



Proposal for the Approval of a Regional Transaction Expansion

Transaction Summary

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Transaction Structure

- Acquisition of 50% of shares with voting rights of Grupo Pão de Açúcar (GPA), which represent 19% of the capital of that company, through the purchase of 50% of the holding owned by Casino by which it has participation in GPA by US\$ 1.536 billion.
- Indirect acquisition of Liberty (Casino operations in Argentina) for US\$270 million (Enterprise Value), plus net cash.

Transaction Rationale

- A major step in Éxito's international expansion strategy.
 - Acquisition of a controlling stake in Grupo Pão de Açúcar (granting the right to full consolidation), industry's largest player in food and technology retail in Brazil.
 - Acquisition of a major market player in Argentina with growth expectations both Retail and in terms of commercial galleries.
- Creating the leading retail group in South America with a leading position and unparalleled presence in all markets, a wide coverage of customer needs and omni-channel proposal.

Value Enhancing Opportunity for Éxito

- Major development opportunities in textiles, development of formats (*cash and carry, discount, premium proximity*), electronic commerce and real estate.
- Synergies in purchasing and procurement in various areas such as food, non-food and private labels, as well as cost efficiencies.
- Total run-rate synergies estimated at US\$ 160 million per annum, once the implementation is completed, and is expected to be divided into approximately 55% for Grupo Pão de Açúcar and 45% for Éxito.

Transaction Summary

Structure and Legal Regulations

- The transaction is carried out in compliance with legal regulations and Éxito's corporate governance.
- Due diligence processes and negotiation bases on market conditions.

Value Considerations

- Grupo Pão de Açúcar price per share of R\$100, which represents a premium of 20.6% vs. the average share price over the past 3 months.
- Enterprise Value (EV) of US\$270 million for 100% of Libertad, which represents a multiple of 0.55x 2014 sales.

Fairness Opinion

- Bank of America Merrill Lynch acted as an independent consultant for Éxito and issued a fairness opinion to the effect that, subject to the analyzes, assumptions, qualifications and limitations applicable, the total price payable to the Transaction is fair from a Éxito based on a financial perspective.

Transaction Summary

Financing

- The transaction will be financed with available cash resources from Éxito of COP\$1.0 billion and new debt close to COP\$4.2 billion.
- Planned debt package of up to COP\$ 4.6 billion (funded by Colombian and international banks) consisting of: amortization loan with 10 years of COP\$2.0 billion, an 12-month revolving credit for USD\$0.5 billion and bridge loan for 18 months of COP\$ 2.1 billion.
- Initial average financing cost of 6.8%

Impact of the Transaction for Éxito and its Shareholders

- Sustainable leverage after the transaction for Éxito: 3.2x (EBITDA) in a holding perspective and void on a consolidated perspective (2014).
- Optimization of available cash in the balance sheet.
- Increase in Éxito earnings per share of over 5% in 2016 excluding cross-fertilization, and 30% including synergies based on fees projection rates.
- Positive impact on Éxito's return on equity (ROE) +300bps including synergies.

Procedure for compliance of regulations and corporate governance standards

Steps and procedures to approve the transaction following strict Corporate Governance Standards. (1/2)

Step 1: Engagement of external advisors

- Hiring of Rothschild as financial common advisor for Casino and Éxito.
- Separately, Bank of America Merrill Lynch acted as a consultant only for Éxito and issued a "fairness opinion".
- Hiring top legal advisers in different jurisdictions.

Step 2: Meeting of Supporting committees

- The Appointments, Remuneration and Corporate Governance Committee reviewed the transaction from the perspective of a transaction between related parties, and issued recommendations on measures to be adopted by the Board of Directors to ensure the interests of shareholders and verified transaction market conditions.
 - The committee was held on July 28, 2015.
- The Appointments, Remuneration and Corporate Governance Committee convened the Conflicts of Interest Committee, made up of independent members of the Board.

Step 3: Meeting of the Conflict of Interest Committee

- The Conflict of Interest Committee recommended to the Board of Directors the measures to properly handle the conflict of interest on the Board and on the administration.
- Recommendation to refer the decision to the Assembly to lift or resolve the conflict of interest and approve the transactions, as provided in Article 23 of Law 222 of 1995.
 - The conflict of interest committee was held on July 29, 2015.

Steps and procedures to approve the transaction following strict Corporate Governance Standards. (2/2)

Step 4: Participation and decisions of the Board of Directors

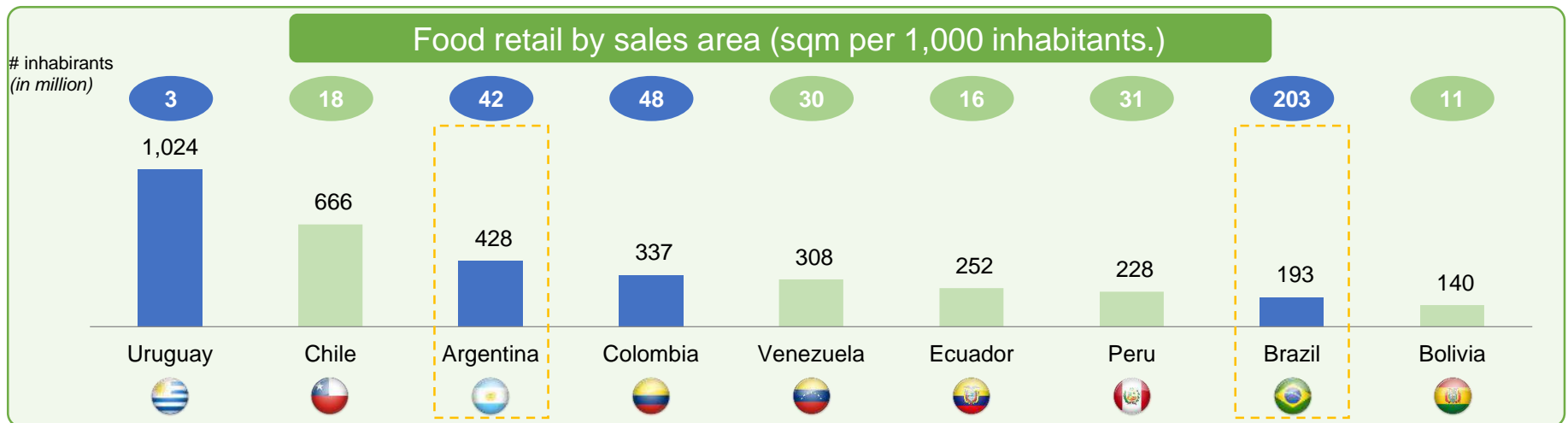
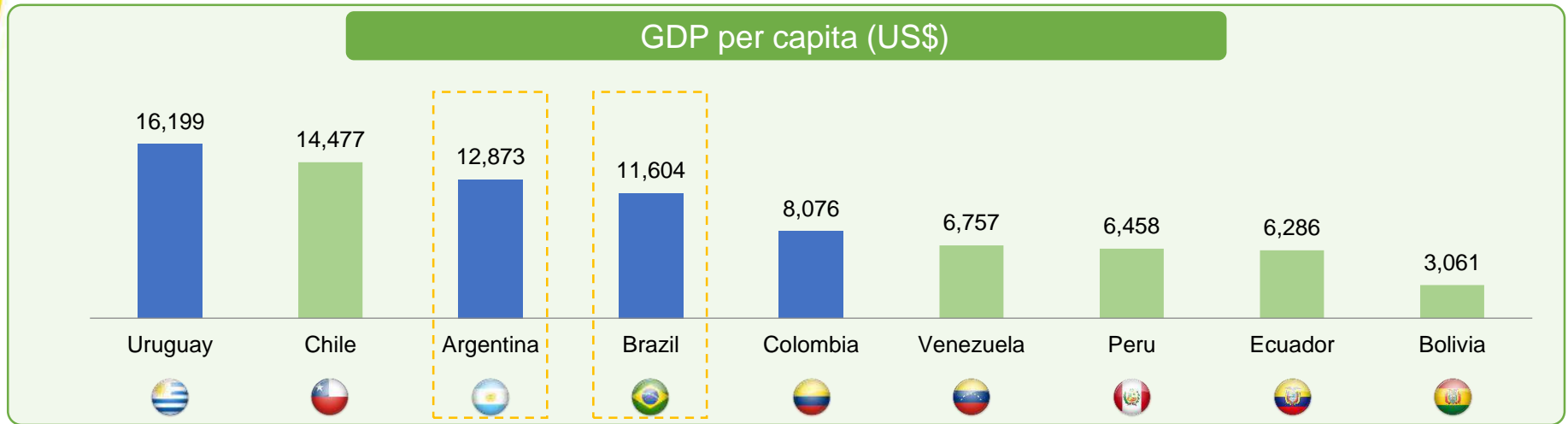
- The Board of Directors decided (without the participation of members in conflict for matters between related parties):
 - To recognize the existence of the conflict,
 - As provided for in Article 23 of Law 222 of 1995, to refer the transaction to the General Assembly of Shareholders for approval,
 - To recommend that shareholders approve the transaction, based on the recommendations of the committees and the opinion of financial and legal advisors,
 - To authorize the administration to celebrate the transaction documents subject to approval by the General Shareholders Meeting,
 - To ratify the acts of the administration in connection with the transactions.
- The company disclosed information classified as relevant information under the rules of the Colombian stock market.
 - The meeting of the Board of Director was held on July 29, 2015.

Step 5: Meeting and decisions of the General Shareholders Meeting

- The transaction will be submitted for consideration and approval by the General Assembly of Shareholders.
- Once the Assembly has taken its decision, the company should disclose information classified as relevant information under the rules of the Colombian stock market.
 - The meeting of the General Shareholders Meeting was convened for August 18, 2015.

Grupo Pão de Açúcar and Libertad overview

Grupo Pão de Açúcar and Libertad group operate in South America's largest economies with significant potential penetration



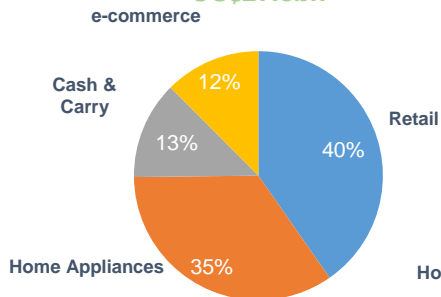
Grupo Pão de Açúcar overview

Grupo Pão de Açúcar in a nutshell

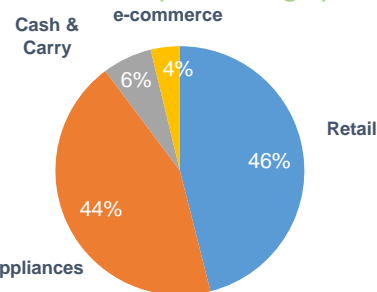
- Largest Brazilian food, furniture and electronics/appliance retailer
- and second largest in cash & carry and e-commerce
- Key operational figures
 - Stores located in 21 of the 27 Brazilian States
 - 647 mm of tickets in 2014
 - 2,143 stores totaling 2.8m sqm of sales area
 - 60 distribution centers and depots
 - 160,000 employees

Key figures highlights

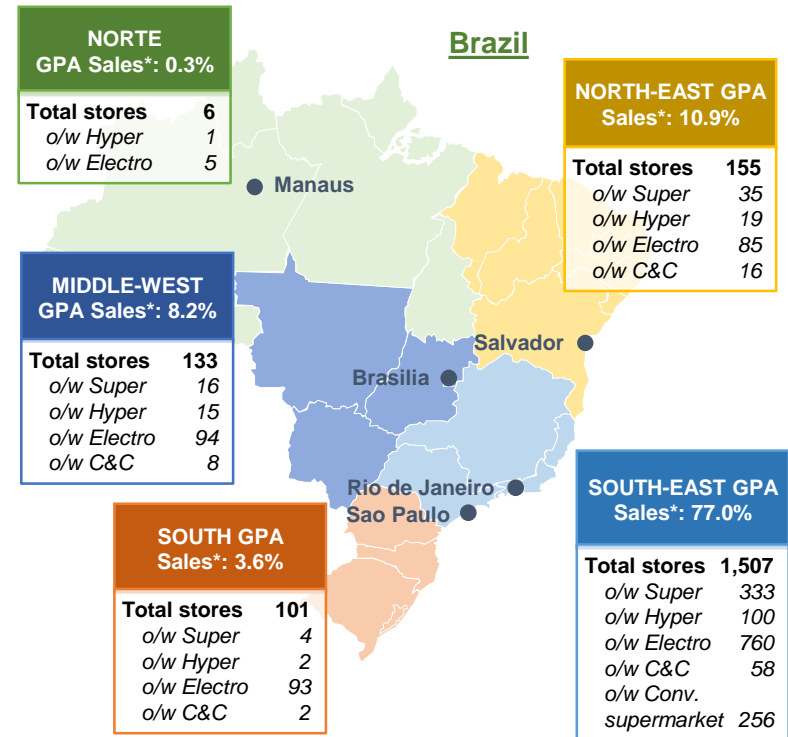
Sales FY14*
US\$27.8bn



EBITDA FY14*
US\$2.3bn (8.2% margin)



Geographical footprint



*Share of GPA gross sales in 2014

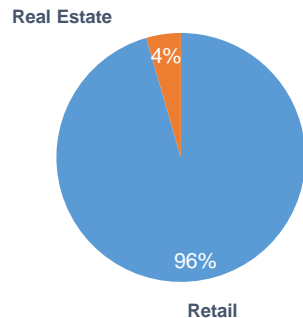
Libertad overview

Libertad in a nutshell

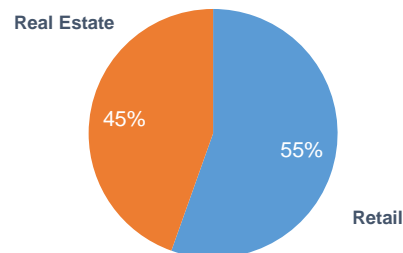
- Leading food retailer in the Cordoba region (14.1% ms) and 7th Argentinean player (2.6% ms)
- 2 activities:
 - Retail: 2 formats (hypermarket and Proxi)
 - Real estate: c.145,150 sqm of commercial galleries under management
- Key operational figures
 - c.2,800 FTEs
 - 15 hypermarkets and 12 proximity stores with c.144,500sqm of sales area

Información clave destacada

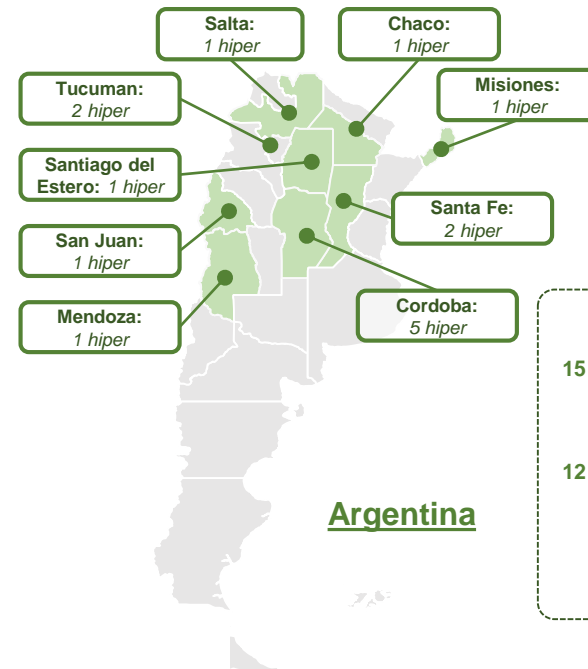
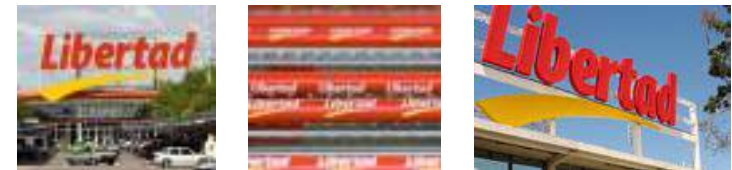
Sales FY14
US\$495m



EBITDA FY14
US\$24m



Geographical footprint



- 15 Hypermarket
 - 112,634 sqm total sales area
 - 7,509 sqm per store
- 12 Proximity
 - 1,875 sqm total sales area
 - 156 sqm per store

Transaction Rationale

Why GPA and Libertad?

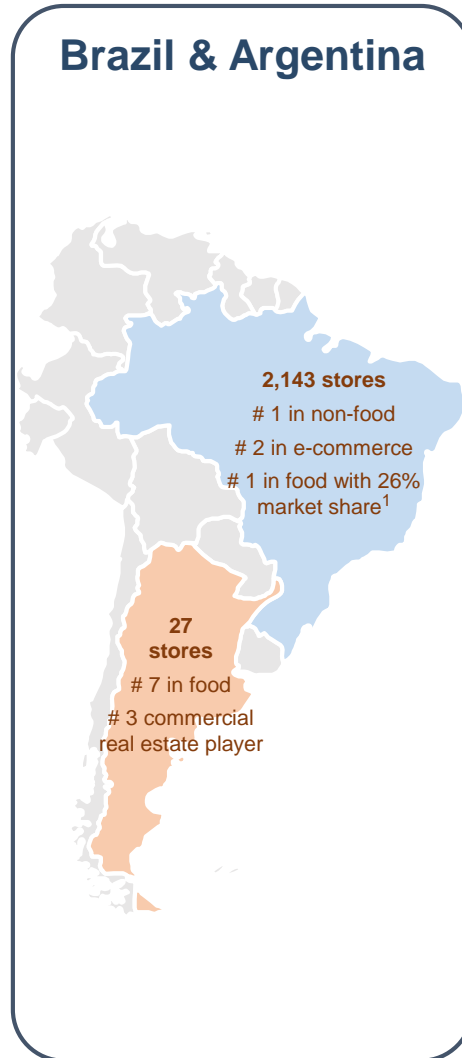


1 Gain exposure to 203 million inhabitants
 5th largest worldwide country and 1st one in South America
 1st regional economy with c. 55% of total regional GDP and US\$11,604 GDP/capita

2 Enter an attractive market
 Positive long-term trends despite current slow down, secured by strong penetration potential for modern retail

3 Tie up links with the undisputed market leader
 26% market share¹
 # 1 in food, furniture and electronic / appliance retail
 # 2 in cash & carry and e-commerce
 Strong and leading banners across all formats and retail businesses

4 Accelerate growth and develop substantial synergies in LatAm
 Complementary activities (modern formats, omni-channel model)
 Significant synergies and value creation opportunities



1 Gain exposure to one of the largest South American countries
 3rd largest country in South America with 42 million inhabitants
 2nd regional economy with c. 13% of total regional GDP and US\$12,873 GDP/capita

2 Take advantage of the strong market rebound expected in the short to medium term

3 Acquire a regional market leader
 Leading food retailer in the region of Cordoba
 15 fully-owned hypermarkets and 12 mini-markets
 Opportunity to capitalize on proven track record in the acquisition of Disco and Devoto in Uruguay

4 Benefit from substantial growth opportunities
 # 3 commercial nationwide real-estate player
 Implementation of Exito's Real Estate / Retail dual business model
 Opportunities to open additional hypermarkets and develop E-commerce and Cash & Carry
 Regional platform for build-up opportunities
 Synergies with Exito (textile sales, purchasing and costs synergies)

Note: (1) Source: Nielsen
 Sources: IMF and annual reports

A major step to strengthen further our strategic pillars

<p>1</p> <p>Internationalization</p>	<ul style="list-style-type: none"> ▪ Significant expansion of geographical footprint: <ul style="list-style-type: none"> - From 2 to 4 countries - Leadership positions in key LatAm economies ▪ Enhanced growth profile of Éxito post transaction with a higher like-for-like and additional growth opportunities
<p>2</p> <p>Omni-channel expansion</p>	<ul style="list-style-type: none"> ▪ Increased exposure to e-commerce and click & collect potential through Cnova ▪ Active management and development of our real-estate expertise through the creation of a REIT and value enhancing real-estate opportunities in Argentina
<p>3</p> <p>Commercial development</p>	<ul style="list-style-type: none"> ▪ Significant cross-fertilization opportunities capitalizing on GPA's experience in CRM, loyalty, cash & carry,... ▪ Opportunity to develop synergistic approach in products innovation, private labels and purchases
<p>4</p> <p>Operational excellence</p>	<ul style="list-style-type: none"> ▪ Implementation of synergies improving profitability ▪ GPA: best-in-class profitability and ROIC ▪ Exchange of best practices
<p>5</p> <p>Human Resources and sustainability</p>	<ul style="list-style-type: none"> ▪ The largest private employer in South America on a consolidated basis with over 200,000 employees <ul style="list-style-type: none"> - Exchange of people/knowledge around LatAm operations - Significant opportunities for joint Corporate Social Responsibility (CSR) programs under the umbrella of Casino's principles

Unmatched leading positions in South American retail

c. 80% of total GDP and c. 75% of total population in the region covered by Exito



Colombia

- **48 million inhabitants** – 2nd largest country in the region
- **3rd Regional Economy**
 - c. 10% of total regional GDP
 - US\$ 8,076 GDP/capita
- **# of stores: 537**



Brazil

- **203 million inhabitants** – 5th largest worldwide country and 1st one in the region
- **1st Regional Economy**
 - c. 55% of total regional GDP
 - US\$ 11,604 GDP/capita
- **# of stores: 2,143**
- **# 2** in cash & carry and e-commerce



Argentina

- **42 million inhabitants** – 3rd largest country in the region
- **2nd Regional Economy**
 - c. 13% of total regional GDP
 - US\$ 12,873 GDP/capita
- **# of stores: 27**
- Leading food retailer in the region of Cordoba






Uruguay

- **3 million inhabitants**
- **Highest GDP/capita in the region**
US\$ 16,199
- **Wealthy and urbanized population**
- **# of stores: 54**



1 The new Exito: a major step forward

2014 in US\$m				Combined pre synergies
Sales	5,235	27,826	495	33,557
EBITDA	395	2,281	24	2,700
EBITDA margin	7.5%	8.2%	4.8%	8.0%
Operating income	297	1,888	19	2,203
Operating margin	5.7%	6.8%	3.8%	6.6%

Notes:

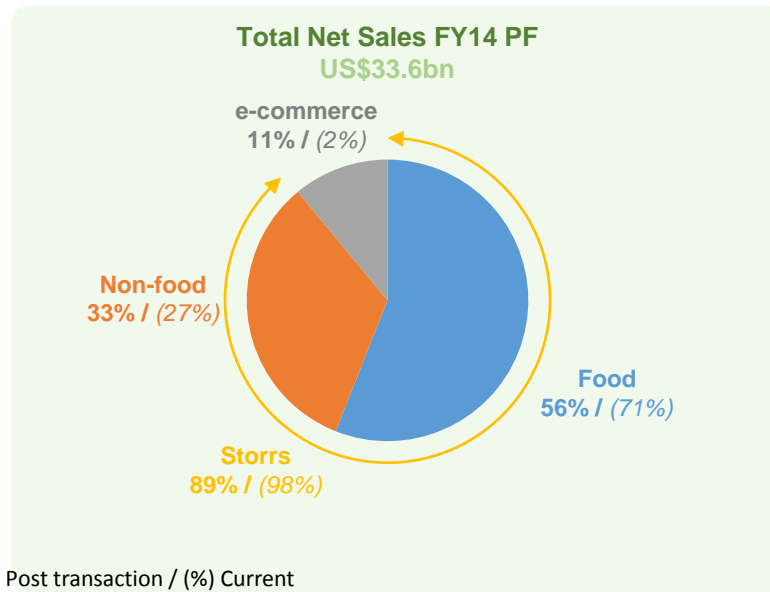
FX rate: 1-year average as of 31/12/14 (R\$/ US\$: 2.35 - US\$/ ARS: 8.12 - US\$/ COP: 2,002.7)

GPA is fully consolidated

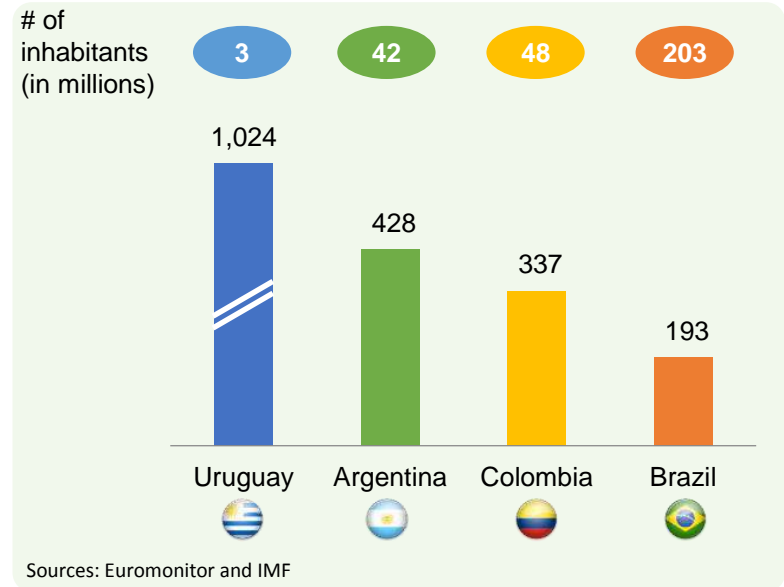
Source: Published figures for 2014, IFRS accounts for Exito (Disco Group not fully consolidated in 2014)

1 Enhanced growth profile through business and geographical diversification

2014 sales breakdown by business

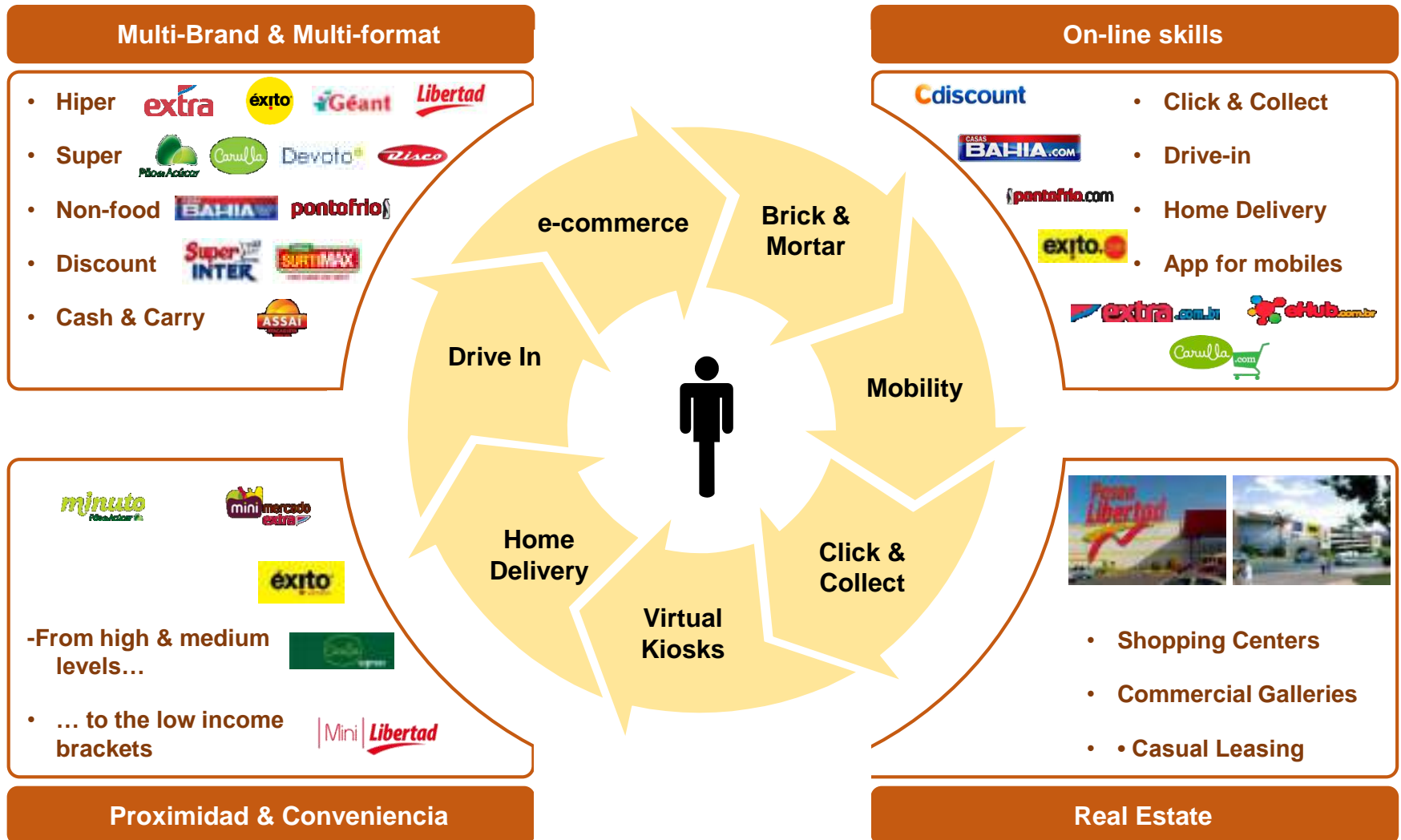


Food retail shopping surface (sqm per 1,000 hab.)

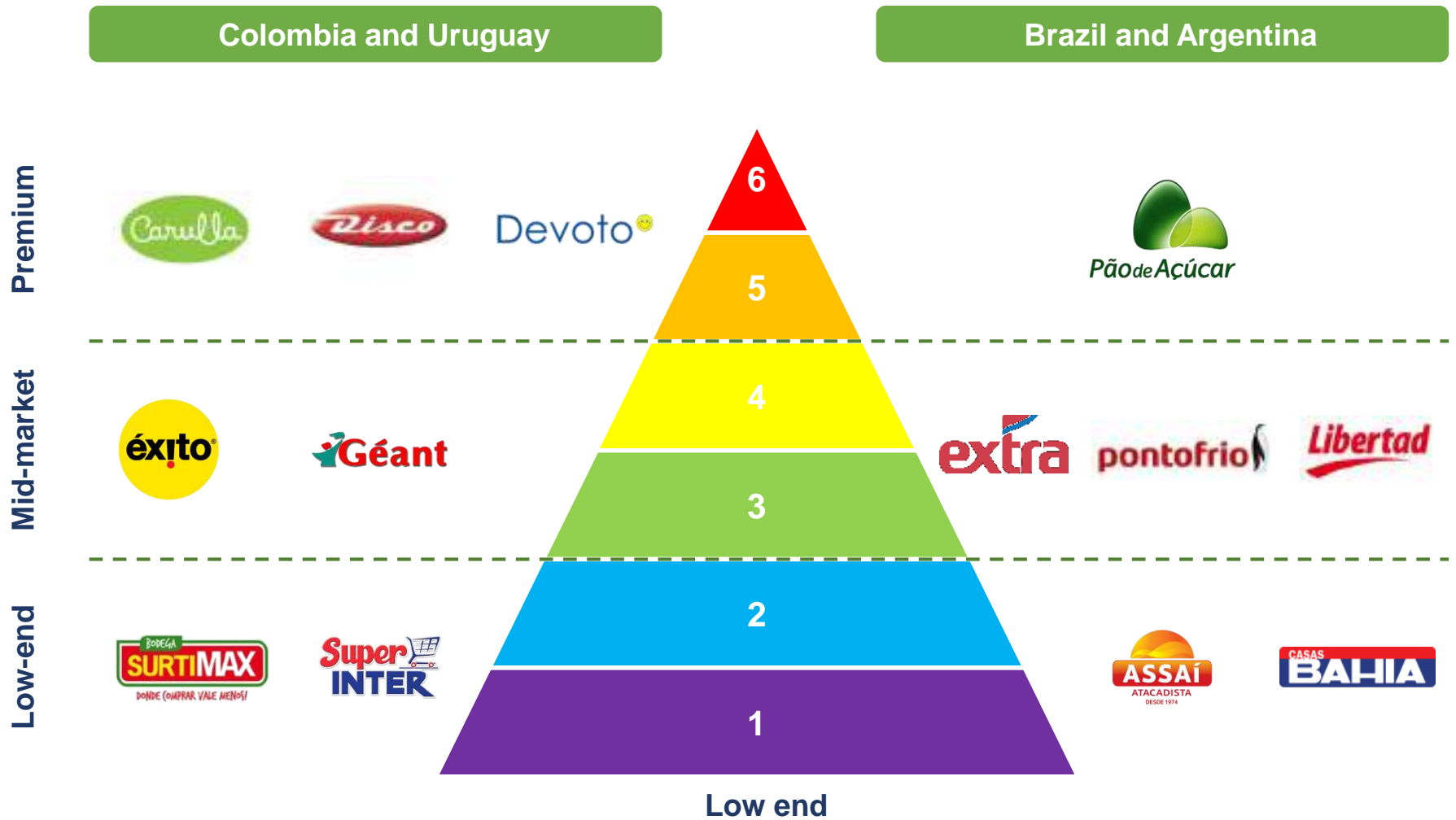


Exposure to fast-growing e-commerce operations
 Large market size in Brazil with still significant penetration potential
 Capacity to benefit from the rebound in Argentina and the roll-over of a dual retail / real estate model

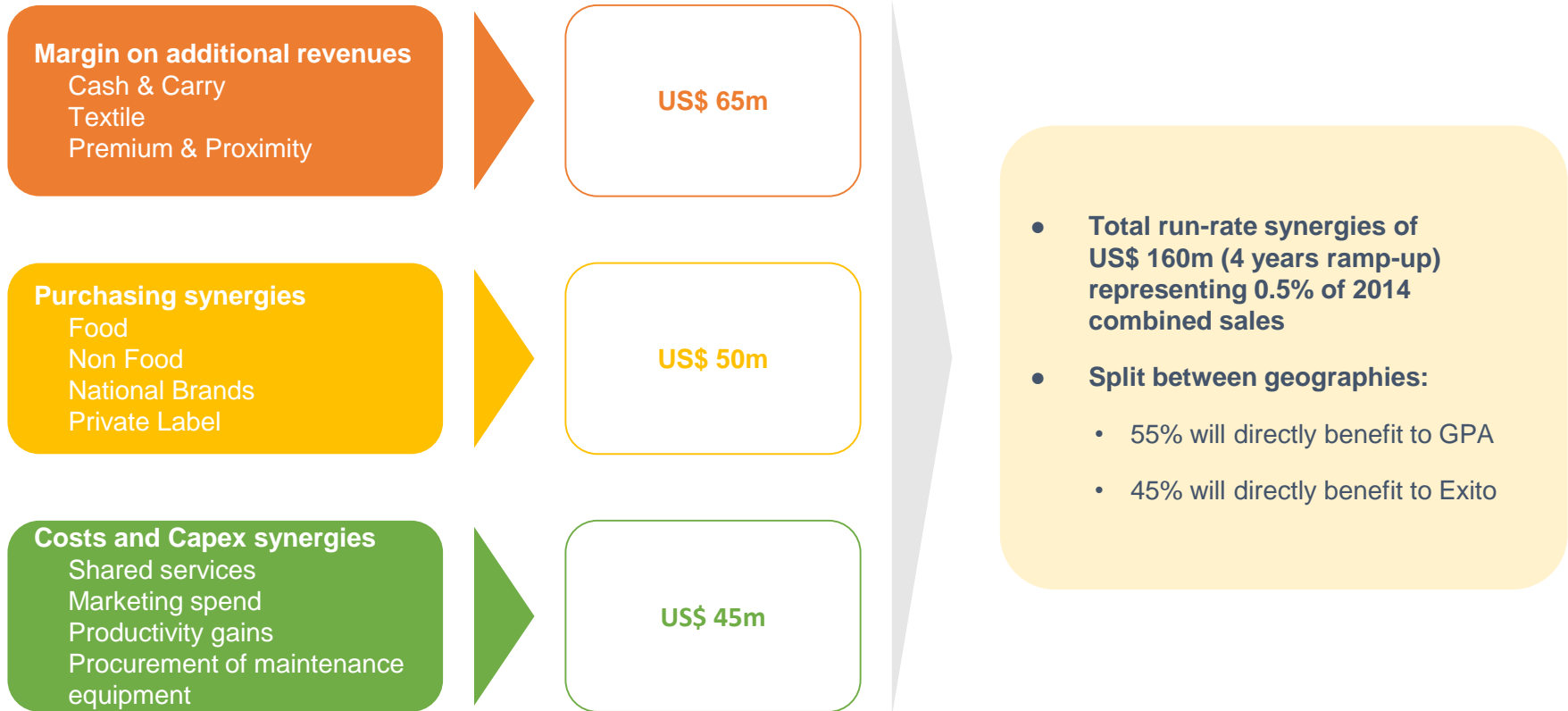
2 A best-in-class omni-channel model



3 Comprehensive coverage of customers



Unlocking synergies



A synergy and cross-fertilization committee between GPA and Exito will be set up in order to implement synergies and cross-development opportunities.

4 Accelerating cross-fertilization opportunities for growth



5 Human resources and sustainability

1

Human Resources

- South America's largest employer.
- Becoming one of the leading organizations in Latin America will impact the ability to attract, recruit and retain the best talent in the region.
- Increased sharing of best practices and knowledge in Latin America will foster Omni-channel strategy (Cash & Carry, Real Estate, discount formats, etc.)
- Improved professional, linguistic and cultural exposure to employees under existing exchange programs.

2

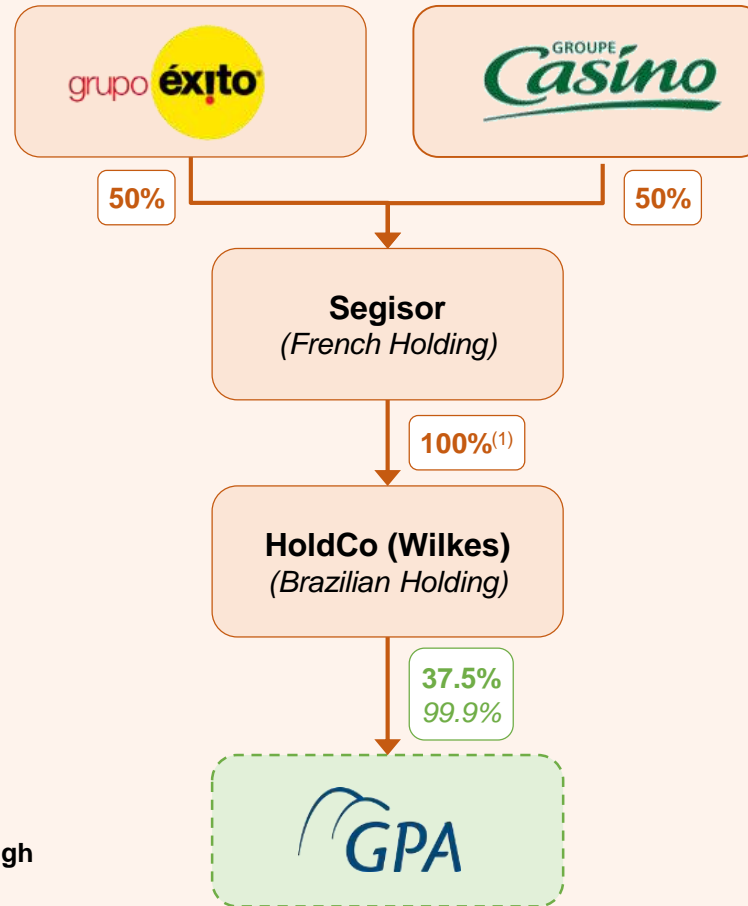
Sustainability

- Strengthening the current work on common initiatives like Global Compact and similar projects.
- Sharing best practices and adopting local winning initiatives as CEMPRE (Compromisso Empresarial para Reciclagem) where Grupo Pão de Açúcar is a party, and whose objectives are the promotion of post-consumer recycling and environmental education.
- Future alignment of cross-border programs in accordance with the main concerns of the region.

Transaction Structure

Éxito and Casino participation in acGPA

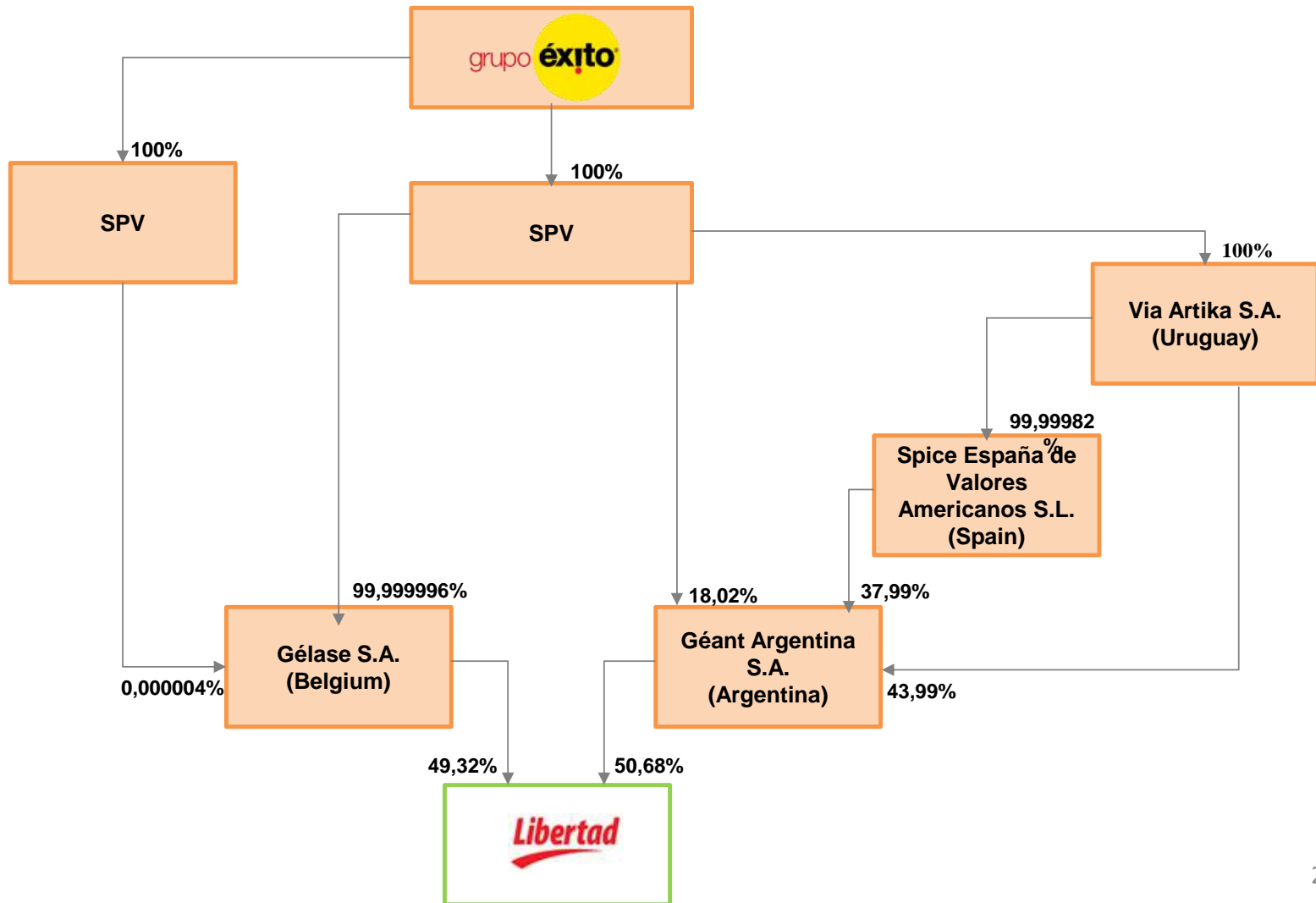
Éxito and Casino participation in acGPA



% economic
% of voting rights
(1) Directly and indirectly through subsidiaries

Éxito participation in Libertad

Éxito participation in Libertad



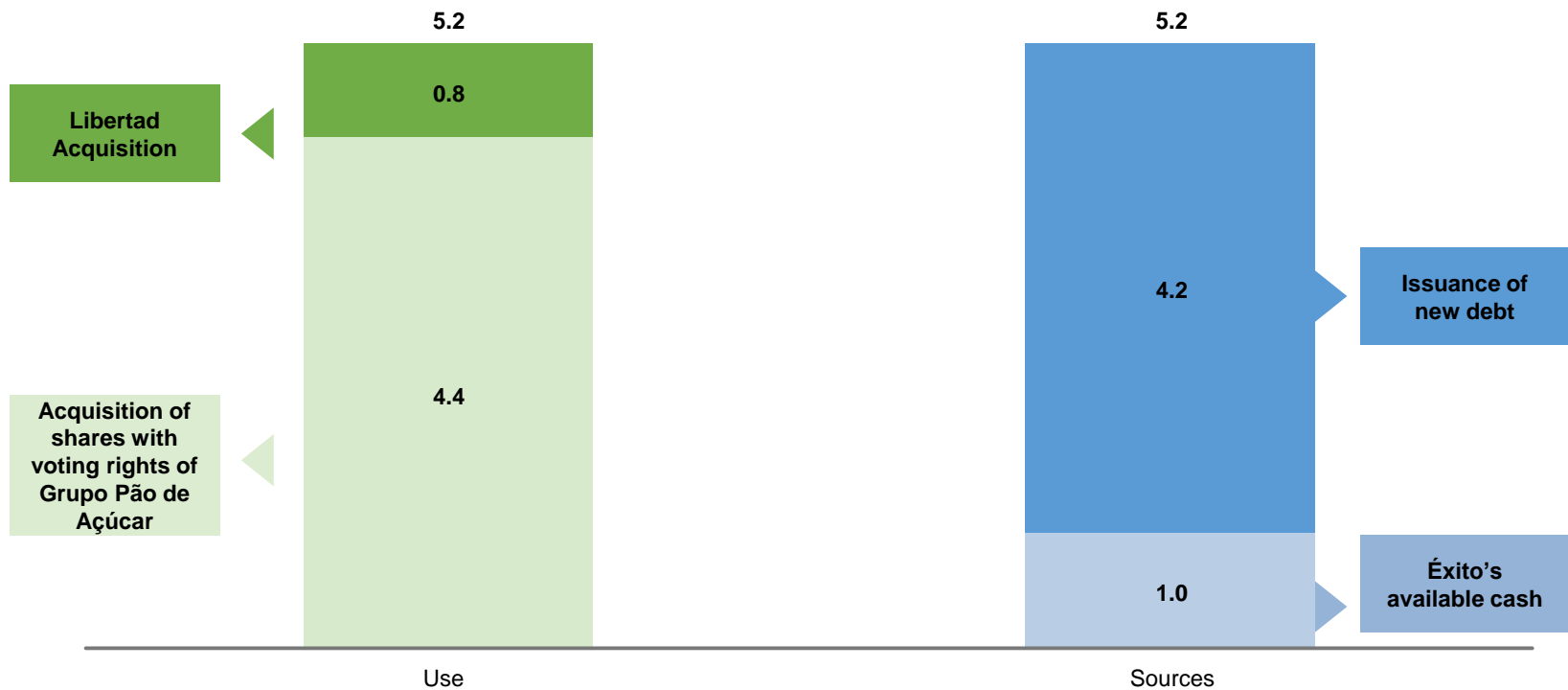
Shareholders agreements between Casino and Éxito

<p>Segisor Board of Directors</p>	<ul style="list-style-type: none"> ▪ Segisor Board of Directors will have 4 directors, of whom two shall be appointed by Casino and 2 by Éxito. ▪ The decisions of the Board of Directors at Holdco shall be adopted unanimously. However, Éxito will have decisive vote in cases listed below: <ul style="list-style-type: none"> ▪ Right to remove the manager (CEO) of Grupo Pão de Açúcar at any time, and the right to determine his/her compensation. Right to propose three candidates to replace him/her. ▪ Decisive vote for Éxito facing dividend payment decisions by Grupo Pão de Açúcar up to 60% of profits for the year. ▪ Approval of the budget and business plan.
<p>Grupo Pão de Açucar Board of Directors</p>	<p>11 directors (appointed for 2 years), with the 5 current independent directors remain in office, three Casino directors and three Éxito directors. The President shall be appointed on the proposal of Casino. Resolutions require the unanimous vote of the directors appointed by Casino and Éxito</p>
<p>Transfer of securities in Segisor</p>	<ul style="list-style-type: none"> ▪ No lock-up period. Transfers to competitors of the parties are prohibited. ▪ Reciprocal preferential rights (excluding intragroup transfers). ▪ Right to join the sale (tag-along).
<p>Purchase Rights</p>	<ul style="list-style-type: none"> ▪ Purchase rights (call options) in favour of Casino on shares of Éxito in Segisor, the Brazilian Holding and Grupo Pão de Açucar, in the event of change of control of Éxito. The purchase right would be exercised by a "fair market value" (considering rights and obligations under shareholder agreements). ▪ No purchase right for Éxito of Casino shares on Segisor. ▪ Reciprocal rights of purchase in the event of nationalization. The purchase right would be exercised at the price agreed by the parties or, failing agreement between the parties, by the "fair market value" of the shares (considering rights and obligations under shareholder agreements).

Financing key considerations

Uses and sources of the transaction

Sources and Uses - Objectives on the closing date (in Billions of COP)



Value and Structure

Value

- **Total cost of the contemplated acquisitions paid in USD (COP \$ 5.2 billion) funded by a mixture of:**
 - Part of existing resources at Éxito by COP\$ 1.0 bn.
 - Bank debt owed by the company up to COP\$ 4.6 bn.

- **Éxito has signed agreements with the following banks:**
 - The three largest banks in Colombia: Bancolombia, Banco de Bogota (Grupo Aval) and Davivenda
 - Citibank, international bank with significant presence in Colombia.

Structure

Documentation for the financing process is composed of three tranches:

- Long-term loan up to COP\$2.0 billion, 10-year amortization, 1 year grace period.
- Revolving credit of up to COP\$0.5 billion, 1 year (2016) to maturity.
 - Provides financial flexibility, balance available depending on the state of the business.
- Bridge loan - up to COP\$2.1 billion, 18 months to maturity.
 - Single tranche to be refinanced after the closing of the transaction.

Financial impacts of the transaction

- **Competitive financing with an average cost of 6.8%**
- **Under the transaction proforma consolidated Éxito's leverage is set to 0.2x Ebitda**

Proposed Resolutions for the General Shareholders Meeting:

After analyzing the transaction between related parties submitted for consideration by the General Shareholders Meeting of Almacenes Éxito, as well as the conflict of interest that it represents for some members of the Board of Directors and the Management of the Company, the General Shareholders Meeting resolved:

1. Approve the transaction on the terms described in the various materials made available to shareholders and submitted for consideration during today's meeting. The transaction consists of:
 - Acquisition of 50% stake in French society Ségisor from Casino, which indirectly controls 99.9% of the voting right shares of GPA. By way of this, Éxito would have a participation on the 50% of shares with voting rights of GPA, equivalent to 18.8% of the share capital of GPA. The investment would have a total value of USD1,536,338,022. Éxito will enjoy special rights in order to consolidate the overall financial statements of GPA.
 - Indirect acquisition of 100% of the shares of Casino in Libertad, for an enterprise value of US\$270 million, plus available cash at the closing date estimated it could reach US\$20 million.
2. Authorize the legal representative of the company to perform all acts and enter into all contracts required to materialize the aforementioned transaction, and ratify the already signed contracts, including agreements for the financing of the transaction signed with local and international banks, and Casino shareholders agreements relating to corporate governance at GPA and Ségisor, as well as purchase options contained therein in case of nationalization of a party or change of control by Éxito.



Declaration

This document contains forward looking statements of expected events. This information does not correspond to historical data and should not be interpreted as a guarantee of future occurrence of such facts and data. These statements are based on data, expectations and estimates that the Grupo Éxito considers reasonable. The Group operates in a competitive environment and great changes. Therefore, it is not in a position to predict all risks, uncertainties or other factors that may affect its business, its potential impact on them or the extent to which the occurrence of a risk or combination of risks could have results that are significantly different from those included in forward-looking statements. The statements contained in this press release are made only as of the date hereof. Except as required by applicable laws, rules or regulations, the Group expressly waives any obligation or undertaking to release publicly any updates of the forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statements contained in this presentation is based.