulting in Via Varejo's recognition of a fine payable to CADE in amount of $5,555 and a loss in fixed assets for $5,555. Out of the 19 stores, 4 were closed and 15 are still to be closed during the forthcoming months.

Via Varejo sold and transferred 15 stores generating a gain of $6,348 in 2015, of which $6,347 are shown in retained earnings as part of the business combination with Companhia Brasileira de Distribuição CBD and $1 in period results.

The sale of the 8 remaining stores is still in process of negotiation. This process has been supervised by CADE, which has been monitoring the fulfillment of the agreement.

Note 12.2 Non-current assets held for trading in Libertad S.A.

In December 2015, the Board of Libertad S.A. decided to classify the construction of the "Parana" store as an asset held for trading. Consequently, the amount of $12,432 was reclassified to the line item assets available for trading. It is expected that the sale will be completed within 12 months in an amount significantly higher than the book value of the asset.

Note 12.3 Parent's non-current assets held for trading

Because of the agreements entered into with Comercializadora Giraldo y Gómez y Cía. S.A. and after the endorsement of the Superintendence of Industry and Trade (SIC), the parent acquired 19 trade establishments and the power to operate another 31, for a 5-year period, thus consolidating its leadership in the Valle del Cauca and Eye Cafeteria regions. By means of Resolution No. 54416 of September 12, 2014, the Superintendence made four stores subject to the condition of being sold to a third party during the first quarter of 2015. (See note 5 Business combinations for more details on the purchase option of the 31 operated stores).

In accordance with the above, 2 of the stores acquired in 2014 and under condition, were classified as a group of assets held for trading, given that:

- The book value of these assets will be recovered through sale and not through the use thereof;
- The assets are available for sale in their current condition;
- Company management undertook the actions required to complete the sale within one year, and
- The sale of these assets was required by a controlling entity and approved by Group Management.

These assets were recognized at the fair value of $6,740, estimated using the revenue approach. Such assets were owned by the discount segment.

Both trade establishments were disposed of in February 2015, by means of a funded sale, resulting in a loss of $1,714 recognized in goodwill; the above, taking into consideration that the Group is in the period of measuring the business combination. Comercializadora Giraldo y Cia S.A. should have sold the remaining two trade establishment.

Note 13. Property, plant and equipment, net

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

	2015	2014	January 2014
Land	2,229,171	875,809	850,950
Buildings	8,334,449	1,223,484	1,157,488
Machinery and equipment	3,420,586	439,735	344,094
Furniture and fixtures	1,465,874	259,048	212,739
Assets under construction	380,486	129,081	174,827
Premises	739,041	-	-
Improvements to third party properties	252,362	163,627	135,407
Vehicles	102,461	3,778	4,033
Other property, plant and equipment	506,905	94,180	54,776
Total gross property, plant and equipment	**17,431,335**	**3,188,742**	**2,934,314**
Accumulated depreciation	(5,480,298)	(182,949)	-
Total net property, plant and equipment	**11,951,037**	**3,005,793**	**2,934,314**

The movements of property, plant and equipment during the reporting periods are as follows:

Cost	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Other	Total
Balance at January 1, 2014	**850,950**	**1,157,488**	**344,094**	**212,739**	**174,827**	**-**	**135,407**	**4,033**	**54,776**	**2,934,314**
Acquisitions via business combinations	-	-	6,920	1,515	-	-	-	-	914	9,349
Additions	25,587	20,561	55,985	17,926	217,604	-	15,453	572	28,988	382,676
Increase (decrease) from transfers from (to) investment properties, plant and equipment	-	-	-	-	(142,778)	-	-	-	-	(142,778)
Increase (decrease) from transfers from (to) construction in progress, property, plant and equipment	-	48,012	33,550	27,299	(154,800)	-	34,917	2	11,020	-
Increase (decrease) from transfers from (to) property, plant and equipment to other Balance Sheet line items	-	-	-	-	18,177	-	(18,177)	-	-	-
Disposition of property, plant and equipment	-	(7)	(264)	(11)	-	-	(2,925)	-	(40)	(3,247)
Derecognition, property, plant and equipment	-	(4,836)	(103)	(83)	(895)	-	(1,581)	(829)	(708)	(9,035)
Other increase (decrease)	(728)	2,266	(447)	(337)	16,946	-	533	-	770)	17,463
Balance at December 31, 2014	**875,809**	**1,223,484**	**439,735**	**259,048**	**129,081**	**-**	**163,627**	**3,778**	**94,180**	**3,188,742**
Acquisitions via business combinations	1,465,199	7,307,626	2,972,422	1,158,146	193,334	765,393	37,288	114,633	350,481	14,364,522
Additions	27,461	172,373	172,228	83,027	503,474	22,214	-5,482	5,669	40,121	1,021,085
Increase (decrease) from transfers from (to) investment properties, plant and equipment	(66,235)	(57,503)	-	-	(33,609)	-	(3,632)	-	-	(160,979)
Increase (decrease) from transfers from (to) construction in progress, property, plant and equipment	390	70,834	56,090	41,736	(296,776)	-	106,170	33	21,523	-
Increase (decrease) from transfers from (to) property, plant and equipment to other Balance Sheet line items	12,696	106,633	9,295	2,676	(96,687)	7,935	(37,388)	-	30,424	35,584
Disposition of property, plant and equipment	(7,203)	(27,567)	(5,580)	(7,011)	(5,880)	(3,184)	(8,495)	(13,039)	(5,614)	(83,573)
Derecognition, property, plant and equipment	(1,898)	(9,678)	(35,239)	(2,202)	-	-	(1,451)	(10)	(143)	(50,621)
Decrease in assets classified as held for trading	(5,090)	-	-	-	(7,342)	-	-	-	-	(12,432)
Effect of exchange difference	(71,958)	(452,044)	(188,369)	(69,546)	(5,108)	(53,317)	(19)	(8,603)	(24,067)	(873,031)
Other changes	-	291	4	-	(1)	-	1,744	-	-	2,038
Balance at December 31, 2015	**2,229,171**	**8,334,449**	**3,420,586**	**1,465,874**	**380,486**	**739,041**	**252,362**	**102,461**	**506,905**	**17,431,335**

Accumulated depreciation	Land	Buildings	Machinery and equipment	Furniture and fixtures	Assets under construction	Premises	Improvements to third party properties	Vehicles	Other	Total
Balance at January 1, 2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense/cost	-	28,085	51,678	31,622	-	-	28,383	929	14,681	155,378
Effect from currency translation differences	-	16,613	4,814	6,597	-	-	-	(52)	2,180	30,152
Disposals	-	-	(85)	(82)	-	-	(1,581)	(816)	(45)	(2,609)
Other changes	-	14	(116)	241	-	-	5	(61)	(55)	28
Balance at December 31, 2014	**-**	**44,712**	**56,291**	**38,378**	**-**	**-**	**26,807**	**-**	**16,761**	**182,949**
Acquisitions via business combinations	-	2,427,462	1,524,440	573,648	-	372,161	17,494	32,853	267,756	5,215,814
Depreciation expense/cost	-	130,405	136,211	60,103	-	16,212	28,445	6,935	36,042	414,353
Effect from currency translation differences	-	(164,661)	(90,382)	(25,977)	-	(31,663)	2,308	(2,839)	(16,156)	(329,370)
Other changes	-	(1,108)	(842)	(723)	-	(10)	(557)	(23)	(185)	(3,448)
Balance at December 31, 2015	**-**	**2,436,810**	**1,625,718**	**645,429**	**-**	**356,700**	**74,497**	**36,926**	**304,218**	**5,480,298**

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 financial lease for the periods reported is as follows:

	2015	2014	January 2014
Buildings	17,514	-	-
Machinery and equipment	11,056	23,932	5,202
Furniture and fixtures	4,776	-	-
Vehicles and transportation equipment	14,907	15,695	-
Other property, plant and equipment	24,678	-	-
Total	**72,931**	**39,627**	**5,202**

No provisions for dismantling or similar provisions are included in the cost of assets, since after assessment the Group 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 negotiability thereof. For the periods reported, the Group has no commitments to acquire, construct or develop property, plant and equipment.

Compensation received from third parties arising from the damage or loss of assets are detailed in Note 31 Other operating revenue and expenses and other net income.

During the periods reported in these financial statements there was no impairment of property, plant and equipment. Information about the methodology applied to test for impairment is contained in Note 35 Impairment testing of assets.

Note 14. Investment property, net

The Group'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 balance of investment properties is made as follows:

	2015	2014	January 2014
Land	272,874	152,954	162,062
Buildings	893,107	616,109	485,753
Total gross investment property	**1,165,981**	**769,063**	**647,815**
Accumulated depreciation	(82,381)	(14,288)	-
Total net investment property	**1,083,600**	**754,775**	**647,815**

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

Cost	Land	Buildings	Total
Balance at January 1, 2014	**162,062**	**485,753**	**647,815**
Additions	-	11,546	11,546
Dispositions	(9,108)	(23,968)	(33,076)
Transfers from property, plant and equipment	-	142,778	142,778
Balance at December 31, 2014	**152,954**	**616,109**	**769,063**
Acquisitions via business combinations	54,546	136,365	190,911
Additions	6,352	68,437	74,789
Transfers from property, plant and equipment	66,235	94,744	160,979
Transfers to inventories	(8,275)	-	(8,275)
Effect of exchange differences	1,285	(22,813)	(21,528)
Other changes	(223)	265	42
Balance at December 31, 2015	**272,874**	**893,107**	**1,165,981**
Accumulated depreciation			
Balance at January 1 , 2014	**-**	**-**	**-**
Depreciation expense	-	14,949	14,949
Dispositions		(661)	(661)
Balance at December 31, 2014	**-**	**14,288**	**14,288**
Additions from business combinations	-	26,052	26,052
Depreciation expense	-	50,476	50,476
Effect of exchange difference	-	(8,736)	(8,736)
Other changes	-	301	301
Balance at December 31, 2015	**-**	**82,381**	**82,381**

Results arising from investment properties during the reporting periods are as follows:

	2015	2014
Revenue from leases	116,505	50,598
Operation expenses related to revenue-generating investment properties	(28,765)	(14,817)
Operation expenses related to non-revenue-generating investment properties	(20,032)	(11,998)
Income from investment properties	**67,708**	**23,783**

Note 38 discloses the fair values of investment properties, based on the appraisal carried out by an independent third party.

There are no limitations or liens imposed on investment property that restrict realization or negotiability thereof. For the reporting periods included in these financial statements, the Group has no commitments to acquire, build or develop investment properties, or to repair, maintain or improve such properties. In addition, the Group has not received compensations from third parties arising from the damage or loss of investment properties, nor has it accounted for impairment losses.

Information about the methodology applied to test for impairment is contained in Note 35 Impairment testing of assets.

Note 15. Goodwill

The balance of goodwill refers to the following business combinations:

	2015	2014	January 2014
Companhia Brasileira de Distribuição – CBD (1)	3,096,735	-	-
Libertad S.A. (1)	472,157	-	-
Spice Investment Mercosur (Uruguay) S.A. (2)	1,499,222	534,495	513,797
Carulla Vivero S.A. (3)	827,420	827,420	827,420
Super Inter (4)	453,649	179,412	-
Cafam (5)	122,219	-	-
Other (6)	50,806	50,806	50,326
Total	**6,522,208**	**1,592,133**	**1,391,543**

(1) Refers to the business combination carried out in August 2015 to acquire 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. The values of net assets acquired are provisional and are in the process of being measured pursuant to IFRS 3 (See Note 5 Business combinations).

(2) Refers to the business combination carried out in 2011 with the acquisition of the Uruguayan company Spice Investments Mercosur S.A. The value represents the cost attributed in the opening balance sheet, in exercise of the exemption of not to restate business combinations. Additionally, it includes the goodwill of the goodwill recognized by Spice in the acquisition of its subsidiaries in Uruguay, pursuant to options offered by IFRS 1. In 2015, it includes the goodwill arising from the business combination with Grupo Disco del Uruguay, resulting from acquisition of control at January 1, 2015 (See note 5 Business combinations).

(3) Refers to the business combination carried out in 2007 by the parent in the merger of Carulla Vivero S.A. The value represents the cost attributed in the opening balance sheet, 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 in April 2015. It also includes the acquisition of seven trade establishments 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. (See note 5 Business combinations and Note 12 Non-current assets held for trading).

(5) Refers to the agreement executed on February 23, 2015, to acquire Cafam stores that had been operated by the Group since 2010. (See Note 5 Business combinations). 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. (See Note 35 Impairment testing of assets).

(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. Additionally, the goodwill arising from the business combination with Gemex in amount of $1,017 is included.

In accordance with the above-mentioned business combinations, the movement of goodwill was as follows:

Balance at January 1, 2014	**1,391,543**
Additions from business combinations	179,892
Effect of exchange differences	20,698
Balance at December 31, 2014	**1,592,133**
Additions from business combinations	5,245,138
Effect of exchange differences	(315,063)
Balance at December 31, 2015	**6,522,208**

During the periods reported in these consolidated financial statements there was no impairment of goodwill. Information about the methodology applied to test for impairment is contained in Note 35 Impairment testing of assets.

Note 16. Intangible assets other than goodwill, net

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

	2015	2014	January 2014
Trademarks (1)	1,881,018	17,427	17,427
Computer software (2)	1,827,865	65,976	35,882
Rights (3)	957,684	4,499	-
Customer-related intangible assets	26,675	-	-
Other	67,929	13,081	26,520
Total intangible assets other than goodwill, gross	**4,761,171**	**100,983**	**79,829**
Accumulated amortization	(1,055,106)	(18,913)	-
Total intangible assets other than goodwill, net	**3,706,065**	**82,070**	**79,829**

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

Cost	Trademarks (1)	Computer software (2)	Rights (3)	Customer-related intangible assets	Other	Total
Balance at January 1, 2014	**17,427**	**35,882**	**-**	**-**	**26,520**	**79,829**
Additions	-	37,273	-	-	140	37,413
Acquisitions via business combinations	-	-	4,499	-	-	4,499
Effect of exchange differences	-	410	-	-	-	410
Transfers	-	(7,402)	-	-	(13,334)	(20,736)
Disposals and derecognition	-	(187)	-	-	(275)	(462)
Other changes	-	-	-	-	30	30
Balance at December 31, 2014	**17,427**	**65,976**	**4,499**	**-**	**13,081**	**100,983**
Acquisitions via business combinations	1,988,175	1,718,179	1,019,737	28,633	105,707	4,860,431
Additions	19	103,084	794	-	30,550	134,447
Effect of exchange difference	(111,796)	(98,101)	(67,346)	(1,958)	(10,174)	(289,375)
Transfers	-	39,394	-	-	(47,672)	(8,278)
Disposals and derecognition	(12,807)	(667)	-	-	(23,563)	(37,037)
Balance at December 31, 2015	**1,881,018**	**1,827,865**	**957,684**	**26,675**	**67,929**	**4,761,171**
Accumulated amortization						
Balance at January 1, 2014	**-**	**-**	**-**	**-**	**-**	**-**
Amortization expense/cost	-	18,098	504	-	559	19,161
Transfers	-	(463)	-	-	2	(461)
Effect of exchange difference	-	400	-	-	-	400
Disposals and derecognition	-	(187)	-	-	-	(187)
Balance at December 31, 2014	**-**	**17,848**	**504**	**-**	**561**	**18,913**
Acquisitions via business combinations	22	685,642	263,394	28,633	13,965	991,656
Amortization expense/cost	2	82,856	19,865	-	1,726	104,449
Transfers	-	4,617	-	-	(2)	4,615
Effect of exchange difference	(6)	(44,560)	(17,072)	(1,958)	(929)	(64,525)
Disposals and derecognition	-	(2)	-	-	-	(2)
Balance at December 31, 2015	**18**	**746,401**	**266,691**	**26,675**	**15,321**	**1,055,106**

(1) Refers to the trademarks of:

a) Companhia Brasileira de Distribuição - CBD in amount of $1,688,474, allocated by business segments as follows:

- $31,047 to "ASSAÍ" in the Food segment.

- $1,285,660 to "Ponto Frio", $318,430 to "Casas Bahia" and $36,620 to Móveis Bartira. All of them in the Non-food segment.

- The e-commerce segment includes the following websites: www.pontofrio.com.br, www.extra.com.br, www.casasbahia.com.br, www.barateiro.com.br, www.partiuviagens.com.br and www.cdiscount.com.br, in amount of $16,717.

b) Libertad S.A., in Argentina in amount of $23.

c) Additionally it includes the trademarks of: Grupo Disco del Uruguay for $111,369,Surtimax for $17,427 acquired since the merger with Carulla Vivero in 2007, Super Inter for $63,704 arising from the business combination with Comercializadora Giraldo Gómez y Cia S.A. and other for $3 (See Note 5 Business combinations).

The useful life of these trademarks is indefinite due to the Group's considerations for use thereof, exception made of the "Leader Price" trademark of Libertad S.A. group, which is amortized over 5 years.

(2) Includes financial leases for the reporting periods, as follows:

	2015	2014	January 2014
Software in Companhia Brasileira de Distribuição - CBD	70,851	-	-
Telephone plant	441	636	-
Total	**71,292**	**636**	**-**

(3) Include the book value of the following rights:

a) $517,449 of Companhia Brasileira de Distribuição – CBD, related with commercial rights, distributed by segment, as follows:

- Of "Pão de Açúcar", "Minuto Pão de Açúcar", "Extra Hiper", "Extra Supermercado", "Minimercado Extra", "Posto Extra", "Drogaria Extra" stores and "GPA Malls & Properties", in the Food segment, in amount of $37,416;

- $452,966 in the Non-food segment; and $27,067 of the wholesale business at "ASSAÍ" stores also in the Food segment.

b) $55,725 of contracts under favorable terms and conditions on the assets of Casa Bahia Comercial Ltda. ("CB"), including stores, distribution centers and buildings, which are the purpose of operating lease agreements in advantageous conditions entered into by Via Varejo, a subsidiary of CBD. Measurement thereof was carried out based on market comparable transactions applying the Revenue Approach methodology. The asset was recognized in the business combination between CBD and the Company.

The useful life of this asset was defined to be 10 years based on the association agreement. It was found that market conditions at the time of the contract were not impaired as compared to the current position, and consequently there are no signs of impairment loss.

c) Contractual rights arising from extended warranties in amount of $117,819.

d) Relates to the recognition of the contract entered into with Comercializadora Giraldo y Cia S.A. regarding the use for no consideration of the trademark Super Inter between October 2014 and April 1, 2015, date on which the business combination of 29 trade establishments and the Super Inter trademark was completed. (See Note 5 Business combinations).

The following is a detail of the book value and the remaining useful life of amortization for material intangible assets:

	Remaining useful life	Book value		
		2015	2014	January 2014
Casas Bahía banner	Indefinite	1,285,660	-	-
Pontofrio banner	Indefinite	318,430	-	-
Total		**1,604,090**	**-**	**-**

No limitations or liens have been imposed on the reported intangible assets that restrict realization or negotiability thereof. For the reported periods, the Group has commitments to neither acquire nor develop intangible assets or impairment losses. Information about the methodology applied to test for impairment is contained in Note 35 Impairment testing of assets.

Note 17. Investments accounted for using the equity method

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

Companies	Classification	2015	2014	January 2014
Financeira Itaú CBD – FIC FIC Promotora de Vendas Ltda.	Associate	286,588	-	-
Banco Investcred Unibanco S.A. ("BINV")	Associate	17,514	-	-
Grupo Disco Uruguay S.A.	Joint venture	-	1,037,079	990,290
Cdiscount Colombia S.A.S.	Associate	-	9,066	-
C-Latam S.A.	Associate	-	1,896	-
Fideicomiso Del Este	Joint venture	-	4,116	6,563
Total		**304,102**	**1,052,157**	**996,853**

Below is additional information on investments accounted for using the equity method:

Subsidiaries	Country	Functional currency	Main economic activity	Ownership percentage		Number of shares	
				2015	2014	2015	2014
Financeira Itaú CBD – FIC FIC Promotora de Vendas Ltda.	Brazil	Brazilian real	Investment	42%	-	453,683,261	-
Banco Investcred Unibanco S.A. ("BINV")	Brazil	Brazilian real	Investment	22%	-	95,290	-
Grupo Disco Uruguay S.A.	Uruguay	Uruguayan peso	Trade	-	62.49%	-	928,448,331
Cdiscount Colombia S.A.S.	Colombia	Colombian peso	Trade	-	49%	-	1,575,343
C-Latam S.A.	Uruguay	Uruguayan peso	Trade	-	30%	-	22,210,585
Fideicomiso Del Este	Colombia	Colombian peso	Real Estate	-	50%	-	N/A

For 2014, Cdiscount Colombia S.A.S and C-Latam S.A. were classified as investment in an associate. From August 31, 2015 on, with the business combination of the Brazil and Argentina operations through subsidiary Onper Investment 2015 S.L., control of such investment was gained and the investment was classified as a subsidiary.

For 2014, Grupo Disco Uruguay S.A. was classified as an investment in a joint venture. Control of such investment was gained as from January 1, 2015 and it was classified as a subsidiary.

The Este Trust Fund was settled as at December 2015.

The corporate purpose of associates in force during 2015 was:

Banco Investcred Unibanco S.A. is a company incorporated jointly with Unibanco - União de Bancos Brasileiros SA and Via Varejo SA. The company was incorporated in 1966 and its main place of business is Río de Janeiro, Brazil. Its purpose is providing financial services and products.

Financiera Itaú SA CDB crédito, financiación e inversión is a company incorporated jointly with Itaú Unibanco SA and Compañía Brasileña de Distribuição – CBD. The company was incorporated in 2004 and its main place of business is Sao Paulo, Brazil. Its corporate purpose is to carry out credit, finance and investment activities, and to manage credit cards.

Below is certain financial information on the companies that are measured under the equity method:

	2015								
Companies	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Shareholders' Equity**	**Revenue from ordinary activities**	**Income from continuing operations**	**Other comprehensive income**	**Total comprehensive income**
Financeira Itaú CBD – FIC FIC Promotora de Vendas Ltda.	3,099,914	30,251	2,443,949	11,941	674,275	378,518	79,161	(25,138)	54,023
Banco Investcred Unibanco S.A. (“BINV”)	31,047	-	796	-	30,251	1,587	794	(1,107)	(313)

	2014								
Companies	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Shareholders' Equity**	**Revenue from ordinary activities**	**Income from continuing operations**	**Other comprehensive income**	**Total comprehensive income**
Grupo Disco Uruguay S.A.	398,143	516,127	323,745	12,785	577,740	1,090,980	60,382	21,515	81,897
Cdiscount Colombia S.A.S.	41,577	8,715	31,790	-	18,502	23,283	(13,648)	-	(13,648)
C-Latam S.A.	19	6,313	11	-	6,321	-	(10)	56	46
Fideicomiso Del Este	-	15,922	7,689	-	8,233	-	9	-	9

Dividends received from associates and joint ventures during 2015 amounted to $19,313 (2014 $22,667).

The reconciliation of summarized financial information reported to the book value of associates and joint ventures in the consolidated financial statements is:

	2015				
Companies	Shareholders' Equity	Ownership	Value of Group ownership	Other	Book value
Financeira Itaú CBD – FIC FIC Promotora de Vendas Ltda.	674,275	41.93%	282,724	3,864	286,588
Banco Investcred Unibanco S.A. (“BINV”)	30,251	21.67%	6,555	10,959	17,514

	2014				
Companies	Shareholders' Equity	Ownership	Value of Group ownership	Embedded goodwill	Book value
Grupo Disco Uruguay S.A.	570,845	62.49%	356,721	680,358	1,037,079
Cdiscount Colombia S.A.S.	18,502	49.00%	9,066	-	9,066
C-Latam S.A.	6,321	30.00%	1,896	-	1,896
Fideicomiso Del Este	8,233	50.00%	4,116	-	4,116

There are no restrictions on the capability of the subsidiaries to transfer funds to the parent in the form of cash dividends, or loan repayments or advance payments. Additionally, the Company has no contingent assets incurred related to its participation therein. Embedded obligations acquired by the Company on behalf of subsidiaries, whose losses are higher than the investment therein are described in Note 20 Other provisions.

There are no investments in associates and joint ventures with material participation for the reporting periods.

Note 18. Financial liabilities

Book balances are made as follows:

	2015	2014	January 2014
Local currency			
Current			
Bank overdrafts (1)	-	53	95,149
Bank loans (2)	216,207	73	46
Finance leases (See note 36)	41	5,414	-
Total current financial liabilities in local currency	**216,248**	**5,540**	**95,195**
Non-current			
Bank loans (2)	2,486,352	-	-
Finance leases (See note 36)	1,149	20,381	4,996
Total non-current financial liabilities in local currency	**2,487,501**	**20,381**	**4,996**
Total financial liabilities in local currency	**2,703,749**	**25,921**	**100,191**
Foreign currency			
Current			
Bank loans (2)	3,346,850	1,303	-
Put option (3)	310,323	-	-
Finance leases (See note 36)	37,227	-	-
Letters of credit	8,726	1,074	3,445
Sale of receivables	3,184	-	-
Total current financial liabilities in foreign currency	**3,706,310**	**2,377**	**3,445**
Non-current			
Bank loans (2)	4,024,868	-	-
Finance leases (See note 36)	195,192	16,035	-
Total non-current financial liabilities in foreign currency	**4,220,060**	**16,035**	**-**
Total financial liabilities in foreign currency	**7,926,370**	**18,412**	**3,445**
Total financial liabilities	**10,630,119**	**44,333**	**103,636**
Current	**3,922,558**	**7,917**	**98,640**
Non-current	**6,707,561**	**36,416**	**4,996**

(1) Bank overdrafts mainly arise from checks drafted and not collected.

(2) In August 2015, the parent entered into credit agreements with local banks in amount of $3.25 trillion and with foreign banks in amount of $1.21 trillion (USD$400 million at the exchange rate of $3,027.2) 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 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 affiliate, 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 separate financial statements released by the parent, among other. (See Note 41 Financial risk management policy).

Back in December 2015, the parent restructured its financial debt, and repaid the credits with domestic banks for total $1.4 trillion and with foreign banks for total $1.34 trillion (USD$400 million at the rate of $3,337.68). It obtained new credit facilities from domestic banks in amount of $838,000 million and from foreign banks totaling $1.5 trillion (USD$450 million at the rate of $3,337.68). Such loans are measured at amortized cost using the effective interest method, including transaction costs in amount of $20,254 million.

In addition, it refers to loans acquired by Companhia Brasileira de Distribuição - CBD for working capital in amount of $3.2 trillion in the short term, and $2.5 trillion in the long term, for DCCI (Direct Consumer Credit with Intervention) operations.

(3) The parent is party to a put option agreement with the holders of non-controlling investment of Grupo Disco del Uruguay. The exercise price of the option is based on a previously determined formula, and the option can be exercised at any time. The current option for the period ended December 31, 2015 is measured at fair value.

Below is a detail of annual maturities discounted at present value of non-current bank loans and financial leases for the period ended December 31, 2015:

Year	TOTAL
2017	2,686,800
2018	2,225,965
2019	550,462
>2020	1,244,334
Total	6,707,561

Note 18.1 Financial liability commitments

Its purpose is to ensure compliance with the financial clauses applicable to interest-bearing debt and loans that define the capital structure requirements (covenants). 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 period.

In accordance with commitments acquired by the parent company by virtue of loans obtained to gain control of Companhia Brasileira de Distribuição – CBD and Libertad S.A., below is the calculation of the net financial debt at December 31, 2015:

	2015
Short-term liabilities	
Current financial liabilities (1)	(3,922,558)
Other current financial liabilities (2)	(32,602)
Other current financial assets (3)	445,162
Long-term liabilities	
Non-current financial liabilities (1)	(6,707,561)
Other non-current financial liabilities (2)	(714,079)
Other non-current financial assets (3)	195,038
Contingent liabilities	
Guarantees granted and letters of credit (4)	(45,477)
Total gross liabilities	**(10,782,077)**
Cash and cash equivalents	**10,068,716**
Net debt	**(713,361)**
EBITDA (*)	**2,031,230**
Net debt/EBITDA (*)	**0.35**

(*) With respect to a 12-month period prior to the date of estimation, the EBITDA is the aggregate of operating profit, depreciation and amortization and any other expense accrued during the same period and not involving cash outflows, and dividends distributed by Debtor's subsidiaries and actually received, either directly or through special-purpose vehicles 99% under the control of the Company, readily available and held in cash; or, regarding subsidiaries acquired during the period, the proforma dividends for the year of acquisition.

The calculation of the group's net financial debt includes the balances in the following accounting items:

(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) for the acquisition of the operations in Brazil and Argentina through the Spanish company Onper Investment S.L. Such credits are measured at amortized cost using the effective interest method, where transaction costs are included in amount of $14,332 million.

Back in December 2015, the parent restructured its financial debt, and repaid the credits with domestic banks for total $1.4 trillion and with foreign banks for total $1.34 trillion (USD$400 million at the rate of $3,337.68). It obtained new credit facilities from domestic banks in amount of $838,000 million and from foreign banks totaling $1.5 trillion (USD$450 million at the rate of $3,337.68). Such credits are measured at amortized cost using the effective interest method, including transaction costs in amount of $20,254 million and including the loans related with DCCI (Crédito Direto ao Consumidor por Interveniência) transactions, acquired by Companhia Brasileira de Distribuição - CBD, of which $1,837,340 (R $2,308 million) are short-term and $900,360 (R $1,131 million) are long-term.

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 separate financial statements released by the parent.

(2) Represents liabilities arising from the valuation of financial derivatives held by the Group and the accrued balance of the debt from bonds issued by Companhia Brasileira de Distribuição - CBD in amount of $30,251 (R $38 million) for the current portion and $714,079 (R $897 million) for the non-current portion.

(3) Represents rights arising from the valuation of financial derivatives held by the Group.

(4) The Group has unused established letters of credit totaling $22,477 million pesos; in addition, it issued financial collaterals to subsidiaries in amount of $23,000 million pesos.

Note 19. Employee benefit provisions

Book balances are made as follows:

	2015	2014	January 2014
Defined benefit plans (19.1)	34,109	21,217	21,756
Long-term benefits (19.2)	11,263	26,978	26,020
Total	**45,372**	**48,195**	**47,776**
Current	**4,141**	**5,420**	**5,930**
Non-current	**41,231**	**42,775**	**41,846**

Note 19.1 Defined benefit plans

The Group has defined the following benefit plans:

a. Retirement benefit plan

Under the plan, a parent's employee will receive, upon retirement, a certain annuity paid monthly, retirement benefit adjustments pursuant to legal regulations, survivor's benefit, assistance with funeral expenses and June and December bonuses established by law. Such amounts depend on factors such as employee age, time of service and salary. The parent is responsible for the payment of retirement benefits to employees who meet the following requirements: employees who at January 1, 1967 had served more than 20 years (full liability), and employees and former employees who at January 1, 1967 had served more than 10 years but less than 20 years (partial liability).

For the Companhia Braseira de Distribução - CBD Group, the defined benefit plan is offered only to the employees of subsidiaries based in France, upon recognition of eligibility of such employees to receive a compensation on the date of retirement.

b. Retroactive severance pay plan

Under the plan, the parent will pay employees upon retirement a retroactive amount as severance pay, after deduction of advance payments. Retroactivity of severance pay is estimated for those employees to whom applicable labor laws are those prior to Law 50 of 1990, and who did not transit to the new system. This social benefit is calculated over the entire time of service, based on the latest salary earned.

c. Retirement bonus upon meeting of requirements to obtain an old-age retirement benefit

Under the plan, wherever the employees of the parent and of subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S. meet the age and contribution requirements to obtain a retirement benefit under the average defined benefit system, they are granted a cash bonus in accordance with the following range:

- Less than 10 years of service: $1.5 million.
- Between 10 and less than 20 years of service: $2 million.
- Between 20 and less than 30 years of service: $3 million.
- 30 years of service or more: $4 million.

Such benefit was modified during 2015, from a single one-time payment of $1 million pesos upon retirement to the bonus range described above.

d. Retirement bonus upon meeting of requirements to obtain a disability benefit

Under the plan, wherever the employees of the parent and of subsidiaries Distribuidora de Textiles y Confecciones S.A. and Logística, Transporte y Servicios Asociados S.A.S. are granted a disability benefit by the relevant benefit administration entity, they will be granted a single retirement bonus in amount of $4 million, provided a loss of 50% or more of capacity for work was qualified during the term of the labor agreement.

Such benefit was modified during 2015, from a single one-time payment of $1 million pesos to $4 million regardless of the time of service.

The old-age pension or disability pension bonus is granted under a collective bargain agreement.

Such benefits are estimated on an annual basis or wherever there are material changes using the forecasted credit unit. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Below are the main actuarial assumptions included in the latest valuation, as well as the reconciliation of movements for defined benefit plans:

	Retirement benefits	Retroactive severance pay	Retirement bonus upon vesting of old-age and disbility retirement benefit	Total
Balance at January 1, 2014	**20,936**	**820**	**-**	**21,756**
Present cost of service	-	27	-	27
Interest expense	1,405	56	-	1,461
Actuarial (gain) loss from changes in experience	(152)	39	-	(113)
Actuarial loss from financial assumptions	309	9	-	318
Benefits directly paid by the Company	(2,072)	(160)	-	(2,232)
Balance at December 31, 2014	**20,426**	**791**	**-**	**21,217**
Acquisition from business combination	10,916	-	-	10,916
Present cost of service	794	25	61	880
Interest expense	1,336	49	60	1,445
Actuarial loss from changes in experience	177	343	218	738
Actuarial gain from financial assumptions	(3,393)	(20)	(228)	(3,641)
Past cost of service	-	-	4,465	4,465
Effect of exchange difference	(1,365)	-	-	(1,365)
Benefits directly paid by the Company	(2,134)	(152)	(33)	(2,319)
Other changes	-	-	1,773	1,773
Balance at December 31, 2015	**26,757**	**1,036**	**6,316**	**34,109**

The main assumptions used to assess defined benefit plans are:

	2015			2014	January 2014
	Retroactive severance pay	Retirement bonus upon vesting of old-age and disbility retirement benefit	Retirement benefits	Retroactive severance pay and retirement benefits	Retroactive severance pay and retirement benefits
Discount rate	7.30%	7.30%	5.92%	6.90%	7.10%
Annual salary increase rate	3.25%	3.25%	2.53%	3.25%	3.25%
Future annuity increase rate	0%	0%	2.88%	3.25%	3.25%
Annual inflation rate	3.25%	3.25%	2.88%	3.25%	3.25%
Death rate (years)	59	59	61	59	59
Death rate - men	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117% - 0.034032%	0.001117%- 0.034032%	0.001117%- 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627% - 0.019177%	0.000627%- 0.019177%	0.000627%- 0.019177%

Employee turnover rates, disabilities and early retirements:

Service in years	Rates 2015	Rates 2014	Rates January 2014
From 0 to less than 5	29.98%	29.98%	29.98%
From 5 to less than 10	14.60%	14.60%	14.60%
From 10 to less than 15	8.59%	8.59%	8.59%
From 15 to less than 20	6.41%	6.41%	6.41%
From 20 to less than 25	4.92%	4.92%	4.92%
25 and more	3.71%	3.71%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the defined benefit net liability:

	2015			2014		
Variation expressed in basic points	Retirement benefits	Retroactive severance pay	Retirement bonus upon vesting of old-age and disbility retirement benefit	Retirement benefits	Retroactive severance pay	Retirement bonus upon vesting of old-age and disbility retirement benefit
Discount rate + 25	(307)	(12)	(137)	(385)	(11)	N/A
Discount rate - 25	317	12	142	399	11	N/A
Discount rate + 50	(604)	(24)	(269)	(757)	(21)	N/A
Discount rate - 50	644	25	288	812	22	N/A
Discount rate + 100	(3,558)	(47)	(519)	N/A	N/A	N/A
Discount rate - 100	2,924	51	598	N/A	N/A	N/A
Annual salary increase rate + 25	N/A	23	N/A	N/A	23	N/A
Annual salary increase rate - 25	N/A	(23)	N/A	N/A	(23)	N/A
Annual salary increase rate + 50	N/A	47	N/A	N/A	47	N/A
Annual salary increase rate - 50	N/A	(45)	N/A	N/A	(46)	N/A
Annual salary increase rate + 100	N/A	94	N/A	N/A	N/A	N/A
Annual salary increase rate - 100	N/A	(89)	N/A	N/A	N/A	N/A

Contributions foreseen by the Group for the forthcoming years, funded with own resources will be:

	Retirement benefits			Retroactive severance pay			Retirement bonus upon vesting of old-age and disbility retirement benefit
Year	**2015**	**2014**	**January 2014**	**2015**	**2014**	**January 2014**	**2015**
2014	-	-	2,285	-	-	57	-
2015	-	2,010	2,279	-	40	13	-
2016	2,141	1,997	2,286	87	60	80	324
2017	2,080	1,974	2,263	96	69	74	376
2018	2,104	1,951	2,237	128	101	123	478
2019	2,104	1,942	10,842	169	136	534	558
>2019	107,200	31,163	-	1,059	803	-	12,199
Total contributions	**115,629**	**41,037**	**22,192**	**1,539**	**1,209**	**881**	**13,935**

The average duration of the liability for defined benefit plans at December 31, 2015 is 8 years (at 31 December 2014 was 7 years and at January 1, 2014 was 7.9 years).

The Group has no specific assets intended for guaranteeing the defined benefit plans.

The defined contribution plan expense at December 31, 2015 amounted to $62,329 (2014 $53,140).

Note 19.2 Long-term benefits

The long-term benefit plan involves a time-of-service bonus payable to the employees of the parent and of subsidiary Distribuidora de Textiles y Confecciones S.A.

Such benefits are estimated on an annual basis or wherever there are material changes using the forecasted credit unit. There were no changes in the methods and assumptions used when preparing the sensitivity analysis in prior years.

Agreement was reached during 2015 with several employees who voluntarily decided to replace the time-of-service bonus with a single one-time bonus.

Below are the main actuarial assumptions included in the latest valuation, as well as the reconciliation of movements:

Balance at January 1, 2014	**26,020**
Present cost of service	1,462
Interest expense	1,730
Actuarial loss from changes in experience	1,064
Actuarial loss from financial assumptions	307
Benefits directly paid by the Company	(3,605)
Balance at December 31, 2014	**26,978**
Present cost of service	1,084
Interest expense	1,385
Actuarial gain from changes in experience	(10)
Actuarial gain from financial assumptions	(241)
Gain from settlements	(15,707)
Benefits directly paid by the Company	(2,226)
Balance at December 31, 2015	**11,263**

The main assumptions used to assess long-term benefit plans are:

	2015	**2014**	**January 2014**
Discount rate	7.30%	6.90%	7.10%
Annual salary increase rate	3.25%	3.25%	3.25%
Future annuity increase rate	0%	0%	0%
Annual inflation rate	3.25%	3.25%	3.25%
Death rate - men	0.001117% - 0.034032%	0.001117%- 0.034032%	0.001117%- 0.034032%
Death rate - women	0.000627% - 0.019177%	0.000627%- 0.019177%	0.000627%- 0.019177%

Employee turnover rates, disabilities and early retirements:

	Rates		
Service in years	**2015**	**2014**	**January 2014**
From 0 to less than 5	29.98%	29.98%	29.98%
From 5 to less than 10	14.60%	14.60%	14.60%
From 10 to less than 15	8.59%	8.59%	8.59%
From 15 to less than 20	6.41%	6.41%	6.41%
From 20 to less than 25	4.92%	4.92%	4.92%
25 and more	3.71%	3.71%	3.71%

A quantitative sensitivity analysis regarding a change in a key assumption would result in the following variation of the long-term benefit net liability:

Variation expressed in basic points	2015	2014
Discount rate + 25	(146)	(378)
Discount rate - 25	150	388
Discount rate + 50	(289)	(747)
Discount rate - 50	303	788
Discount rate + 100	(564)	N/A
Discount rate - 100	622	N/A
Annual salary increase rate + 25	156	402
Annual salary increase rate - 25	(152)	(393)
Annual salary increase rate + 50	314	813
Annual salary increase rate - 50	(302)	(777)
Annual salary increase rate + 100	643	N/A
Annual salary increase rate - 100	(591)	N/A

Contributions foreseen by the Group for the forthcoming years, funded with own resources will be:

Year	2015	2014	January 2014
2014	-	-	3,588
2015	-	3,370	3,016
2016	1,616	3,767	3,508
2017	1,614	3,432	3,193
2018	1,396	3,145	2,932
2019	1,379	2,842	11,832
>2019	11,864	26,693	-
Total contributions	**17,869**	**43,249**	**28,069**

The average duration of the liability for long-term benefit plans at December 31, 2015 is 5.6 years (at December 31, 2014 was 5.8 years and at January 1, 2014 was 6.6 years).

The Group has no devoted specific assets to guarantee payment of the time-of-service bonus.

Note 20. Other provisions

The balance of other provisions is made as follows:

	2015	2014	January 2014
Legal proceedings (1)	731,720	33,764	24,357
Taxes other than income tax (2)	426,783	9,409	9,163
Restructuring (3)	13,072	14,500	-
Other (4)	16,026	6,337	1,148
Total other provisions	**1,187,601**	**64,010**	**34,668**
Current	**62,919**	**50,796**	**34,668**
Non-current	**1,124,682**	**13,214**	**-**

The movement of provisions during the period is as follows:

	Legal proceedings (1)	Taxes other than income tax (2)	Restructuring (3)	Other (4)	Total
Balance at January 1, 2014	**24,357**	**9,163**	**-**	**1,148**	**34,668**
Increase	14,735	286	14,500	5,334	34,855
Uses	(5,328)	(40)	-	(145)	(5,513)
Balance at December 31, 2014	**33,764**	**9,409**	**14,500**	**6,337**	**64,010**
Acquisition via business combination	741,036	429,323	15,456	5,598	1,191,413
Increase	296,100	22,742	10,366	38,806	368,014
Uses	(129,107)	(10,511)	(26,113)	(25,692)	(191,423)
Reversals (not used)	(204,838)	(13,814)	(101)	(7,791)	(226,544)
Increase from the passing of time	37,209	11,354	-	-	48,563
Transfers	3,621	6,324	-	(142)	9,803
Effect of exchange difference	(46,065)	(28,044)	(1,036)	(1,090)	(76,235)
Balance at December 31, 2015	**731,720**	**426,783**	**13,072**	**16,026**	**1,187,601**

Provisions are made of:

(1 Provisions for lawsuits are recognized to cover estimated potential losses arising from lawsuits brought against the Group,as follows: labor claims, in amount of $496,049 (2014 $25,077, January 2014 $10,342); civil, claims in amount of $205,126 (2014 $8,687, January 2014 $14,015); administrative and regulatory claims, in amount of $27,606 and other claims in amount of $2,939, 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.

For 2015, labor provisions mainly refer to lawsuits brought against Companhia Brasilerira de Distribuição CBD and its subsidiaries in amount of $475,257, which are updated pursuant to a chart provided by the TST ("Tribunal Superior do Trabalho") plus a 1% monthly interest rate. Civil lawsuit-related provisions mainly refer to cases brought against Companhia Brasilerira de Distribuição CBD and its subsidiaries in amount of $197,426, amount that we highlight:

a. Legal actions seeking the revision of contracts and renewals on lease installments agreed upon. The Group recorded a provision 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 installments paid by the Group. At December 31, 2015, the provisions to protect against such legal actions amounted to $35,823 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 December 31, 2015, such provision amounted to $27,067.

c. Legal actions brought against subsidiary Via Varejo related to consumer rights and lawsuits on termination of supplier contracts. At December 31, 2015, such provision amounted to $50,949.

(2) Tax provisions other than income tax provisions relate to tax lawsuits in which Companhia Brasilerira de Distribuição CBD and its subsidiaries are a party, in amount of $411,571 (2014 $0, January 2014 $0), which by law are subject to monthly monetary indexation according to the official rates applied by each tax jurisdiction; lawsuits related to the Industry and Trade Tax in amount of $3,256 (2014 $3,330, January 2014 $3,044); real estate tax in amount of $5,556 (2014 $6,079, January 2014 $5,579), and other in amount of $6,400 (2014 $0, January 2014 $540).

The most significant tax lawsuits under provision are:

a. Social contribution to finance social security (Contribución social para Financiación a la Seguridad Social - COFINS) and Social integration program (programa de integración social - PIS): Under the non-cumulative system to calculate PIS and COFINS, the Group claimed its right to exclude the value of the Impuesto a la Circulación de Mercaderías y Servicios - ICMS (Tax on the Movement of Goods and Services) from the basis to assess these two contributions and other less relevant matters. The value of the provision at December 31, 2015 is $81,996.

b. Tax on the Movement of Goods and Services (ICMS): Pursuant to a ruling dated October 16, 2014, the Higher Federal Court (STF) defined that ICMS taxpayers who trade products other than the basic basket are not entitled to legally apply the credits of such tax; consequently, the Group, supported by their external advisors, deemed it appropriate to make a provision in amount of $101,898.

c. Complementary law No. 110/2001: Through judicial action the Group is discussing the right of not to recognize the additional contributions set forth in Complementary Law No. 110/2001, established to carry out the costing of the Fundo de Garantia do Tempo de Serviço (FGTS). The value of the provision at December 31, 2015 is $49,357.

d. Proceedings to offset Via Varejo's asset tax accounts: Tax provisions were recorded based on the business combination with Via Varejo in amount of $66,870, related to the offsetting of tax debits and credits on the export of coffee.

e. Other provisions: Relate to (i) Proceedings on the purchase, industrialization and export of soy and soy derivatives (PIS, CONFIS and IRPJ); (ii) Questioning of the non-application of the Fator Acidentário de Prevenção (FAP) for 2011; (iii) Questioning regarding the Fundo de Combate à Pobreza, established by the State of Rio de Janeiro; (iv) Questionings related with acquisitions from suppliers deemed disqualified under the register of the Secretaria da Fazenda Estadual, wrong application of the aliquot and ancillary obligations by estate tax authorities; and (v) Other less relevant matters.

(3) The restructuring provision relates to the restructure processes announced to parent's employees in amount of $8,295 (2014 $14,500) and to the employees of Companhia Brasilerira de Distribuição CBD in amount of $4,777 that will affect Group activities. The value of 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 be in 2016. The restructuring provision was recognized in the statement of income as other expenses.

(4) Other provisions relate to costs estimated from business combinations in amount of $5,827; donation of the profits arising from the film "Colombia Magia Salvaje" assigned to Fundación Éxito, once authorized by the General Meeting of Shareholders in amount of $3,907; income tax provision in amount of $2,203 (2014 $1,003, January 2014 $1,003), and other provisions in amount of $4,089 (2014 $5,334, January 2014 $145).

The Group has not recorded provisions for the protection of contracts for consideration during the reporting periods.

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:

	2015	2014	January 2014
Current			
Legal proceedings	21,210	20,550	24,357
Taxes other than income tax	15,212	9,409	9,163
Restructuring	13,072	14,500	-
Other	13,425	6,337	1,148
Total other current provisions	**62,919**	**50,796**	**34,668**
Non-current			
Legal proceedings	710,510	13,214	-
Taxes other than income tax	411,571	-	-

Other	2,601	-	-
Total other non-current provisions	**1,124,682**	**13,214**	**-**
Total other provisions	**1,187,601**	**64,010**	**34,668**

Note 20.2 Forecasted payment of other provisions

Forecasted payments of other provisions for which the Group is responsible at December 31, 2015 will be:

	Legal proceedings	Taxes other than income tax	Restructuring	Other	Total
Less than 12 months	21,210	15,212	13,072	13,425	62,919
From 1 to 5 years	710,510	164,787	-	2,601	877,898
5 years and more	-	246,784	-	-	246,784
Total estimated payments	**731,720**	**426,783**	**13,072**	**16,026**	**1,187,601**

Note 21. Trade payables and other accounts payable

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

	2015	2014	January 2014
Current			
Foreign suppliers (1)	13,394,444	244,311	138,015
Domestic suppliers (1)	2,165,033	1,907,488	1,510,091
Short-term employee benefits	972,916	110,951	91,936
Costs and expenses payable	828,523	347,742	251,237
Dividends payable (2)	34,317	32,194	40,333
Other accounts payable (3)	941,508	3,729	3,440
Total current accounts payable	**18,336,741**	**2,646,415**	**2,035,052**
Non-current			
Costs and expenses payable	3,184	-	-
Other accounts payable (3)	31,005	572	487
Total non-current accounts payable	**34,189**	**572**	**487**
Total accounts payable	**18,370,930**	**2,646,987**	**2,035,539**

(1) Group trade agreements include bonuses and discounts obtained from suppliers. Such values are defined under contract and include amounts related with purchase volume discounts, joint marketing programs, freight reimbursement and similar programs. These programs are put into practice via a decrease of bills payable to suppliers.

(2) The Parent's Ordinary General Meeting of Shareholders held on March 17, 2015, declared a dividend of 145.23 per share, payable in four quarterly installments and enforceable between the sixth and tenth working day of April, July and October 2015, and January 2016.

Dividends paid in Colombia at December 31, 2015 amount to $254,297 equivalent to $568.44 per share; at December 31, 2014, they were $237,558 equivalent to $531 per share.

The Ordinary General Meeting of Shareholders of subsidiary Grupo Disco Uruguay held on June 8, 2015 declared a dividend of $34.79 per share, paid in advance in November 2014 and June 2015. In addition, the Ordinary Meeting of Shareholders held on October 26, 2015 authorized an early dividend of $14.22 per share, to be paid in 2016.

On October 29, 2015, the Board of Directors of Companhia Brasileira de Distribuição – CBD authorized an early dividend of $114.66 per share, paid on November 11.

In 2015, the stand-alone trust funds distributed profits in amount of $30,659.

(3) The increase in other payables in Colombian companies arises from liabilities under the money order business in amount of $24,956 in addition to the increase in the assets held on security in amount of $5,481 and miscellaneous in amount of $41.

Note 22. Current taxes, income tax and deferred tax.

Tax regulations in force applicable to the parent and Colombian subsidiaries set forth that:

a. As of 2013, the income tax rate is 25% and the income tax for equality CREE rate is 9%; additionally, from 2015 onwards, there is a surtax on the income tax for equality CREE of between 5% and 9% (for 2015 the rate is 5%).

b. The taxable base to assess the income tax and the income tax for equality CREE cannot be less than 3% of the net equity held on the last day of the preceding taxable period.

c. The annual adjustment applicable for 2015 to movable assets and real estate that are fixed assets is 5.21% (2014 - 2.89%).

d. Comprehensive inflation adjustments were eliminated for tax purposes from 2007 onwards, and the tax on occasional gains was reinstated at a current rate of 10%, payable by legal entities on total occasional gains obtained during the taxable year.

e. As of 2007 and until taxable 2009, deduction of effective investments made in productive fixed assets is 40%, and application thereof does not give rise to taxable profits for partners or shareholders.

Taxpayers who acquire productive fixed assets capable of being depreciated as of January 1, 2007 and use such deduction, are only allowed to depreciate such assets under the straight-line method and will not be entitled to the audit benefit, even if they meet the requirements to claim such benefit pursuant to tax regulations. Prior to January 1, 2007, the same deduction applied to investments in productive fixed assets without the obligation of depreciating such assets using the straight-line method. Wherever the assets on which the above-mentioned deduction benefit was applied cease to be used in an income-producing activity, or wherever they are sold, the proportion of such deduction equivalent to the remaining useful life at the time of abandonment or sale becomes taxable revenue at applicable rates.

Law 1370 of 2009 reduced from 40% to 30% the deduction rate arising from effective investments in productive fixed assets for 2010; law 1430 of December 29, 2010 eliminated the special deduction from investment in productive fixed asset as of taxable 2011. However, the possibility of stabilizing such regulation for a maximum term of three years is authorized to investors who prior to November 1, 2010 filed a request to be part to a legal stability agreement.

Legal stability

Up to 2017, the parent may request in its income tax return 40% of said investments, given that section 158-3 of the Tax Code is an integral part of the Legal Stability Contract EJ-03, under Law 963 of July 2005, entered into with the Colombian government for ten years as of August 2007.

Tax credits

At December 31, 2015, neither the parent nor its subsidiary Didetexco have tax losses or excess presumptive income pending offsetting; subsidiaries Almacenes Éxito Inversiones S.A.S., Viajes y Turismo S.A.S., Logística y Transporte S.A.S. and Gemex S.A.S. have accrued tax losses in amount of $21,554 pending to be offset against the income tax and the income tax for equality CREE, and excess presumptive income in amount of $50 pending offsetting against the income tax.

Pursuant to tax regulations in force, as of taxable 2007 companies may offset tax losses adjusted for tax purposes against ordinary net income without prejudice to the presumptive income for the period, with no limitation as to amount and at any time. Excess presumptive income over ordinary income obtained as of 2007 may be offset against ordinary net income assessed within the following five (5) years adjusted for tax purposes. Company losses are not transferrable to shareholders. In no event tax losses, arising from revenue other than income and occasional gains, and from costs and deductions not directly related with the generation of taxable income, will be offset against the taxpayer's net income.

In application of sections 188 and 189 of the Tax Code for taxable 2014, the parent and its subsidiary Didetexco assessed their income tax liability and their income tax for equality CREE liability under the ordinary income method; subsidiaries thereof assessed both liabilities using the presumptive income method.

The parent's income tax return for 2011 (offsetting of 2008 tax loss) is open for review during 5 years as of the filing date; income tax returns for taxable 2013 and 2014 are open for review during two years. Subsidiary Didetexco's income tax returns from 2008 (with tax loss) to 2014 (offset of 2008 tax loss) are open for review during 5 years as of filing date. Income tax for equality CREE returns for taxable 2013 of the parent and its subsidiaries are open for review during two years. Income tax returns for 2013 and 2014 of all other subsidiaries are open for review during 5 years as of filing dates, since they show tax losses. Tax advisors and management of the parent and its subsidiaries are of the opinion that no additional taxes will be assessed, other than those for which a provision has been recorded at December 31, 2015.

Transfer Pricing

Company transactions with the parent, subsidiaries and/or foreign related parties have been carried out in accordance with the arm's length principle, as required by Transfer Pricing provisions set forth by domestic tax regulations. Independent advisors are updating the transfer pricing survey as required by tax regulations, aimed at demonstrating that transactions with foreign related parties were carried out at market values during 2015. For this purpose, the parent will file an information statement and will make the mentioned survey available by mid-June 2016.

Tax reform Law 1739 of December 24, 2014

On December 24, 2014 the Congress of the Republic enacted Law 1739 Tax Reform, which mainly introduced a surcharge on the income tax for equality CREE and created the tax on wealth and the annual report on assets held abroad, in force as of 2015, as follows:

1. Tax on wealth

A tax on wealth was introduced, applicable to individuals and legal entities with a net equity higher than $1 billion pesos at January 1, 2015.

Such tax will be assessed on legal entities over three (3) years, with variable rates for each year as of 2015 ranging between 0.20%, 0.35%, 0.75% and 1.15%. For 2016 the rates decrease to 0.15%, 0.25%, 0.50% and 1.00% and finally for 2017 the rates will range between 0.05%, 0.10%, 0.20% and 0.40%.

It is important to bear in mind that this tax cannot be deducted from the income tax or from the income tax for equality CREE, and cannot be offset against other taxes.

2. Income tax for equality - CREE

Regarding the income tax for equality CREE, the tax reform sets forth a steady rate of 9% for 2015 and subsequent years.

The tax reform also allows offsetting tax losses and the excess over the minimum base (arising from CREE) as of 2015.

3. Surcharge on the income tax for equality - CREE

The tax reform introduced a surcharge on the income tax for equality CREE, which taxable base is the same as that for the CREE, for the periods 2015 to 2018, assessed on taxable income higher than $800 million pesos at a rate of 5.0%& for 2015, 6.0% for 2016, 8.0% for 2017 and 9.0% for 2018. An advance must be paid on such surcharge, in two annual instalments.

4. Tax on financial transactions - GMF

The tax reform introduces a progressive reduction in the tax on financial transactions as of 2019 to 3 x 1,000, and one point per year thereafter until it is finally eliminated in 2022.

5. Annual report on assets held abroad

The tax reform introduced the obligation to file a new annual report on assets held abroad.

"As of taxable 2015, taxpayers of income tax, subject to this tax with respect of their domestic and foreign source income and their equity held within and outside the country, who own assets of any kind abroad, shall submit an annual report of assets held abroad".

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

- Uruguay 25%
- Brazil 25% applicable to the controlling entity
- Brazil 34% applicable to subsidiaries
- Argentina 35%

Note 22.1 Current taxes and income tax

Advances, balances receivable and taxes, levies and contributions payable for each of the reporting periods included:

	2015	2014	January 2014
Current tax assets			
Income tax advance payment	44,775	11,928	9,405
Income tax for equality CREE advance payments	19,727	-	15
Excess income tax from private assessment	124,428	58,396	88,447
Excess income tax for equality CREE from private assessment	-	7,848	-
Industry and trade tax advance payment and withholdings.	10,640	9,955	9,639
Import-related sales tax receivable	(1,462)	753	184
Tax on equity advance payment (foreign subsidiaries)	16,836	4,992	3,993
Other taxes receivable	17	5	6
Current tax assets of foreign subsidiaries	885,362	-	-
Total current tax assets	**1,100,323**	**93,877**	**111,689**
Non-current tax assets			
Non-current tax assets of foreign subsidiaries	1,941,626	-	-
Total non-current tax assets	**1,941,626**	**-**	**-**
Total tax-related assets	**3,041,949**	**93,877**	**111,689**
Current tax liabilities			
Income tax, CREE and VAT withholdings payable	(47,570)	(26,914)	(19,520)
Industry and trade tax withholdings payable	(2,094)	(1,628)	(1,526)
Income tax for equality CREE payable	(64,254)	(11,046)	(32,704)
Sales tax payable	(39,670)	(21,855)	(48,948)
Industry and trade tax and property tax payable	(43,523)	(37,912)	(34,774)
Excise tax payable	(3,719)	(3,570)	(3,530)
Other taxes payable	(221)	(139)	(84)
Tax on equity payable	-	(4,759)	(46,869)
Current tax liabilities of foreign subsidiaries	697,978)	-	-
Total current tax liabilities	**(899,029)**	**(107,823)**	**(187,955)**
Non-current tax liabilities			

Non-current tax liabilities of foreign subsidiaries	455,355)	-	-
Total non-current tax liabilities	**(455,355)**	**-**	**-**
Total tax-related liabilities	**(1,354,384)**	**(107,823)**	**(187,955)**
Total net current assets (liabilities)	**1,687,565**	**(13,946)**	**(76,266)**

The most significant components of the income tax expense for the periods ended December 31, 2015 and 2014 are:

	2015	2014
Tax on current income		
Current income tax expense	253,809	103,931
Adjustment on current income tax from the preceding period	(1,625)	2,381
Total tax on current income	**252,184**	**106,312**
Deferred income tax		
Relevant to the source and reversal of temporary differences	147,590	81,712
Relevant to changes in tax rates or enactment of new taxes	(1,346)	(7,185)
Relevant to tax losses, tax credits or temporary differences, not recognized in previous periods	-	(1,089)
Total deferred income tax	**146,244**	**73,438**
Income tax from continuing operations	**398,428**	**179,750**

The reconciliation of taxable income to accounting income multiplied by the tax rate for the periods ended December 31, 2015 and 2014 is as follows:

	2015	2014
Earnings before income tax	**970,929**	**691,783**
Add:		
Industry and trade tax and property tax provision	14,046	3,313
Receivables written-off	19,565	1,610
Non-deductible expenses	2,619	5,219
Non-deductible taxes	95	78
Taxes taken on and revaluation	13,227	9,179
Fines, penalties and litigation expenses	3,273	2,519
Recovery of depreciation of fixed assets sold	-	6,575
Tax on financial transactions	7,272	7,252
Reimbursement of deduction from investment in productive fixed assets	163	6,217
IFRS adjustments with no tax effects	268	-
Tax on equity	57,772	-
Selling price of fixed assets held less than two years	16,482	-
Tax losses for the year	5,505	10,304
Excess presumptive income for the year	36	-
Less:		
Taxable deduction of goodwill, other than accounting deduction	(217,173)	(174,179)
40% deduction of investment in income-generating assets	(125,962)	(59,768)
Withdrawal of gain on sale of fixed assets deemed occasional gain	(92,868)	(7,954)
Cost of fixed assets held less than two years	(14,475)	-
IFRS adjustments with no tax effects	(247,253)	(138,325)
Net unrealized derivative income	-	(5,725)
Recovery of provisions	(8,446)	(47)
Disabled employee deduction	(556)	(603)
Revenue not deemed income or occasional gain	-	(36)
Allowance for doubtful accounts	(5,916)	(6,195)
Subsidiary effect	(167,617)	(22,193)
Amortization of excess presumptive income	-	(42,529)
Amortization of taxable losses	(2,979)	(5,387)
Net taxable income	**228,007**	**281,108**
Income tax rate	25%	25%
Subtotal income tax	**57,002**	**70,277**
Occasional gains tax	6,602	668
Tax discounts	(26,387)	(7,562)
Income tax for equality CREE	32,775	35,118
Surcharge income tax for equality CREE	18,126	-
Recovery of current tax prior year	(1,625)	2,381
Total current income tax in Colombia	**86,493**	**100,882**
Current tax of subsidiary Spice Investments Mercosur	36,443	5,430
Consolidated current tax Onper abroad	129,248	-
Total current income tax foreign subsidiaries	**165,691**	**5,430**
Total current income tax	**252,184**	**106,312**

The reconciliation of the average effective tax rate to the applicable tax rate is as follows:

	2015	Interest rate	2014	Interest rate
Accounting profit	**970,929**		**691,783**	
Total tax expense at applicable tax rate	378,662	39.00%	235,207	34.00%
Tax effect of non-deductible expenses to determine taxable income	51,926	5.35%	14,349	2.07%
Effect of tax losses	1,000	0.10%	2,157	0.31%
Effect of tax rates levied abroad	139,305	14.35%	(2,132)	-0.31%
Other tax effects from the reconciliation of accounting profit to tax expense	(172,465)	-17.76%	(69,831)	-10.09%
Total tax expense / tax rate	**398,428**	**41.04%**	**179,750**	**25.98%**

Note 22.2 Deferred income tax

The Group recognizes a deferred tax receivable or payable arising from the effect of temporary differences that result in payment of a lower or higher value of the income tax in the current year, assessed at the rates in force which are expected to recover, provided there is reasonable expectation that such differences will revert in future; should a deferred tax asset arise, the Group will analyze whether enough taxable income is expected to be generated in future to offset the asset, in full or in part.

Non-current deferred income tax includes:

In the consolidated statements of financial position

	2015	2014	January 2014
Investments at amortized cost	(76)	(62)	(10)
Equity investments	(50,068)	4,618	(18,407)
Accounts receivable	324,700	8,512	14,544
Inventories	41,318	38,725	29,625
Land	(38,704)	(43,455)	(43,361)
Tax consolidation and readjustment	19,926	23,410	24,252
Buildings	(129,036)	(99,939)	(89,560)
Non-operating premises	40	123	123
Investment property	(8,261)	(8,051)	(9,446)
Construction in progress	(16,940)	(11,835)	(2,847)
Other fixed assets	(21,415)	(17,707)	(1,236)
Intangible assets	(542,249)	(30,747)	56,779
Deferred charges	12,885	15,691	15,196
Other assets	8,817	28,719	30,677
Financial liabilities	2,664	14,344	1,649
Other liabilities	(285,195)	51,515	37,098
Total net deferred tax assets (liabilities)	**(681,594)**	**(26,139)**	**45,076**

The presentation of net income tax (liability) asset in the statement of financial position reflects:

	2015	2014	January 2014
Deferred tax assets	524,828	28,719	53,151
Deferred tax liabilities	(1,206,422)	(54,858)	(8,075)
Total net deferred tax assets (liabilities)	**(681,594)**	**(26,139)**	**45,076**

In the consolidated statement of income

	2015	2014
Deferred income tax 25%	99,863	89,102
Deferred CREE tax 9%	44,853	8,611
Deferred CREE surcharge 5%	(5,288)	-
Deferred occasional gains tax 10%	3,736	(24,275)
Deferred retained earnings tax Uruguay 7%	4,128	-
Deferred income tax from business combinations	(1,048)	-
Total (net) deferred tax effect	**146,244**	**73,438**

In the consolidated statement of other comprehensive income

	2015	2014
Deferred income tax		
Gain (loss) from actuarial gains and losses from defined benefit plans	377	(70)
Deferred income tax expense charged to other comprehensive income (see note 26.1)	**377**	**(70)**

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

	2015	2014	January 2014
Subsidiaries domiciled in Colombia	(78,238)	(79,255)	(79,255)
Subsidiaries domiciled abroad	(4,816)	(817)	(44)
Other	(7)	(7)	(404)
Total	**(83,061)**	**(80,079)**	**(79,703)**

Parent's temporary differences related to investments in subsidiaries, associates and joint ventures, for which no deferred tax liabilities have been recognized amounted to $39,228 at December 31, 2015 (2014 $119,707 and at January 1, 2014 $27,338).

Note 22.3 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 have an effect on the income tax rate or on the CREE tax rate.

Note 23. Other financial liabilities

The balance of other financial liabilities is as follows:

	2015	2014	January 2014
Bonds issued (1)	744,330	152,441	152,108
Derivative financial instruments (2)	2,351	5,644	-
Total	**746,681**	**158,085**	**152,108**
Current	**32,602**	**158,085**	**14,409**
Non-current	**714,079**	**-**	**137,699**

(1) Companhia Brasileira de Distribuição – CBD uses the issuance of bonds to strengthen working capital, maintain its cash strategy, extend its debt profile and make investments. 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 Company. Amortization of bonds varies according to issue thereof.

For 2014, the balance includes Carulla Vivero bonds issued in 2005 in amount of $150,000, repaid on May 5, 2015.

The most significant of Group's contingent assets at December 31, 2015 represented: real estate revaluation assessment proceedings $1,163 (2014 $1,163); 2005 Industry and Trade tax proceedings in amount of $1,010 (2014 $1,010); and proceedings seeking nullity of the resolutions that declared as inapplicable the offsetting of the parent's 2008 income tax at Carulla Vivero S.A. $1,088 (2014 $0).

On May 5, 2015, the parent repaid Carulla Vivero Bonds issue 2005 at a nominal value of COP $150,000 plus interests thereon.

(2) Financial instruments reflect the fair value of forward agreements designated to cover the fluctuation in the exchange rates of investments and liabilities. The fair values of these investments are estimated based on valuation models commonly applied by market participants using variables other than prices quoted, directly or indirectly perceptible for assets or liabilities. In the balance of financial position, the Group measures the derivative financial instruments (forward) at fair value, on each accounting closing date.

Note 24. Other non-financial liabilities

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

	2015	2014	January 2014
Current			
Collections received on behalf of third parties (1)	362,413	36,883	42,318
Revenues received in advance (2)	170,185	1,742	724
Customer loyalty programs (3)	90,639	37,784	25,814
Bradesco Agreement (4)	81,996	-	-
Advance payments lease agreements and other projects (5)	58,739	1,191	4,254
Customer advance payments	31,786	-	-
Instalments received "plan resérvalo"	1,381	1,727	1,857
Multi-check bonus	475	-	-
Other	52,152	34	111
Total other current non-financial liabilities	**849,766**	**79,361**	**75,078**
Non-current			
Revenues received in advance (2)	542,420	51,588	53,688
Bradesco Agreement (4)	475,256	-	-
Other	19,106	-	-
Total other non-current non-financial liabilities	**1,036,782**	**51,588**	**53,688**
Total other non-financial liabilities	**1,886,548**	**130,949**	**128,766**

(1) Mainly relate to collections for third parties arising from cell phone recharges and public utilities.

(2) The Group recorded deferred income from miscellaneous transactions from which it receives cash when the conditions for the recognition of revenue have not been met yet, such as cash received at the beginning in the issue of lease agreements on the Group's investment properties.

On August 29, 2014, subsidiary Via Varejo and its supplier Zurich entered into an agreement on the sale of extended warranties at Casas Bahia and Ponto Frio stores. The term of such agreement is 8 years. Contract conditions were met on October 1, 2014 and the Company received an advance on commissions in amount of $676,663, which has been amortized as extended warranties are sold.

In September 2014 the former supplier of extended warranty services was informed of the early termination of the contract, and the Company agreed on paying the amount of $464,908 arising from: i) repurchase of the right granted to the former supplier to exploit its customer database during the term of the contract, which was initially recognized as part of the Company's intangible assets $148,866, and ii) the reimbursement of advances $316,042.

(3) Represents the customer loyalty programs called "Puntos Éxito", "Supercliente CARULLA", the "Hipermillas" program of Supermercados Devoto, "Tarjeta Más" of Supermercados Disco de Uruguay S.A. and point programs of Companhia Brasileira de Distribuição – CBD in Brazil and Club Libertad in Argentina, which balances and respective effect on income are as follows:

In the statement of financial position

	2015	2014	January 2014
Puntos Éxito and Carulla program	35,617	31,039	19,399
Hipermillas and Tarjeta Mas program	29,354	6,745	6,415
Extra and Pao Açucar points program	23,882	-	-
Club Libertad	1,786	-	-
Total	**90,639**	**37,784**	**25,814**

In the statement of income

	2015	2014
Puntos Éxito and Carulla program	4,577	10,675
Hipermillas and Tarjeta Mas program	19,142	(89)
Extra and Pao Açucar points program	5,211	-
Club Libertad	1,662	-
Total	**30,592**	**10,586**

(4) On December 4, 2015 Via Varejo entered into a financial service agreement with Banco Bradesco SA and Bradescard Bank SA (jointly, "Bradesco"), to be in force until August 28, 2029. The agreement includes clauses and amendments to the agreement entered into between Casa Bahia Comercial Ltda. and Bradesco on November 10, 2006.

Part of the agreement are the provision of credit cards and financial services related to the banner "Casas Bahia" and the provision of direct credit services to customers. The anticipated amount was $560,436 and is made of: i) advance commissions in amount of $437,841, which will be taken to income in as much as the purpose of the agreement is met and shall be paid back in 9 years as of the date of the agreement, and ii) additional payments in amount of $122,595, which will be recognized in income on a straight-line basis until maturity.

(5) At December 31 include advances on lease agreements in amount of $5,234 (December 31, 2014 $964, January 1, 2014 $3,423) and other advances in amount of $1,760 (December 31, 2014 $227 and January 1, 2014 $657); and $ 51,745 represent advances on the acquisition of real estate by Companhia Brasileira de Distribuição – CBD.

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 December 31, 2015 and December 31, 2014. The number of outstanding shares is 447,604,316 and the number of repurchased shares is 635,835 with value of $2,735 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 December 31, 2015, December 31, 2014 and January 1, 2014. 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. Other reserves

Other reserves are appropriations of prior period results by the General Meeting of Shareholders. Other reserves include the components of other comprehensive income.

Note 26.1 Other accumulated comprehensive income

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

	2015			2014			January 2014		
	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net
Measurement of financial assets at fair value through other comprehensive income (1)	(2,976)	-	(2,976)	(5,653)	-	(5,653)	(2,976)	-	(2,976)
Measurement of defined benefit plans (2)	2,081	(377)	1,704	(205)	70	(135)			-
Translation exchange differences (3)	(928,493)		(928,493)	42,824		42,824	-	-	-
Gain (loss) from hedging of net investments in foreign businesses, net of taxes (4)	902	-	902	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (5)	(3,972)	-	(3,972)	27,498	-	27,498	-	-	-
Total other accumulated comprehensive income	**(932,458)**	**(377)**	**(932,835)**	**64,464**	**70**	**64,534**	**(2,976)**	**-**	**(2,976)**

(1) Represents the accumulated value of gains or losses from the appraisal at fair value through income of investments in financial instruments less the values transferred to retained earnings upon sale of such investments, which during the period amount to $558 (2014 $-2,677) representing the effect of the reclassification of Cnova from financial instrument to a subsidiary, arising from the business combination with Companhia Brasileira de Distribuição – CBD. 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 gains or losses from instruments designated in a net investment hedge in a foreign business of subsidiaries under the equity method. The accumulated value of the gains or losses is reclassified to period results upon disposition of the operation abroad.

(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 27. Retained earnings

Represents the value of results from prior periods for retained earnings available to the General Meeting of Shareholders, and includes the effects of share-based payments.

Note 27.1 Share-based payments

Preferred shares purchase option plan:

On May 9, 2014, the Extraordinary General Meeting of Shareholders of Companhia Brasilerira de Distribuição CBD approved:

a. To suspend the Share Purchase Option Plan ("Old Option Plan") approved at the Extraordinary General Meeting held on December 20, 2006, for new options awarded, without prejudice to options already awarded, which will continue valid under the same conditions;
b. To create a share purchase option plan and relevant share subscription agreement ("Option Plan"); and
c. To create a share purchase option compensation plan and relevant subscription agreement ("Compensation Plan").

Below is a description of the share purchase option plans in force at December 31, 2015:

Old Option Plan - Plano de opção Antigo:

Is managed by a committee appointed by the Board of Directors of Companhia Brasilerira de Distribuição CBD, called Share Option Plan Administration Committee ("Stock Option Committee"). Regularly this committee identifies the employees who will be awarded share purchase options, based on their position, responsibilities and performance under applicable conditions.

The *Stock Option* Committee conducts annual option awarding cycles. Each awarding cycle is give a series number that begins with a letter. At December 31, 2015, options awarded of series A6 and A7 of the Old Option Plan were valid. Options awarded under the Old Option Plan are classified either as "*Gold*" or as "*Silver*", and the difference is the price to exercise the options.

For options classified as "*Silver*", the exercise price per preferred share is the average price at the closing of trading of preferred shares issued by Companhia Brasilerira de Distribuição CBD during the last 20 sessions of the Stock, Goods and Futures Exchange - BM & F BOVESPA S.A. prior to the date on which the *Stock Option* Committee approved awarding the option. A 20% discount is applied on such estimated average price. For options classified as "*Gold*", the exercise price per preferred share is equivalent to R$0.01 (one cent of a Brazilian real). Prices are not updated in either case.

In 2003, the *Stock Option* Committee approved new criteria to estimate the reduction and/or increase rate for the number of "*Gold*" options awarded, for each series of the Old Option Plan, according to a performance analysis of the ROIC (return on invested capital) index. The Committee decided that as of series A6, the reduction or increase in "*Gold*" options is based on the ROCE return on used capital of Companhia Brasilerira de Distribuição CBD.

There is no limit for the reduction or increase in the number of options awarded pursuant to the new criteria approved. Vesting rights are calculated using the average ROIC/ROCE for the last 3 years, as compared with the ROIC/ROCE defined in awarding each series.

As a rule, the right to exercise an option begins in month 36 and ends in month 48, as of the date of execution of the respective pre-formulated standard contract, where beneficiary is entitled to purchase 100% of shares whose option was classified as "*Silver*". Options classified as "*Gold*" shall be exercised during the same period, but the Stock Option Committee shall determine the exercise percentage for such options during month 35 as of the date of execution of the respective pre-formulated standard contract.

Options awarded under the Old Option Plan may be exercised in full or in part. "*Gold*" options are in addition to "*Silver*" options; consequently, "*Gold*" options may only be exercised jointly with "*Silver*" options.

The price of exercise of options awarded under the Old Option Plan shall be paid in full by the beneficiary in Brazilian reals in a lump sum 30 days as of the date of subscription of the relevant shares.

Compensation Plan - Plano de Remuneração:

Is managed by the Board of Directors of Companhia Brasilerira de Distribuição CBD, through the Human Resources and Compensation Committee ("Committee").

The members of the Committee meet to award the options of the series of the "Compensation Plan", and to make decisions on matters related to such plan. Each series under this plan shall be given a letter "B" followed by a number. Options awarded under series B1 and B2 were valid at December 2015.

Options awarded to a participant shall not be exercised during 36 months as of awarding date ("grace period"), and shall only be exercised on the first day of month 37 and on the last day of month 42, as of awarding date ("Exercise Period"), save exceptions included in the Compensation Plan.

A participant may exercise his options in full or in part, at once or several times, if during the exercise period the term of exercise of the option is provided for each option exercised.

The price of exercise of each share purchase option awarded pursuant to the Compensation Plan is R$0.01 (one cent of a Brazilian real) ("Exercise Price").

The exercise price of the options shall be fully paid in Brazilian reals by check or bank transfer to the bank account of Companhia Brasilerira de Distribuição CBD, taking into consideration that the final date of payment shall always be the tenth (10) day prior to the share acquisition date.

A participant shall not, over a period of 180 (one hundred and eighty) days as of the share acquisition date, directly or indirectly, sell, assign, exchange, dispose of, transfer, contribute to the capital of another company, grant an option or enter into any act or agreement resulting in or that may result in the disposition, direct or indirect, for consideration or else, of all or some of the shares acquired through the exercise of the purchase option, under the Compensation Plan.

Companhia Brasilerira de Distribuição CBD shall apply tax withholdings as required by Brazilian tax law, by deducting the amount equivalent to taxes withheld from the number of shares delivered to a participant.

Option Plan - Plano de Opção:

Is managed by the Board of Directors of Companhia Brasilerira de Distribuição CBD, through the Human Resources and Compensation Committee ("Committee").

The members of the Committee meet to award the options of the series of the "Compensation Plan", and to make decisions on matters related to such plan. Each series under this plan shall be given a letter "C" followed by a number. Options awarded under series C1 and C2 were valid at December 2015.

For each series of share options, the exercise price of each option is 80% of the average of trading of preferred shares issued by Companhia Brasilerira de Distribuição CBD during the last 20 sessions of the Stock, Goods and Futures Exchange - BM & F BOVESPA S.A. prior to the calling date for the meeting of the Committee held to decide of the awarding of options under such series ("Exercise Price").

Options awarded to a participant shall not be exercised during 36 months as of awarding date ("grace period"), and shall only be exercised on the first day of month 37 and on the last day of month 42, as of awarding date ("Exercise Period"), save exceptions included in the Option Plan.

A participant may exercise his options in full or in part, at once or several times, if during the exercise period the term of exercise of the option is provided for each option executed.

The exercise price of the options shall be fully paid in Brazilian reals by check or bank transfer to the bank account of Companhia Brasilerira de Distribuição CBD, taking into consideration that the final date of payment shall always be the tenth (10) day prior to the share acquisition date.

Companhia Brasilerira de Distribuição CBD shall apply tax withholdings as required by Brazilian tax law, by deducting the amount equivalent to taxes withheld from the number of shares delivered to a participant.

The information relevant to the Old Option Plan, the Compensation Plan and the Option Plan at December 31, 2015 is summarized as follows:

				Price in Brazilian reals (2)		Options batch (in thousands)			
Series awarded (1)	**Awarding date**	**First exercise date**	**Second exercise and expiry date**	**On awarding date**	**At period closing**	**Number of options awarded**	**Number of options exercised**	**Number of options cancelled**	**Number of outstanding options**
Series A6 - Gold	15/03/2012	31/03/2015	31/03/2016	0.01	0.01	526	(490)	(36)	-
Series A6 - Silver	15/03/2012	31/03/2015	31/03/2016	64.13	64.13	526	(488)	(36)	2
Series A7 - Gold	15/03/2013	31/03/2016	31/03/2017	0.01	0.01	358	(172)	(35)	151
Series A7 - Silver	15/03/2013	31/03/2016	31/03/2017	80.00	80.00	358	(172)	(35)	151
Series B1	30/05/2014	30/05/2017	30/11/2017	0.01	0.01	239	(16)	(54)	169
Series C1	30/05/2014	30/05/2017	30/11/2017	83.22	83.22	239	(11)	(64)	164
Series B2	29/05/2015	01/06/2018	30/11/2018	0.01	0.01	337	(5)	(16)	316
Series C2	29/05/2015	01/06/2018	30/11/2018	77.27	77.27	337	-	(23)	314
Total						**2,920**	**(1,354)**	**(299)**	**1,267**

(1) Refers to options awarded by Companhia Brasilerira de Distribuição CBD, as part of the Old Option Plan, Compensation Plan and Option Plan.

Information regarding share purchase options under new series B2 and C2:

Companhia Brasilerira de Distribuição CBD defined two preferred share purchase option plans, approved by the General Meeting of Shareholders held on April 24, 2015. Pursuant to plan terms, each option confers upon a beneficiary the right to acquire preferred shares of Companhia Brasilerira de Distribuição CBD. Both plans foresee a grace period of 36 months, as of the date on which the Board of Directors approved the issue of the respective series of options. The share options may be exercised during the term mentioned in the description of each plan. The condition to exercise an option is that the beneficiary continues being an employee of the Company during such term. The only difference between the plans is the exercise price of the options and whether or not there is a restriction period to dispose of the shares acquired in exercise of the option.

Share options awarded under each of the plans may represent a 0.7% of total shares of Companhia Brasilerira de Distribuição CBD at the most. 674,000 share purchase options were awarded under these plans.

At December 31, 2015 there were 232,586 treasury preferred shares, which could be used as collateral for the options awarded under the plans; the quote of preferred shares on the Stock, Goods and Futures Exchange - BM & BOVESPA S.A. was $33,308 (R$41.86) per share.

The following chart shows the maximum dilution percentage of the interest of existing shareholders of Companhia Brasilerira de Distribuição CBD during 2015 for all options awarded:

	2015 In thousands
Total number of shares	265,702
Balance of outstanding series awarded	1,267
Maximum dilution percentage	**0.48%**

The fair value of each option awarded is estimated on the awarding date using the Black & Scholes option valuation model, taking into consideration the following assumptions for B1 and C1 series:

a. Dividend expectation 0.96%,
b. Volatility expectation, approximately 22.09% and
c. Risk-free weighted average interest rate of 11.70%.

The fair value of each option awarded is estimated on the awarding date using the Black & Scholes option valuation model, taking into consideration the following assumptions for B2 and C2 series:

a. Dividend expectation 1.37%,
b. Volatility expectation, approximately 24.34% and
c. Risk-free weighted average interest rate of 12.72%.

The remaining weighted average term of the series valid at December 31, 2015 is 1.75 years. The weighted average fair value of options awarded at December 31, 2015 represented $53,616 (R$67.35).

Below is information on the number and weighted average exercise prices of share options, in share-based payment agreements:

At December 31, 2015	Number of options (thousands)	Weighted average of exercise price, in Brazilian reals	Weighted average of the remaining contract term
Number of outstanding share options at beginning of period (3)	**1,292**	**39.56**	-
Awarded	-	-	-
Void	(20)	41.84	-
Exercised	(5)	26.21	-
Number of outstanding share options at end of period	**1,267**	**39.57**	**1.75**
Total options to be exercised at December 31, 2015	**1,267**	**39.57**	**1.75**

(2) The values taken to the Group's consolidated income arising from purchase options plans on preferred shares of Companhia Brasilerira de Distribuição CBD for the period ended December 31, 2015 amounted to $2,388.

(3) Relates to August 31, 2015, effective date for accounting purposes of the business combination of Companhia Brasileira de Distribuição – CBD.

Note 28. Revenue from ordinary activities

The balance of revenues from ordinary activities generated during the period by each significant category is as follows:

	2015	2014
Net retail sales (1)	31,797,479	10,155,697
Other income (2)	1,604,732	329,125
Revenue from ordinary activities	**33,402,211**	**10,484,822**

(1) Includes sales of goods net of returns and sales discounts in amount of $31,768,424 (2014 $10,119,697) and revenue from the sale of real estate projects in Colombia in amount of $29,055 (2014 $36,000), per the following detail:

Property	City	2015	2014
Avenida Chile plot of land	Bogotá	18,000	-
Paseo Real property	Bogotá	8,266	-
Lote 1-2 Calle 77	Barranquilla	2,789	-
Vizcaya Shopping Mall	Medellín	-	36,000
Total		**29,055**	**36,000**

(2) Includes the following items:

(3)

	2015	2014
Service revenue	1,082,936	197,865
Royalty revenue	91,858	97,964
Other revenue	429,938	33,296
Total other revenue	**1,604,732**	**329,125**

Note 29. Cost of sales

The balance of the cost of goods sold and impairment loss is as follows:

	2015	2014
Cost of goods sold without impairment	25,078,179	7,855,400
Impairment loss recognized during the period	118,122	-
Reversal of impairment loss recognized during the period (1)	(48,525)	-
Total cost of goods sold	**25,147,776**	**7,855,400**

(1) The circumstances that gave rise to the reversal of impairment relate to the offsetting of effective depletion during the period and optimization of the goods storage space at the distribution center, limiting the exposure of goods at the branches' warehouses.

Note 30. Expenses by nature and function

The balance of operating expenses is as follows:

2015	Distribution and sales expenses	Administration expenses	Total
Services	967,361	93,222	1,060,583
Rental expenses	554,325	4,632	558,957
Depreciation and amortization	363,038	152,868	515,906
Debit and credit card commissions	262,135	-	262,135
Maintenance and repairs	195,867	15,808	211,675
Taxes	181,822	62,678	244,500
Packaging materials and marking expenses	104,657	454	105,111
Legal expenses	73,313	4,958	78,271
Fees	31,929	84,273	116,202
Insurance	30,889	4,005	34,894
Administration of trade premises	28,154	12	28,166
Travel expenses	10,208	10,050	20,258
Contributions and affiliations	1,177	1,737	2,914
Other expenses	504,591	82,774	587,365
Total	**3,309,466**	**517,471**	**3,826,937**

2014	Distribution and sales expenses	Administration expenses	Total
Services	277,561	11,037	288,598
Depreciation and amortization of assets	179,044	18,284	197,328
Rental expenses	175,554	3,328	178,882
Taxes	111,194	54,676	165,870
Maintenance and repairs	74,763	3,813	78,576
Packaging materials and marking expenses	31,793	164	31,957
Debit and credit card commissions	30,884	-	30,884
Administration of trade premises	25,494	10	25,504
Insurance	15,112	15,698	30,810
Fees	5,513	22,969	28,482
Travel expenses	3,036	5,621	8,657
Legal expenses	2,733	2,840	5,573
Contributions and affiliations	1,060	854	1,914
Other expenses	75,916	59,535	135,451
Total	**1,009,657**	**198,829**	**1,208,486**

Note 31. Other operating revenue and expense and other gains, net

The line items of other operating revenue and expense include two types of elements: the effects of the most significant events occurred during the period that would distort the analysis of the Company's recurrent profitability, which are defined as significant elements of unusual revenue, which occurrence is exceptional, and the effects of the line items that due to its nature are not included in an assessment of the recurrent operating performance of the Company, such as impairment losses, disposal of non-current assets and the effects of business combinations.

	2015	2014
Gain from the sale of property, plant and equipment, investments and intangible assets (1)	54,869	1,192
Total other profits, net	**54,869**	**1,192**
Revenue from measurement of fair value previous interest in Grupo Disco Uruguay (2)	29,681	-
Other revenue (3)	15,155	13,985
Total other revenue	**44,836**	**13,985**
Transaction costs related to business combinations (4)	(72,266)	(7,831)
Tax on wealth expense (5)	(72,787)	(4,038)
Restructuring expense (6)	(103,328)	(15,248)
Other expenses	(2)	(30)
Total other expenses	**(248,383)**	**(27,147)**
Net total	**(148,678)**	**(11,970)**

(1) The balance includes gains in amount of $74,515 from the sale to Cafam of drugstores owned by the parent, some of which had been operated by Cafam since September 2010; $3,124 from the sale of the Carulla Paseo Real building, and $882 from the right to use in construction of the Villavicencio Stand-Alone Trust Fund, and $65 from other minor sales; loss of property, plant and equipment in amount of $12,349 arising from the Éxito Valledupar Las Flores accident; $3,827 from the settlement of the Este Escrow; $3,742 from contribution to the Barranquilla Stand-Alone Trust Fund, and other minor losses in amount of $3,799.

(2) Refers to the gain in amount of $29,681 arising from the measurement at fair value of the 62.49% parent's interest held in Grupo Disco Uruguay prior to the business combination on January 1, 2015.

(3) For 2015 includes revenue in amount of $13,163 from the claim to Seguros Generales Suramericana S.A. -insurance company- as indemnification for the actual loss of property, plant and equipment resulting from the Éxito Valledupar Las Flores accident, and other minor revenue in amount of $1,992. For 2014 refers to the recovery of provisions.

(4) For 2015 refers to transaction costs related to 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. in amount of $50,333; costs arising from the business combination of Bartira, a subsidiary of Companhia Brasileira de Distribuição - CBD in amount of $18,449, transaction costs related to the acquisitions of trade establishments of the Super Inter banner in amount of $2,135 (2014 $7,831) and transaction costs related to the acquisition of Cafam trade establishments in amount of $1,349.

(5) Refers to the tax on wealth introduced by the National Government by means of Law 1739 of December 23, 2014 for Colombian companies in amount of $59,336 and for Uruguayan subsidiaries in amount of $13,451. For 2014 refers the tax on equity of subsidiaries in Uruguay.

(6) Refers to expenses arising from the Group's restructuring plan.

Note 32. Financial revenue and expense

The balance of financial revenue and expense is as follows:

	2015	2014
Revenue from interest, cash and cash equivalents	147,154	75,469
Revenue from interest, other securities	82,047	-
Gain from derivative financial instruments	433,189	10,782
Gain from exchange difference	522,209	102,965
Other financial revenue	39,472	22,116
Total financial revenue	**1,224,071**	**211,332**
Interest, borrowings and finance lease expenses (1)	(478,073)	(1,712)
Loss from derivative financial instruments	(39,010)	(3,932)
Loss from exchange difference	(662,730)	(105,426)
Commission expense	(291,423)	(2,187)
Interest expense, bonds	(5,596)	(14,825)
Other financial expenses	(151,476)	(26,888)
Total financial expenses	**(1,628,308)**	**(154,970)**
Total financial (expense) revenue, net	**(404,237)**	**56,362**

(1) Includes the effect of measurement at fair value of the Swap contracts to hedge interest rates and exchange rates of Companhia Brasileira de Distribuição – CBD

Note 33. Profits per share

Profits per share are basic and diluted; the purpose of basic profits is to give a measure of the participation of each ordinary share of the controlling entity in the Group'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 Group taking into consideration the dilutive effect (decrease in profits or increase in losses) of outstanding potential ordinary shares during the period.

The Group 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 profits and number of shares used in the calculation of basic and diluted profits per share:

In period results

	2015	2014
Net profit attributable to continuing operations	573,495	499,430
Profit attributable to shareholders of the controlling entity	**573,495**	**499,430**
Weighted average of the number of common shares attributable to the basic profit per share (basic and diluted)	**447,604,316**	**447,604,316**
Basic and diluted profit per share (in pesos)	1,281.26	1,115.79

In total comprehensive period results

	2015	2014
Net profit attributable to total comprehensive income	122,029	565,892
Profit attributable to shareholders of the controlling entity	**122,029**	**565,892**
Weighted average of the number of common shares attributable to the basic profit per share (basic and diluted)	**447,604,316**	**447,604,316**
Basic and diluted profit per share (in pesos)	272.63	1,264.27

(*) Amounts expressed in Colombian pesos

Note 34. Transactions with related parties

Note 34.1 Key management personnel compensation

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

Compensation paid to key management personnel during the periods ended December 31, 2015 and 2014 was:

	2015	2014
Short-term employee benefits (1)	60,957	33,201
Long-term employee benefits	-	162
Post-employment benefits	1,308	1,201
Termination benefits	25	247
Share-based payment plans	608	-
Total	**62,898**	**34,811**

(1) Includes compensation to key management personnel of Companhia Brasileira de Distribuição – CBD and Libertad S.A. from September 1, 2015 to December 31, 2015.

Note 34.2 Transactions with related parties

Transactions with related parties refer to revenues 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:

	Revenues		Costs and Expenses	
	2015	2014	2015	2014
Controlling entity (1)	106,961	-	54,660	9,703
Associates (2)	3,645	29,208	15,787	-
Joint ventures (3)	-	30,095	-	37,125
Members of the Board	-	-	1,900	570
Grupo Casino companies (4)	38,882	10,888	168,494	17,512
Other related parties (5)	833	166	242,887	8,489
Total	**150,321**	**70,357**	**483,728**	**73,399**

(1) Revenues obtained from the controlling entity mainly refer to the sale of products to Distribution Casino France and reimbursement of expenses incurred by professionals and companies of the Casino Group to the benefit of Companhia Brasileira de Distribuição under the cost sharing agreement.

Costs incurred with the controlling entity for other of the Group's companies mainly arise from the technical assistance agreement.

(2) Refer to transactions with FIC Promotora de Vendas Ltda. financing company of Companhia Brasileira de Distribuição – CBD. Revenues are mainly obtained from the reimbursement of expenses arising from the infrastructure contract entered into with this entity, commissions on the sale of financial products and lease of property. Expenses mainly arise from financial expenses related to the discount of accounts receivable (called "cash discount"), and insurance.

For 2014, Cdiscount Colombia S.A.S. was classified as an investment in associate. From August 31, 2015 onwards, with the business combination of the Brazil and Argentina operations through subsidiary Onper Investment 2015 S.L., control of such investment was gained and the investment was classified as a subsidiary. In 2015, the revenues from the sale of goods to this Company are shown under the subsidiaries line item.

(3) Revenues and costs generated refer to transactions covering the purchase and sale of goods with Grupo Disco del Uruguay, over which Grupo Éxito has effective control since January 1, 2015 by virtue of a Shareholders Agreement entered into with non-controlling interests on April 27, 2015.

(4) Revenues mainly refer to transactions carried out between Cdiscount and other companies of the Casino Group related with technology services; sale of products to Distribution Casino France; expenses reimbursed by Banque Groupe Casino S.A., and supplier centralized negotiation with IRTS. Costs and expenses related to the Grupo Casino companies mainly refer to delivery services with C´est Chez Vous; procurement centralization services with EMC; logistics services with Easydis; power efficiency services with Green Yellow and computer-related services with Viaw Consultoría.

(5) Costs and expenses with other related parties mainly refer to property lease agreements entered into between Companhia Brasileira de Distribuição and Casas Bahia Comercial Ltda. and transactions with companies where the shareholders are the beneficial owners of 10% or more of total outstanding shares, members of the Board, legal representatives and/or administrators having a direct or indirect interest equal to or higher than 10% of outstanding shares.

Note 35. Impairment testing of assets

The parent conducted the annual impairment testing at December 31, 2015 by groups of cash-generating units. The book value of the groups of cash-generating units is made of the balances of goodwill, property, plant and equipment, investment properties, other intangible assets other than goodwill, net working capital and related financial lease liabilities; for Uruguay, Brazil and Argentina relates to the equity value of such subsidiaries plus the balances of goodwill. For the purposes of the impairment testing, the good wil obtained via business combinations and trademarks with indefinite useful lives were allocated to the following groups of cash-generating units:

	Groups of cash-generating units								
	Éxito	**Carulla**	**Surtimax**	**Super Inter**	**Todohogar (1)**	**Uruguay**	**Brazil (2)**	**Argentina (2)**	**Total**
Goodwill	90,674	856,495	41,575	464,333	1,017	1,499,222	3,096,735	472,157	**6,522,208**
Trademarks with defined useful life	-	-	17,427	63,704	3	111,369	1,688,474	-	**1,880,977**

(1) Relates to the goodwill arising from the acquisition of Gemex O y W S.A.S.

(2) The parent is in the process of allocating the purchase price of the operations acquired in Brazil and Argentina to determine the goodwill. Pursuant to IFRS 3, the provisional values reported from the business combination may be adjusted during the measurement period, namely one year. (See Note 5 Business combinations). Upon completion of the measurement period, the test of impairment shall be applied on an annual basis or wherever there are signs of impairment.

The method used was the value in use given the difficulty of finding an active market that enables establishing the fair value of such intangible assets.

The value in use was estimated based on the expected cash flows as forecasted by management over a five-year period, on the grounds of the price growth rate, trend analysis from historic results, expansion plans, strategic projects to increase sales and optimization plans.

Cash flows beyond the five-year period were inferred using a real growth rate ranging from 0% to 1%. According to the parent, this is a conservative approach that reflects the ordinary growth expected for the industry in absence of unexpected factors that might have an effect on growth.

The tax rate included in the forecast of cash flows is the rate that the Company is expected to pay as taxes during the next years (39% in 2015, 40% in 2016, 42% in 2017, 43% in 2018 and 34% as of 2019). For goodwill allocated to the Uruguay segment, the tax rate is 25%.

The expected cash flows were discounted at the weighted average cost of capital (WACC) using a market indebtedness structure for the type of industry where the company operates; as a result, the weighted average cost of capital (WACC) used to value the goodwill of Éxito, Carulla, Surtimax, Super Inter and Todohogar was 10.50% for 2015, 10.43% for 2016, 10.40% for 2017, and 10.70% for 2018 onwards. The variation in the discount rate for 2015 to 2019 is due to the various tax rates applicable to the parent for such years as mentioned above. The weighted average cost of capital (WACC) used in the valuation of the goodwill allocated to the Uruguay segment was 15.2%.

No impairment of the groups of cash-generating units was identified from this analysis.

A sensitivity analysis carried out on the variables with the greater effect on the determination of the value in use of the groups of cash-generating units, such as discount rate and perpetual growth rate, would have the following effect:

Perpetual growth rate

In accordance with that mentioned above, the estimation of the growth rate is based on the price growth expectations for the country pursuant to published market surveys, reason why a reduction in the rate below the rate used in the valuation is not deemed reasonable, given that the units' cash flows are expected to grow to the same level or even 1% above the general price increase in the economy.

Discount rate

The estimation of the discount rate is based on an analysis of the market indebtedness for the Company; a change is deemed reasonable if the discount rate would increase by 1.00%, in which event the impairment of goodwill allocated to the Uruguay segment would amount to $169,528; no impairment in the value of the other groups of cash-generating units would arise.

Note 36. Leases

Note 36.1 Finance leases when the Company acts as the lessee

The Group has entered into finance lease agreements on property, plant and equipment and other intangible assets (the most significant categories of assets are disclosed in Note 13 Property, Plant and Equipment. Minimum instalments and present values thereof under finance lease agreements are as follows:

	2015	2014	January 2014
Up to one year	71,099	8,570	769
From 1 to 5 years	255,797	26,291	4,042
More than 5 years	98,320	16,566	434
Total minimum instalments on finance leases	**425,216**	**51,427**	**5,245**
Future financing (expense)	(191,607)	(9,597)	(249)
Book value of finance leases (note 18)	**233,609**	**41,830**	**4,996**

No contingent instalments were agreed upon during the period.

At the closing of the reporting periods, there are no material finance lease agreements if considered separately.

Note 36.2 Operating leases when the Group acts as the lessee

The Group has entered into operating lease agreements mainly related to business premises, vehicles and machinery. Total future minimum instalments under non-cancellable operating lease agreements for the reporting periods are:

	2015	2014	January 2014
Up to one year	181,885	129,123	167,313
From 1 to 5 years	614,597	394,595	520,867
More than 5 years	811,715	468,748	600,657
Total minimum payments on irrevocable operating leases	**1,608,197**	**992,466**	**1,288,837**

Operating lease agreement terms range from 1 to 25 years. The Group made an analysis and concluded that lease agreements may not be cancelled during its term. In the event of termination, a minimum cancellation charge shall be paid, ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining of the term.

Group management consider payment of additional instalments as contingent payments that may range from 0.01% to 6% on sales.
The agreements may be extended pursuant to legal regulations in force and may include periodic adjustment clauses according to inflation.

Lease expenses recognized in income for the period amounted to $558,957 (2014 $178,882), including contingent instalments in amount of $177,125 (2014: $53,509).

At the closing of the reporting periods, there are no material operating lease agreements if considered separately.

Note 36.3 Operating leases when the Group acts as the lessor

The Group has entered into operating lease agreements on investment properties. Total minimum of future charges under irrevocable operating lease agreements on the reporting date is:

	2015	2014	January 2014
Up to one year	102,947	53,376	25,474
From 1 to 5 years	196,061	154,538	59,719
More than 5 years	248,537	232,025	55,370
Total minimum collected on irrevocable operating leases	**547,545**	**439,939**	**140,563**

The Group made an analysis and concluded that lease agreements may not be cancelled during its term. In the event of termination, a minimum cancellation charge shall be paid, ranging from 1 to 12 monthly instalments, or a fixed percentage on the remaining of the term.

Revenue from leases recognized in period results amounted to $154,673 (2014 $42,841) including revenue from the lease of investment properties $116,505 (2014: $50,598). Contingent instalments included in the revenue from leases amounted to $65,268 (2014 $13,251).

Note 37. Information on operation segments

For organizational and management purposes, the Group is focused on nine operating segments divided in three geographical segments: Colombia (Éxito, Carulla, Descuento & BTB), Brazil (Food, Non-Food, and E-Commerce) and other countries (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.

On its part, total assets and liabilities by segment are not specifically reported internally for management purposes and consequently the Group does not disclose them in the framework of IFRS 8.

Reportable segments include development of the following activities:

Colombia

- Éxito: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Éxito.
- Carulla: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Carulla.
- Discount: The most significant products and services for this segment come solely from retailing activities, with stores under the banner Surtimax and Super Inter.
- BTB: The most significant products and services for this segment come solely from retailing activities in BTB format and with stores under the banner Surti wholesaler.

Brazil

- Food: The most significant products and services for this segment come solely from food trading activities.
- Non-Food: The most significant products and services for this segment come solely from the trading of household appliances and other goods other than food.
- E-Commerce: The most significant products and services for this segment come solely from the trading of products through the Internet or electronic commerce.

Other countries (Argentina and Uruguay):

The most significant products and services for this segment come solely from retail trading activities. In Argentina with stores under the banner Libertad and Mini Libertad, and in Uruguay with stores under the banner Disco, Devoto and Géant.

The accounting policies of segments being reported are the same as the Group's accounting policies described in note 3.

The Group 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 of the segments for the years ended December 31, 2015 and 2014:

Country	Segment	2015	2014
Colombia	Éxito	6,979,065	7,060,854
	Carulla	1,493,215	1,453,520
	Discount	1,570,030	803,196
	B2B	242,889	192,789
Brazil	Food	10,533,312	-
	Non Food	4,795,995	-
	E-Commerce	3,465,273	-
Other countries	Argentina	595,882	-
	Uruguay	2,122,911	645,338
Total sales		**31,798,572**	**10,155,697**
Eliminations (1)		(1,093)	-
Total consolidated		**31,797,479**	**10,155,697**

The information by geographical areas correspond:

	2015						
	Colombia	Brazil (2)	Argentina (2)	Uruguay (2)	Total	Eliminations (1)	Total consolidated
Net retail sales	10,285,199	18,794,580	595,882	2,122,911	1,798,572	(1,093)	31,797,479
Trade margin	2,611,361	4,660,878	236,458	746,695	,255,392	(956)	8,254,436
Total recurring expenses	2,017,693	3,925,268	190,757	616,188	6,749,906	(956)	6,748,950
ROI	593,668	735,610	45,701	130,507	1,505,486	-	1,505,486
Recurring EBITDA	804,911	996,869	50,309	169,301	2,021,390	-	2,021,390

	2014						
	Colombia	Brazil (2)	Argentina (2)	Uruguay (2)	Total	Eliminations (1)	Total consolidated
Net retail sales	9,510,359	-	-	645,338	10,155,697	-	10,155,697
Trade margin	2,405,741	-	-	223,681	2,629,422	-	2,629,422
Total expenses	1,823,514	-	-	188,621	2,012,135	-	2,012,135
ROI	582,227	-	-	35,060	617,287	-	617,287
Recurring EBITDA	770,876	-	-	43,738	814,614	-	814,614

(1) Refers to the balances of transactions carried out between segments, which are eliminated in the process of consolidation of financial statements to obtain the Group's balances.

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

Note 38. Measurement of the fair value

Below is a comparison of book values and fair values of the Group's financial assets and liabilities at December 31, 2015, 2014 and at January 1, 2014 on a periodic basis as required or permitted by an accounting policy; financial assets and liabilities whose book values are an approximation of fair values are excluded, considering that they mature in the short time (in less than or up to one year), namely trade receivables and other debtors, trade payables and other creditors and short-term financial liabilities.

	Book value	Fair value	Book value	Fair value	Book value	Fair value
	2015	2015	2014	2014	January 2014	January 2014
Financial assets						
Loans at amortized cost	22,091	19,359	19,788	17,256	19,567	16,495
Investments in private equity funds	965	966	975	975	893	893
Forward contracts measured at fair value through income	67,027	67,027	20,343	20,343	111	111
Derivative swap contracts denominated as hedge instruments	573,174	573,174	-	-	-	-
Investment in bonds	5,824	5,824	-	-	-	-
Equity investments	1,046	1,046	9,692	9,692	1,034	1,034
Non-financial assets						
Investment property	1,083,600	1,395,311	754,775	897,774	647,815	647,815
Total	**1,753,727**	**2,062,707**	**805,573**	**946,040**	**669,420**	**666,348**
Financial liabilities						
Financial liabilities at amortized cost	10,086,126	10,020,768	2,495	2,495	98,633	98,633
Financial leases at amortized cost	233,609	232,355	41,830	41,830	4,996	4,996
Put option (1)	310,323	310,323	-	-	-	-
Bonds issued	744,330	744,330	152,441	150,096	152,108	150,096
Forward contracts measured at fair value through income	2,351	2,351	5,644	5,644	-	-
Total	**11,376,739**	**11,310,127**	**202,410**	**200,065**	**255,737**	**253,725**

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

	Hierachy 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 in similar conditions on the date of measurement in accordance with maturity dates.	Commercial rate of banking institutions for consumption receivables without credit card in similar terms. Commercial trade for VIS housing loans in similar terms
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 on the closing of operations for the day. The appraisal of assets is daily performed by the Fund administrator.	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 it is discounted at present vaue 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. Peso-US Dollar Forward points of the 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 own Swap cash flows, forecased using treasury securities of the State that issues the currency in which each flow has been expressed for further discount at present value, using official 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 3 months. TES curva zero coupon. Swap LIBOR curve. Treasury Bond curve PCI 12 months

	Hierachy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
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 quote prices displayed in active markets for the relevant financial instrument.	N/A
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 higher costs than the value of benefits.	N/A
Investment property	Level 1	Comparison or market method	This technique involves establishing the fair value of goods from a survey of recent offers or transactions for similar goods that are comparable to the purpose of the valuation.	N/A
Investment property	Level 3	Discounted cash flows method	This technique provides the opportunity to identify the increase in revenue over a previously defined period of investment. Property value is equivalent to the discounted value of future benefits. Such benefits represent annual cash flows (both, positive and negative) over a period of time, plus the net profit arising from the hypothetical sale of the property at the end of the investment period.	Weighted average cost of capital. Growth in sales lessees. Vacancy. Growth in revenue.

	Hierachy level	Valuation technique	Description of the valuation technique	Significant input data
Assets				
Investment property	Level 3	Replacement cost method	The valuation method consists of calculating the value of a brand-new property, built at the date of the report, having the same quality and comforts as that under evaluation. Such value is called replacement value; then an analysis is made of property impairment arising from the passing of time and the careful or careless maintenance the property has received, which is called depreciation.	Physical value of building and land
Investment property	Level 3	Realizable-value method	This technique is used wherever the property is suitable for urban development, applied from an estimation of total sales of a project under construction, pursuant to urban legal regulations in force and in accordance with the final saleable asset market.	Residual Value
Liabilities				
Put option (1)	Level 3	Given formula	Fair value is measured using a given formula under an agreement entered into with non-controlling interests of Grupo Disco, using level 3 input data.	Net Income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015 Uruguayan peso-US Dollar exchange rate on the date of valuation US Dollar-Colombian peso exchange rate on the date of valuation Total shares Supermercados Disco del Uruguay S.A.
Financial liabilities and finance leases measured at amortized cost	Level 2	Discounted cash flows method	Future cash flows are discounted at present value using the market rate for loans under similar terms and conditions on the date of measurement in accordance with maturity dates.	Reference Banking Index (RBI) + Negotiated basic points LIBOR rate + Negotiated basic 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.	PCI 12 months

	Hierachy level	Valuation technique	Description of the valuation technique	Significant input data
Liabilities				
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 it is discounted at present vaue 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. Peso-US Dollar Forward points of the Forward market on the date of valuation. Number of days between valuation date and maturity date. Zero coupon interest rate.

(1) The parent is party to a put option agreement with the holders of non-controlling investment in Grupo Disco del Uruguay. From time to time, the Company internally measures such option by applying three formulas agreed upon between the parties. The result of the valuation is the highest value obtained among the three methods applied. Not observable material data input and a valuation sensitivity analysis refer to:

Liabilities	Significant not observable input data	Range (weighted average)	Input data sensitivity over calculation of the fair value
Put option (1)	Net income of Supermercados Disco del Uruguay S.A. at December 31, 2014 and 2015	72,661 - 100,773	A significant increase in any of input data severally considered would result in a significantly higher measurement of the fair value
	US Dollar-Uruguayan peso exchange rate on the date of valuation	23.82 - 29.33 (29.87)	
	US Dollar-Colombian peso exchange rate on the date of valuation	2,360.58 - 3,356.00 (3,149.47)	
	Total shares of Supermercados Disco del Uruguay S.A.	443,071,594	

The movements of the measurement of the put option during the period relate to:

	Put option
Balance at December 31, 2014	**-**
Purchases	262,247
Changes in fair value recognized in investments	48,076
Balance at December 31, 2015 (see Note 18)	**310,323**

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

Note 39. Offsetting of financial assets and liabilities

Out of total financial assets and liabilities included in the statement of financial position, below are assets and liabilities offset under such line items:

Year	**Financial assets**	Gross value of recognized financial assets	Gross value of related recognized financial liabilities	Net value of recognized financial assets
2015	Derivative financial instruments and hedging (1)	4,106,620	3,466,419	640,201
2014	Derivative financial instruments and hedging (1)	157,016	136,672	20,344
January 2014	Derivative financial instruments and hedging (1)	81,970	81,859	111

Year	**Financial liabilities**	Gross value of recognized financial liabilities	Gross value of related recognized financial assets	Net value of recognized financial liabilities
2015	Derivative financial instruments and hedging (1)	55,307	52,956	2,351
	Trade payables and other accounts payable (2)	16,354,445	995,309	15,359,136
2014	Derivative financial instruments and hedging (1)	259,412	253,768	5,644
	Trade payables and other accounts payable (2)	2,089,422	288,283	1,801,139
January 2014	Trade payables and other accounts payable (2)	1,652,872	212,149	1,440,723

(1) The Group carries out derivative and hedge *"forward"* and *"swap"* contracts to hedge against fluctuation in exchange and interest rates on accounts payable and financial liabilities. Such items are measured at fair value (see Note 11 Other financial assets and Note 38 Measurement of the fair value).

(2) The Group has entered into offsetting agreements with suppliers, arising from the procurement of inventories. Such items are included in trade payables.

The Group´s statement of financial position does not show any unsettled amounts related to collaterals or other financial instruments.

Note 40. Contingent assets and liabilities

Note 40.1 Contingent assets

The most significant of Group's contingent assets at December 31, 2015 represented: real estate revaluation assessment proceedings $1,163 (2014 $1,163); 2005 Industry and Trade tax proceedings in amount of $1,010 (2014 $1,010); and proceedings seeking nullity of the resolutions that declared as inapplicable the offsetting of the parent's 2008 income tax at Carulla Vivero S.A. $1,088 (2014 $0).

In accordance with applicable policies, such contingent assets, which nature is that of possible assets, are not recognized in the statement of financial position until realization of income is virtually true; instead, they are disclosed in the notes to the financial statements.

Note 40.2 Contingent liabilities

The most significant of the Group's contingent liabilities at December 31, 2015 relate to:

	2015
For legal proceedings (a)	326,391
For taxes (b)	8,942,306
Other contingent liabilities (c)	682,947
Total	**9,951,644**

(a) Refers to a requirement by the National Social Security Institute of Brazil INSS to Companhia Brasilerira 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) Contingent liabilities arising from taxes refer to the following proceedings:

b.1. 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 refer to proceedings on offsetting of taxes, rules on deductibility of provisions, tax differences, excess payments and fines arising from failure to comply with ancillary obligations, among other minor. 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 transactions between shareholders Casino and Abílio Diniz. Contingent liabilities amount to $1,579,412. IRPJ-related proceedings regarding amortization of goodwill amounted to $832,694 at December 31, 2015.

b.2. Sales tax, tax on purchases, tax on bank transactions and tax 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, no recognition of COFINS and PIS credits on products predominantly single-phase, among other issues. Such proceedings are pending administrative and judicial ruling. At December 31, 2015, these contingent liabilities amount to $1,701,211.

b.3. Tax on the Movement of Goods and Services (ICMS): The Company received requirement from tax authorities regarding the appropriation of credits as follows: (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 guarantee; (vi) among other. Such proceedings are pending administrative and judicial ruling. At December 31, 2015, such proceedings amount to $5,353,601.

b.4. Tax on services (ISS), Brazilian tax on property (IPTU), levies 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. The value of the provision at December 31, 2015 is $308,081.

(c) Other contingent liabilities relate to:

c.1. $659,946 of Companhia Brasilerira 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.

c.2. $23,001 of Almacenes Éxito arising from the guarantee extended by the Group to Cdiscount Colombia S.A.S. on July 13, 2015 to protect one of its most important suppliers in case of default in amount of $5,000; additionally, on December 18th notice was served on the assignment of credits as its own property and with liability in favor of Banco BBVA in amount of $18,001.

In accordance with applicable policies, such contingent assets, which nature is that of possible assets, are not recognized in the statement of financial position; they are disclosed in the notes to the financial statements.

Note 41. Financial risk management policy.

The Group's financial instruments are classified according to its nature, features and the purpose for which they have been acquired or issued. The Group maintains instruments measured at fair value through income, with the purpose of holding them for investment or risk management in the case of derivative financial instruments not classified as cash flow hedge instruments.

The Group uses derivative financial instruments just as a positive defense measure against identified risks. Total underlying assets and liabilities under financial instrument contracts are limited to the amount of actual assets and liabilities entailing an underlying risk. The only purpose of transactions with financial derivative instruments is to reduce the exposure to fluctuation of interest rates and foreign exchange rates and maintain a proper structure of the financial position.

The fair value of the other financial instruments mentioned represents an approximation to book values pursuant to agreed-upon payment terms. A detail of financial instruments measured at amortized cost whose value is different from the carrying amount is provided in Note 11 Other financial assets and Note 23 Other financial liabilities, respectively.

Considerations of risk factors that might have an effect on the business

General framework for risk management

The Group's Comprehensive Risk Management System includes an Internal Control System that seeks to provide a proper treatment to situations that might have an effect on the fulfilment of its goals.

Controls have been implemented at all levels, processes and areas of the Group, through a set of policies, principles, regulations, procedures and verification and assessment systems defined by the relevant governance bodies. In addition, the Company has an Organizational Transformation Management office, where the operation model and organizational structure are permanently reviewed, including the design of the controls required for the assurance of key processes, projects and information systems.

Some of the systems implemented to meet risk control and management goals are:

- The Self-control program, implemented approximately 14 years ago, which recognizes the "ability of people to consider control as an intrinsic part of their responsibilities, fields of action and decision making". This program consists of a self-assessment of the most critical risks and key controls, carried out half-yearly by process leaders, and a definition with the same frequency of corrective action plans wherever deviations are identified.

- The Transparency Program, led by the Ethics Committee, made of the HR Vice President, the Internal Auditor and the Secretary General of the parent, offers reporting channels such as: the Transparency Line 18000 52 25 26 or the email etica@grupoexito.com.

During 2015, the Internal Audit, in an independent and objective manner, conducted a risk-based assessment focused on compliance with business goals and on the most significant projects of the Organization, including risk management, control and governance. The assessment included assurance and consultancy processes supported on the Transparency Program and on investigations, based on which recommendations were issued and actions plans were defined to be developed jointly with Management and the process leaders, seeking to improve the design and close the gaps in the Internal Control System.

On its part, an independent third party carried out an audit, including accounting and financial processes and systems, preparation and disclosure of financial information, risks and internal control having an effect on financial information, and compliance with the Law, the Bylaws and the decisions of the Board of Directors.

In addition, the Board of Directors and the Audit and Risk Committee supervised the accounting, information and financial reporting processes; risk management; internal control system and architecture, including the assessment of performance of Internal Audit and Statutory Audit; audit and statutory audit processes; compliance with laws and regulations, and company codes of conduct.

The Company has implemented a Comprehensive Risk Management Policy, with defined roles and responsibilities, a centralized area to lead and support the identification, assessment, management and ongoing monitoring of risks methodology, to reflect the reality and changes in market conditions, businesses, projects and key processes. Controls have been implemented at all levels, processes and areas of the Group, through a set of policies, principles, regulations, procedures and verification and assessment systems defined by the relevant governance bodies.

The Audit and Risk Committee supports the Board of Directors in supervising the compliance with the Comprehensive Risk Management system to ensure compliance with Company goals, ongoing monitoring of the most relevant risk maps, most significant treatment measures and proper development of the Internal Control System. The Audit and Risk Committee is supported by the Internal Audit and Statutory Audit that conduct independent assessment of risk management controls and procedures and whose results are regularly reported to such Committee.

Financial risk management

Besides derivative instruments, the most significant of the Group's financial liabilities include debt, finance leases and interest-bearing loans, trade accounts payable and other accounts payable. The main purpose of such liabilities is to finance the Group's operations and maintain proper levels of working capital and net financial debt.

The most significant of the Group's financial assets include loans, trade debtors and other accounts receivable, as well as cash and short-term placements directly resulting from routine transactions. In addition, the Group has other investments classified as financial assets measured at fair value, which, according to the business model, have effects on period results or in other comprehensive income. Further, other rights that will be recorded as financial assets may arise from transactions with derivative instruments.

The Group has an exposure to market, credit and liquidity risks. Group management monitors the manner in which such risks are managed, through the relevant levels of the organization. The scope of the Board of Directors' activities includes an investments committee that supervises such financial risks and the financial risk management corporate framework that is most appropriate to the Group. The investments committee supports Group management in that financial risk assumption activities fall within the approved corporate policies and procedures framework, and that such financial risks are identified, measured and managed pursuant to such corporate policies.

Financial risk management related to all transactions with derivative instruments is carried out by teams of specialists with the required capabilities and experience under the supervision of organizational structure. Pursuant to corporate policies, no transactions with derivative instruments may be carried out solely for speculation. The effects of accounting hedge models, if applied, are taken to income for the period or to other comprehensive income, as the case may be. Generally, hedges are classified as cash flow hedges; they have been documented and comply with all requirements set forth by the financial instrument standard under IFRS. When accounting hedge models do not apply, then derivatives are negotiated on the basis of an underlying element that in fact requires such hedging in accordance with company analyses.

The Board of Directors reviews and agrees on the policies applicable to manage each of these risks, which are summarized below:

i) Credit risk

A credit risk is the risk that a counterpart fail to comply with his obligations taken on under a financial instrument or trade agreement, resulting in financial loss. The Group is exposed to credit risk arising from its operating activities (particularly from trade debtors) and from its financial activities (such as financing on credit cards), including deposits in banks and financial institutions and other financial instruments.

The book value of financial assets represents the maximum exposure to credit risks.

Cash and cash equivalents

The credit risk arising from balances with banks and financial institutions is managed by the treasury department at each company, and in accordance with corporate policies defined for such purpose. Surplus funds are only invested in approved counterparties and within previously established jurisdictions. On a quarterly basis, Company management reviews the general financial conditions of counterparties, assessing the most significant financial ratios and market ratings.

Trade receivables and other accounts receivable

The credit risk associated with trade receivables is low given that most of the Group sales are cash sales (cash and credit cards) and financing activities are conducted under trade agreements that reduce the Group's exposure to risk. In addition, there are administrative collections departments that permanently monitor the payment behavior and risk models by each third party. A portion of trade receivables is sold to financial institutions; such sale is recognized as derecognition of trade receivables, and the credit risk, benefits and control over such assets is transferred to the mentioned entities.

There are no trade receivables that separately considered are equivalent to or exceed 5% of accounts receivable or sales, respectively.

Credits receivable

The credit risk related to credits receivable, mainly on credit cards, is deemed to be moderate, considering the target market and the guarantees gathered during the process. The Group has an area specialized in the production and control of such credits and the risk exposure is managed following strict collection processes under the direction of Group management. Expected losses related to such receivables are shown net of balances thereof, such balance being the highest potential loss of the financial asset.

Guarantees

The Group's policy is to provide financial guarantees only to its subsidiaries. At December 31, 2015, the parent has issued guarantees in favor of certain suppliers and financial institutions related to credit facilities granted to C-Discount Colombia S.A.S. to a maximum of $23,000.

ii) Market risk

Market risk is the risk that changes in market prices, namely changes in exchange rates, interest rates or stock prices, have a negative effect on the Group's income or on the value of the financial instruments it holds. The purpose of market risk management is to manage and control exposure to this risk within reasonable parameters while optimizing profitability.

Interest rate risk

Interest rate risk is the probability that the fair value of financial assets and liabilities, or the future cash flows of financial instruments, fluctuate due to changes in market interest rates. The Group's exposure to the interest rate risk is mainly related to debt obligations incurred at variable interest rates or indexed to an index beyond the control of the Group.

Most of the Group's financial liabilities are indexed to market variable rates. To manage the risk, the Group enters into financial exchange transactions via derivative financial instruments (interest rate swaps) with previously approved financial institutions, under which it agrees on exchanging, at specific intervals, the difference between the amounts of fixed interest rates and variable interest rates estimated over an agreed upon nominal principal amount, which turns variable rates into fixed rates and cash flows may then be determined.

Under certain circumstances, the interest rate risk is managed via transactions with derivative financial instruments that may or not be designated as hedge accounting; however, such transactions are carried out seeking to mitigate the risk exposure, and not for speculation. Derivative instruments classified as accounting hedge transactions are recorded pursuant to IFRS 9.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments fluctuate due to changes in exchange rates. The Group's exposure to exchange rate risk is attached, in the first place, to liability transactions in foreign currency associated with long-term liabilities and with the Group's operating activities (wherever revenues and expenses are denominated in a currency other than the functional currency of each company), as well as with the parent's net investments in foreign subsidiaries.

The Group manages its exchange rate risk via derivative financial instruments (namely forwards and swaps) wherever such instruments are efficient to mitigate volatility.

Wherever the nature of the hedge is not economic, the Group's policy is to negotiate the conditions of derivative instruments in such a way that they correlate with the terms of the underlying elements that are the purpose of the hedge, seeking to maximize the efficacy in the exposure to such variables. The Group carries out different transactions with derivative instruments seeking to manage the risks, although not all financial derivatives are classified as hedging transactions; however, the Group policy is not to carry out transactions solely for speculation, and consequently even if not classified as hedge accounting, derivative financial instruments are associated to an underlying element and a notional amount that expose the Group to variations in exchange rates in an equivalent manner.

Stock price risk

Share capital issued, premium on the issue or placement of shares and all other equity reserves attributable to the shareholders of the controlling entity are included for the purposes of managing the price of the stock of Group companies. The main purpose of managing the Group's share capital is to maximize the value to shareholders.

The Group manages its share capital structure and makes the required adjustments as a function of changes in economic conditions and requirements of financial clauses. In order to maintain and adjust its capital structure, the Group may also modify the payment of dividends to shareholders, reimburse capital contributions or issue new shares.

iii) Liquidity risk

Liquidity risk is the risk that the Group might face difficulties to fulfil its obligations associated with financial liabilities, which are settled by delivery of cash or other financial assets. The Group's approach to manage liquidity is to ensure, in as much as possible, that it will always have the liquidity required to meet its obligations at maturity, both under ordinary and stress circumstances, without incurring unacceptable losses or putting its reputation at risk.

The Group manages liquidity risks by monitoring its cash flows and maturities of financial assets and liabilities on a daily basis, and by maintaining proper relations with the relevant financial institutions in each country.

The purpose of the Group is to maintain a balance between business continuity and the use of financing sources through short-term and long-term bank loans according to needs, unused credit lines available from financial institutions, finance leases, among other mechanisms.

The Group has rated the concentration of liquidity risk as low with respect to the possibility of refinancing its debt.

Sensitivity analysis for 2015 balances

From a statistical standpoint, the Group assessed the potential changes in interest rates of financial liabilities and other significant contract liabilities.

For Companies in Colombia:

Assuming complete normality and considering about 70% of the potential interest rates, three scenarios have been assessed:

- Scenario I: Interest rates equal to rates used to calculate the fair value.
- Scenario II: An increase of 0.03% is assumed for BRR (Banking reference rate); an increase of 0.0026% is assumed for LIBOR at 30 days, and an increase of 0.0044% is assumed for LIBOR at 90 days. All increases on the latest published interest rate.
- A reduction of 0.03% is assumed for BRR; a reduction of 0.0026% is assumed for LIBOR at 30 days, and a reduction of 0.0044% is assumed for LIBOR at 90 days. All reductions on the latest published interest rate.

For subsidiaries in Brazil

The most likely scenario is an estimation through market curves (exchange rates and interest rates) of BM & F Bovespa, on the maturity dates for each transaction. Consequently, three scenarios are analyzed:

- Scenario I: Interest rates equal to rates used to calculate the fair value.
- Scenario II: A 25% impairment on risk variables.
- Scenario III: A 50% impairment on risk variables.

The sensitivity analysis did not result in significant variance among the three scenarios presented and consequently they are unobservable when rounding amounts to millions. Potential changes are as follows:

Operations	Risk	Market forecast At December 31, 2015	Scenario I	Scenario II	Scenario III
Loans	Increase in interest rates	4,107,868	4,108,407	4,108,407	4,108,407
Finance leases		23,446	23,598	23,598	23,598
Total		**4,131,314**	**4,132,005**	**4,132,005**	**4,132,005**

iv) Insurance policies

At December 31, 2015, the Group has acquired the following insurance policies to mitigate the risks associated with the entire operation:

Insurance lines of coverage	Coverage limits	Coverage
All risk, Damages and Loss of Profits	There is a liability ceiling per each policy	Losses or sudden and unforeseen damage and incidental damage sustained by covered property, directly arising from any event not expressly excluded. Covers buildings, furniture and fixtures, machinery and equipment, goods, electronic equipment, improved facilities, other insured's property.
Freight insurance	Annual transportation budget	Property and goods owned by the insured, including those on which it has insurable interest.
Third party liability	There is a ceiling per each coverage	Full coverage to address claims and insurance compensation for damages to customers or third parties arising from the risks generated in the regular operation of the business.
Director's and officers' liability insurance	There is a ceiling per each coverage	Covers claims resulting in civil liability arising from wrongful acts or alleged wrongful acts of directors and officers acting in the exercise of their respective functions.
Deception and financial risks	There is a ceiling per each coverage	Coverage: Willful misconduct of employees Loss inside and outside of property or premises
Group life insurance and accident insurance	The insured amount relates to the number of wages defined by the Company	Death and total and permanent disability arising from natural and accidental death
Vehicles - Almacenes Éxito S.A.	100% coverage with deductible of 2 SMMLV	Third party liability Total and partial loss Damages Total and partial loss Theft Earthquake Other coverages as described in the policy

Note 42. Relevant facts

2015

Agreement on the sale of trade establishments entered into between Almacenes Éxito S.A. and Caja de Compensación Familiar - CAFAM

On February 23, 2015, the Group entered into an agreement with Caja de Compensación Familiar – CAFAM to sell trade establishments, which main purpose was: (i) the sale by Cafam to the Group of stores owned by Cafam and operated by the Group; (ii) the sale by the Group to Cafam of drugstores owned by the Group and operated by Cafam; (iii) the sale by the Group to Cafam of the Carulla drugstores owned by the Group, and (iv) the termination of the cooperation agreement executed on September 23, 2010 requiring each of the parties to pay to the other a participation of net monthly sales of stores and drugstores.

Acquisition of 100% of Lanin S.A.

On February 26, 2015 Larenco S.A., a subsidiary domiciled in Uruguay, acquired an additional share interest of 3.18% represented in 98,287 shares of Lanin S.A., owner of Devoto stores in that country.

Such acquisition resulted from the exercise of seller shareholders' right to sell and consolidated the Group's 100% interest in Lanin S.A., through Spice Investment Mercosur S.A., owner of 7.37% and Larenco S.A. that consolidates a 92.63% interest.

Exercise of the purchase option on the Super Inter stores.

On April 15, 2015, the Group exercised the option to acquire 29 trade establishment under the Súper Inter banner and the intellectual property rights associated to the Súper Inter trademark, title to which was vested in Comercializadora Giraldo Gómez ("Comercializadora"), pursuant to the purchase option agreement executed on February 8, 2014.

The Group thus acquired ownership of the trade establishments it had been operating since October 2014 under an operation agreement, as well as the trade name, trademarks, slogans and other intellectual property elements associated to the Súper Inter trademark, which use had been granted to the Group under a license agreement. Consequently, the operation agreement and the license agreement were terminated, including obligations imposed by such agreements on each of the parties.

Such transaction is completed upon compliance with the requirements of the Superintendence of Industry and Trade to carry out the integration operation, which included the obligation to sell to a competitor 4 out of the 50 trade establishments originally included in the transaction, that is, the sale of 2 out of 19 establishments that were the purpose of the sale-purchase agreement and of 2 of 31 establishments that were the purpose of the operation agreement.

Acquisition of control of Grupo Disco del Uruguay S.A. through Spice Investments Mercosur S.A.

On April 27, 2015, the Group entered into a Shareholders Agreement relevant to Grupo Disco Uruguay S.A. (GDU), with a two-year term, which granted to it the voting rights of more than 75% of such company and represented effective control and global consolidation of the financial statements.

Previously, in September 2011, the group had acquired a share interest of 62.49% in this company under a situation of joint control arising from the capital structure and the various types of shares, which was accounted for using the equity method until December 31, 2014.

The valuation method used to measure the fair value of the previous interest in GDU was mainly based on the discounted cash flow method.

The Group recognized a profit of $29,681 arising from the measurement at fair value of the 62.49% participation held in GDU prior to the business combination, for the period ended December 31, 2015.

The non-controlling interest in GDU was measured at fair value.

Appointment of new members of the Board of Directors.

Due to the death of Mr. Nicanor Restrepo Santamaría, the Board of Directors and the CEO of the Group called an extraordinary General Meeting of Shareholders to appoint the new members of the Board for the remaining of the period until 2016.

On June 11, 2015, the Meeting of Shareholders confirmed the appointment of 8 of the 9 members of the Board elected during the ordinary meeting held in March 2014, and as new member appointed Luis Fernando Alarcón Mantilla, who was also appointed as Chairman.

Damage to Almacén Éxito Las Flores in Valledupar.

Because of an act of nature, on June 23, 2015, the premises of Almacén Éxito Las Flores in Valledupar were damaged and technical studies concluded that it was necessary to rebuild the store.

At present, the Group is in the process of providing the insurance company with supporting evidence of damages.

This store is expected to reopen during the first quarter of 2016.

Approval of the acquisition of shares of Compañía de Financiamiento TUYA S.A.

On July 1, 2015, the parent and its subsidiary Almacenes Éxito Inversiones S.A.S. entered into a share sales-purchase agreement with Bancolombia S.A., Fundación Bancolombia and Fondo de Empleados del Grupo Bancolombia, by means of which they will acquire 50% of the outstanding shares of Compañía de Financiamiento Tuya S.A. ("Tuya"), company through which an alliance has been developed over a decade between Bancolombia and the Company for the promotion of consumer lending on products such as Éxito Credit Card, among other.

Closing was conditional, among other, upon the approval by the Colombian Financial Superintendence, which was granted on December 30, 2015. Once all other authorizations required are obtained and paperwork is finalized, the parties will proceed to fulfil their obligations.

Funding of investments in Companhia Brasileira de Distribuição and Libertad S.A.

Peso credit facility agreement.

A peso credit facility agreement was entered into on July 29, 2015, by means of which certain Colombian financial institutions granted the parent a credit facility for up to $3,500,000 (three trillion five hundred billion Colombian pesos). Fiduciaria Bancolombia was appointed as general partner to the contract.

An amendment to said agreement was executed on December 21, 2015, including the main following changes to borrowing terms and conditions:

(i) Amendment to borrowing amounts as per the following detail:

	Total contract value	Amount disbursed under initial terms and conditions	Amount disbursed under current terms and conditions
Long-term loan in millions of pesos - 10 years	$2,000,000	$1,850,000	$1,850,000
Short-term loan in millions of pesos - 18 months	$1,000,000	$1,000,000	-
Medium-term loan in millions of pesos - 5 years	-	-	$838,000
Revolving credit in millions of pesos - 12 months, renewable	$500,000	$400,000	$400,000

Total	**$3,500,000**	**$3,250,000**	**$3,088,000**
Bridge loan in millions of US Dollars (18 months)	USD400	USD400	-
Syndicated loan in millions of US Dollars (3 years)	-	-	USD450
Total in USD	**USD400**	**USD400**	**USD450**

(ii) Extension of the weighted average term of repayment from 3.4 to 4.3 years, resulting from:

- Partial payment of the eighteen-month Short-Term Trench of the Peso Credit Facility agreement.
- Extension of the remaining Short-Term Trench of the Peso Credit Facility, from 18 months to 5 years (now the "Medium-Term Trench").

Obligations agreed upon under these agreements include, among other, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Company in favor of creditors.

US Dollar Credit Facility Agreement.

A US Dollar credit facility agreement was entered into with Citibank N.A. on July 29, 2015 granting a credit facility available in amount of USD 400,000,000, which was fully disbursed on August 20, 2015.

The bridge loan agreement was repaid and terminated on December 21, 2015, and instead a three-year syndicated credit facility agreement in US Dollars was entered into with Citigroup Global Markets INC., Banco Santander S.A., BNP Paribas Securities Corp., Credit Agricole Corporate and Investment Bank, J.P. Morgan Securities LLC., The Bank of Nova Scotia, and The Bank of Tokio-Mitsuibishi UFJ, LTD., with a three-year term, granting a credit facility available in amount of USD 450,000,000, which was fully disbursed. Citibank N.A. was appointed as general partner to the contract.

Obligations agreed upon under these agreements include, among other, compliance with a leverage ratio of maximum 4.5x until September 30, 2016, 4.x until September 30, 2018, and 3.x as of October 1, 2018 in the separate financial statements, and maximum 3.x in the consolidated financial statements. Neither the original credit facility agreement nor the amendments thereto require the granting of collaterals by the Company in favor of creditors.

Investments in Companhia Brasileira de Distribuição and Libertad S.A.

In compliance with the share purchase-sale agreements entered into with Casino Guichard Perrachon on July 29, 2015, the Company acquired 100% of Onper Investments 2015 S.L., which indirectly owns 18.76% of the capital investment and 49.97% of the voting rights of Companhia Brasileira de Distribuição (CBD), a company with domicile in Brazil, in amount of USD 1,536 million and 100% of the shares of Libertad S.A., a company domiciled in Argentina, in amount of USD 292,655,077.

Request for arbitration filed by Morzan

On August 14, 2015, Companhia Brasileira de Distribuição – CBD and its controlling shareholder Wilkes were ordered by the International Court of Arbitration - ICA to jointly pay an indemnification to Morzan Empreendimentos e Participações Ltda. ("Morzan") on the grounds that both companies failed to comply with the terms of the purchase agreement executed by subsidiary Mandala Empreendimentos e Participações SA on June 8, 2009 (the "Agreement") for the acquisition of 86,962,965 nominative ordinary shares, with no par value, representing at that time 70.2421% of the total and voting capital of Globex Utilidades SA (currently Via Varejo SA).

On November 17, 2015, Companhia Brasileira de Distribuição – CBD filed a request before the Paris Appeal Court to demand suspension of the arbitration award. Companhia Brasileira de Distribuição – CBD has until April 2016 to submit the reasons supporting its request. On January 27, 2016, the International Court of Arbitration - ICA issued an addendum to its decision wherein (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 thousand; 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 thousand.

At December 31, 2015, the account payable has been recognized in amount of $185,485, including interest estimated on the grounds of the decision by the ICA and legal fees.

Changes in administrative structure

On September 1, 2015, the Board appointed Mr. Carlos Mario Díez Gómez, who occupied the position of Retail Vice-President, as Chief Operating Officer of the Retail operation in Colombia; the creation of the International Business Vice-President position, to be occupied by Mr. José Gabriel Loaiza Herrera, who was formerly the Commercial and Supply Vice-President; and finally, appointed the following Vice-Presidents: Jacky Yanovich Mizrachi as Sales and Operations Vice-President and Carlos Ariel Gómez Gutierrez as Commercial Vice-President. Additionally, during the year, Martin Nova was appointed as Marketing Vice President and Camilo Gallego was appointed as Éxito Customer Service Vice President.

Action seeking protection of fundamental rights ("acción de tutela") arising from the investment in Companhia Brasileira de Distribuição and Libertad S.A.

Notice of the final decision under the appeal of the acción de tutela proceedings brought by a minority shareholder was served on December 10, 2015. The appeal court found that there was no violation of the fundamental rights of said shareholder.

Investigation against Cnova

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 announced to the market on January 12, 2016.

The effects of the investigation related to prior years represent 45% of the total effect registered in 2015; they have been assessed and defined as immaterial by the management of Companhia Brasileira de Distribuição – CBD taking into consideration the effect on each item of the financial statements, as well as on the financial statements as a whole. The Management of Companhia Brasileira de Distribuição – CBD reached such conclusion after analyzing quantitative and qualitative aspects of the subject matter.

In preparing the financial statements for the period ended December 31, 2015, Companhia Brasileira de Distribuição – CBD takes all information available into consideration and does not believe that the new information on the investigation by law firms shall have a significant effect or lead to a change in the adjustments booked.

In allocating the purchase price of the interest in Companhia Brasileira de Distribuição – CBD, the Group recognized in equity the amount of $114,640 as an adjustment of the measurement period.

Merger of subsidiaries

a) Sé Supermercado Ltda.

The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Sé Supermercados Ltda. into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits.

Since it is the merger of a globally consolidated subsidiary, there is no effect on the Group's consolidated financial statements.

b) Nova Holding

The extraordinary General Meeting of Shareholders of Companhia Brasileira de Distribuição – CBD held on December 22, 2015 approved the merger of subsidiary Nova Holding into Companhia Brasileira de Distribuição – CBD, seeking to unify the activities and administration of such companies. This merger will result in important administrative, economic and financial benefits and in the optimization of the structure of the entrepreneurial Group.

Since it is the merger of a globally consolidated subsidiary, there is no effect on the Group's consolidated financial statements.

2014

Cdiscount

During 2014, Almacenes Éxito contributed to the development of e-commerce in Colombia by launching to the Colombian market, jointly with Grupo Casino and as a complement of the websites www.exito.com and www.carulla.com, the site www.cdiscount.com, an e-commerce pure player focused on non-food products and on the development of the market place strategy, that enables customers to acquire online products offered by various suppliers.

Additionally, the parent and its partners Cdiscount Internacional and Cnova expanded the trademark Cdiscount to other countries in Latin America, such as Ecuador and Panama, opening to the public e-commerce sites under such trademark in said countries.

Super Inter

Because of the agreements entered into with Comercializadora Giraldo y Gómez y Cía. S.A. and after the endorsement of the Superintendence of Industry and Trade (SIC), the parent acquired 19 trade establishments and the power to operate another 31, for a five-year period, thus consolidating its leadership in the Valle del Cauca and Eje Cafetero regions. By means of Resolution No. 54416 of September 12, 2014, the Superintendence made four stores subject to the condition of being sold to a third party during the first quarter of 2015.

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

With the intention of strengthening its logistics infrastructure and transport operation, the parent incorporated and linked Logística, Transporte y Servicios Asociados S.A.S., to the Grupo Empresarial Éxito S.A. seeking to consolidate the presence of the Grupo Empresarial Éxito S.A. in more than 100 cities, improving its home delivery service promise, e-commerce and proximity formats as part of its omni-channel strategy.

Launching of Viva Villavicencio

With the expansion of the Sabana Shopping Mall in Villavicencio, and jointly with Grupo Argos, the Group opened to the public the Viva Villavicencio Shopping Mall, the largest trade project in the region, with 145 business premises, 131,000 sq. mts of construction, 51,000 sq. mts of commerce areas and 80,000 sq. mts of common areas and service areas. With this opening, the Company continues to consolidate its real estate business, accomplishing 10 shopping malls, 220,000 sq. mts of leasable space, more than 4,000 business premises and more than 700 domestic and international business partners.

Note 43. Events subsequent to the reporting period

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

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

CVM notified its understanding, which differs from that of Via Varejo 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 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 filed three class action lawsuits against Cnova, some of its officers and directors, and the subscribers of its initial public offer, on the grounds of infringement of the securities laws of the United States of America. Two cases were brought before the District Court of the United States of America, South District of New York, and other 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 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 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 are parties to such lawsuits.