

# Proposal for Grupo Éxito's Expansion in Brazil and Argentina

# Transaction Summary

# Transaction Summary

## Transaction Structure

- Acquisition of 50% of shares with voting rights of Grupo Pão de Açúcar (GPA), which represent approximately 19% of the capital of that company. The value of the transaction will amount US\$ 1,536 million.
- Acquisition of 100% of Libertad (Casino operation in Argentina) for the amount of US\$270 million (Enterprise Value), plus net cash.

## Transaction Rationale

- A major step in Éxito's international expansion strategy.
  - Acquisition of the controlling stake in Grupo Pão de Açúcar (granting the right to full consolidation), the retail 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 real estate developments.
- 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 cross-fertilization opportunities in textiles, formats (*cash & carry, discount, premium proximity*), electronic commerce and real estate.
- Synergies from purchasing and procurement in various areas such as food, non-food and private labels, as well as from cost efficiencies.
- Total run-rate synergies estimated at US\$ 160 million per annum, once the implementation is completed, with an expected split 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% (1) 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 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 for 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\$4.6 billion.
- Planned debt package of up to COP\$4.6 billion (granted by Colombian and international banks) consisting of: a 10 years amortization loan of COP\$2.0 billion, a 12-month revolving credit of USD\$0.5 billion and a 18-months bridge loan of COP\$ 2.1 billion.
- Initial average financing cost of 6.8%

## Effect 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 full implementation.
- Positive impact on Éxito's return on equity (ROE) +300bps including synergies.

# Procedure for compliance of regulations and Corporate Governance Standards

# WORLDWIDE EXPERIENCED CONSULTANTS



DUE DILIGENCE :  
Finance and tax



Contracts and Agreements  
Legal Due Diligence



Financial advisor



*Fairness opinion*



Funding



# 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.
- Bank of America Merrill Lynch acted as a consultant only for Éxito and issued a "*fairness opinion*".
- Hiring top legal advisers, different from those of Casino, in different jurisdictions.

## Step 2: Meeting of Supporting committees

- The Auditing 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 transaction among related parties and on the conflict of interest in 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 meeting 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

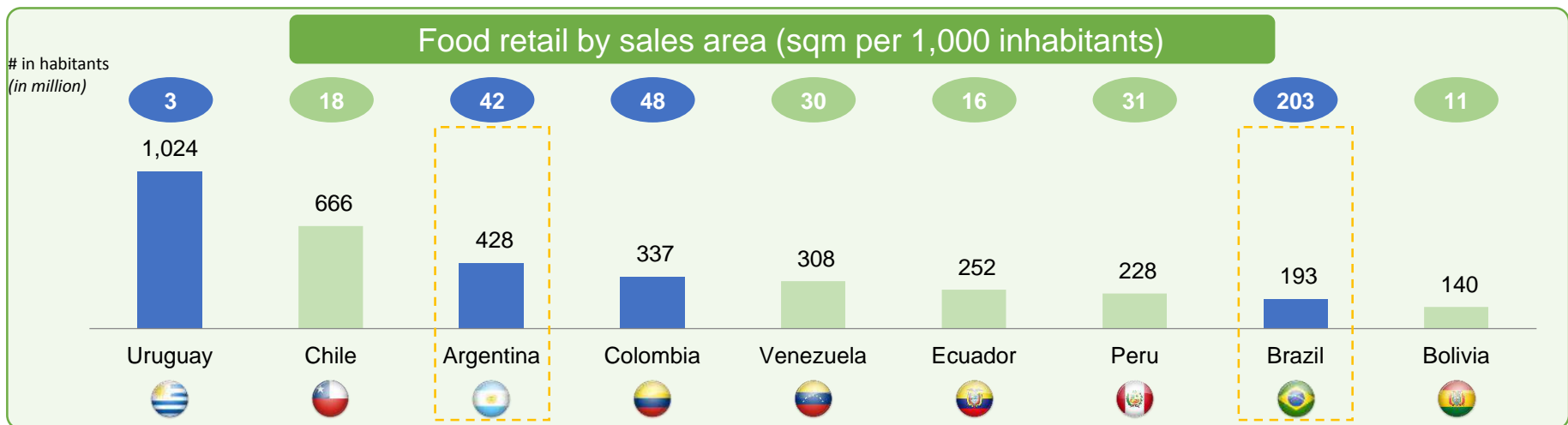
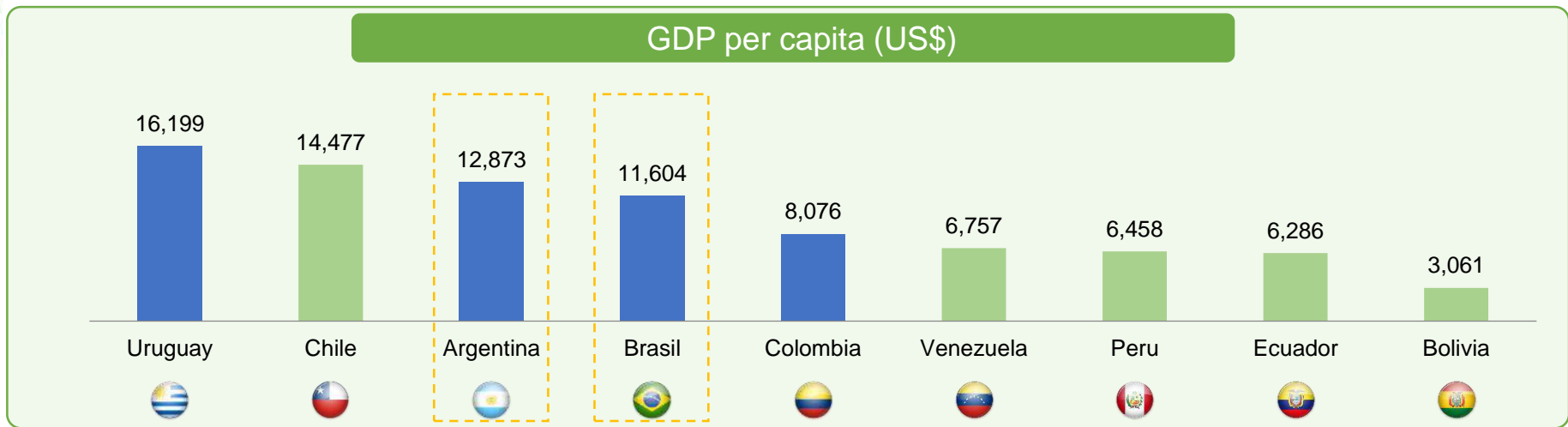
- The Board of Directors decided (without the participation of members in conflict for matters between related parties):
  - (i) To recognize the existence of the conflict,
  - (ii) As provided for in Article 23 of Law 222 of 1995, to refer the transaction to the General Shareholders Meeting for approval,
  - (iii) To recommend that shareholders approve the transaction, based on the recommendations of the committees and the opinion of financial and legal advisors,
  - (iv) To authorize the administration to celebrate the transaction documents subject to approval by the General Shareholders Meeting,
  - (v) 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 Directors 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 Shareholders Meeting.
- 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 General Shareholders Meeting was convened for August 18, 2015.

# Grupo Pão de Açúcar and Libertad Overview

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



# Grupo Pão de Açúcar overview

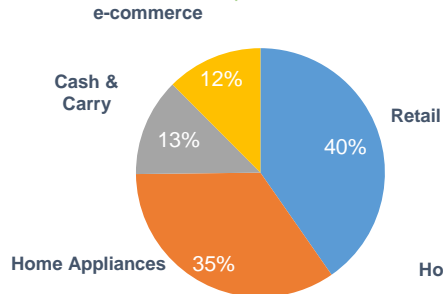
## Grupo Pão de Açúcar in a nutshell

- 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

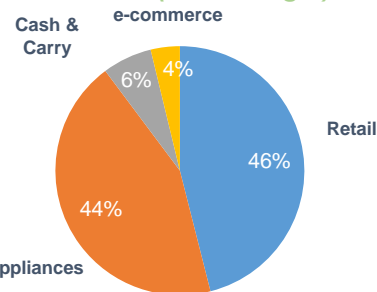
### Sales FY14\*

US\$27.8bn

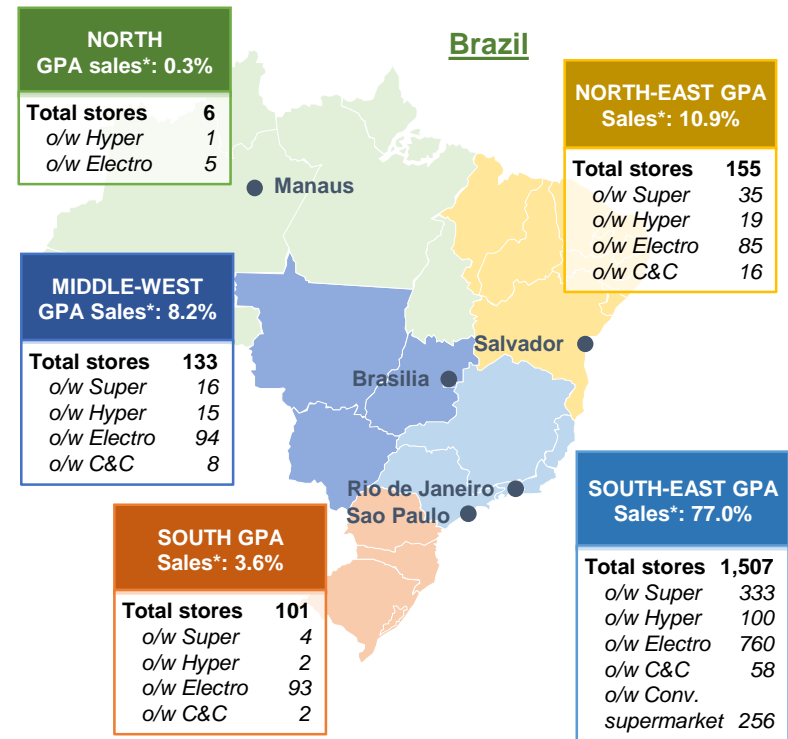


### EBITDA FY14\*

US\$2.3bn (8.2% margin)



## Geographical footprint



\*Share of GPA gross sales in 2014

Note: FX rate: 1-year average as of 31/12/14 (US\$/R\$: 2.35)

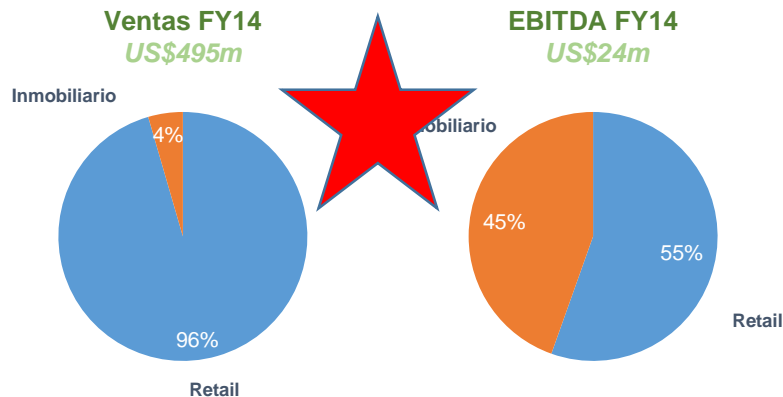
Source: \*Based on GPA annual report which includes the international operations of Cnova from August 2014

# Libertad overview

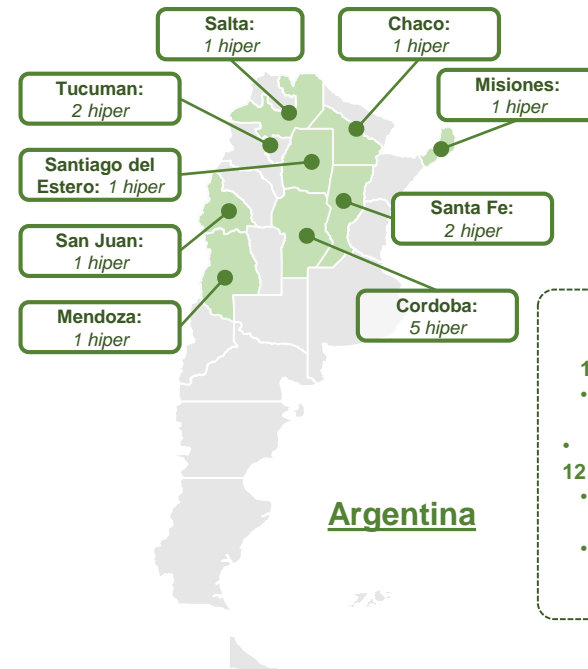
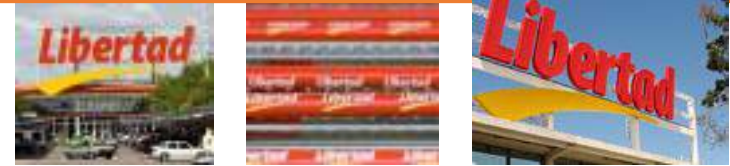
## Libertad in a nutshell

- 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

## Key information



## 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?

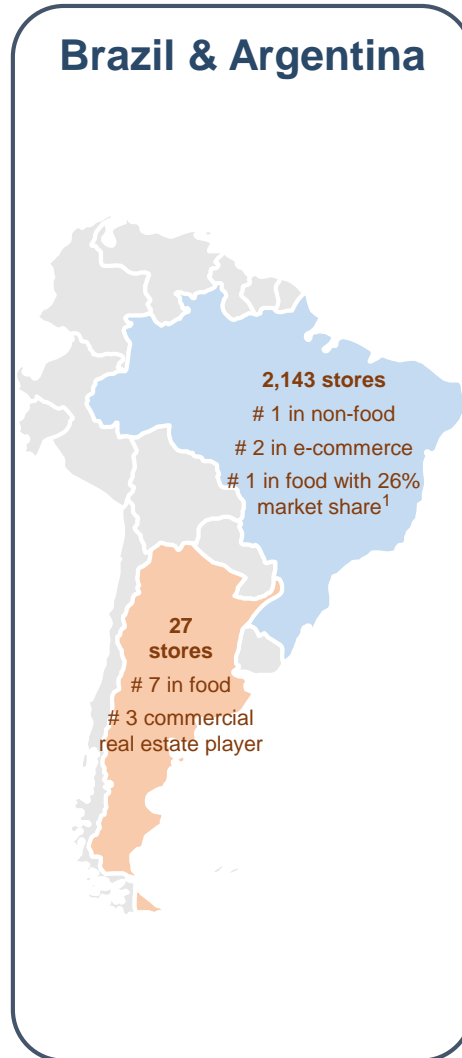


**1 Gain exposure to 203 million inhabitants**  
 5<sup>th</sup> largest worldwide country and 1<sup>st</sup> one in South America  
 1<sup>st</sup> regional economy with c. 55% of total regional GDP and US\$11,604 GDP/capita

**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 share<sup>1</sup>  
 # 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**  
 3<sup>rd</sup> largest country in South America with 42 million inhabitants  
 2<sup>nd</sup> 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><b>1</b></p> <p><b>Internationalization</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Significant expansion of geographical footprint:</b> <ul style="list-style-type: none"> <li>- From 2 to 4 countries</li> <li>- Leadership positions in key LatAm economies</li> </ul> </li> <li>▪ <b>Enhanced growth profile of Exito post transaction with a higher like-for-like and additional growth opportunities</b></li> </ul>
<p><b>2</b></p> <p><b>Omni-channel expansion</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Increased exposure to e-commerce and click &amp; collect potential through Cnova</b></li> <li>▪ <b>Active management and development of our real-estate expertise through the creation of a REIT and value enhancing real-estate opportunities in Argentina</b></li> </ul>
<p><b>3</b></p> <p><b>Commercial development</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Significant cross-fertilization opportunities capitalizing on GPA's experience in CRM, loyalty, cash &amp; carry.</b></li> <li>▪ <b>Opportunity to develop synergistic approach in products innovation, private labels and purchases</b></li> </ul>
<p><b>4</b></p> <p><b>Operational excellence</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Implementation of synergies improving profitability</b></li> <li>▪ <b>GPA: best-in-class profitability and ROIC</b></li> <li>▪ <b>Exchange of best practices</b></li> </ul>
<p><b>5</b></p> <p><b>Human Resources and sustainability</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Exchange of people/knowledge around LatAm operations</b></li> <li>▪ <b>Significant opportunities for joint Corporate Social Responsibility (CSR) programs under the umbrella of Casino's principles</b></li> </ul>



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

## Argentina

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

## Brazil

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




## Uruguay

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



1

# The new Éxito: a major step forward

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

Notes:

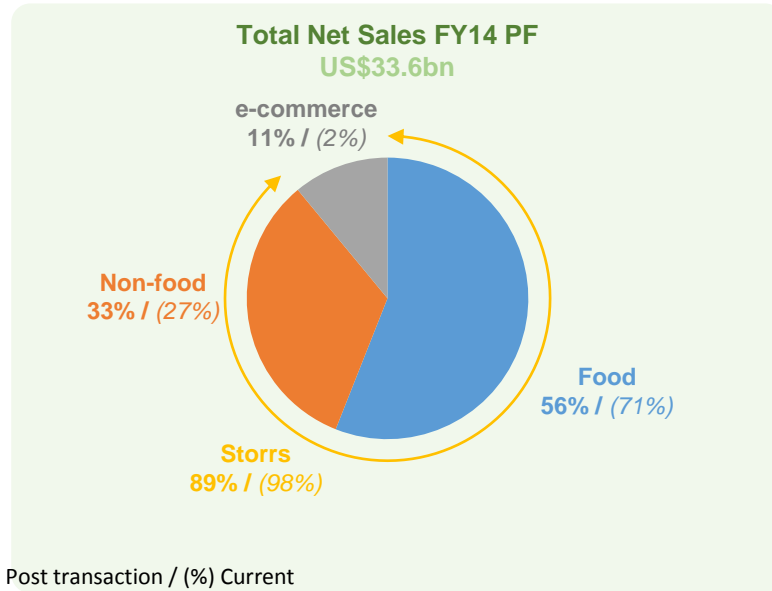
FX rate: 1-year average as of 31/12/14 (R\$/ US\$: 2.35 - US\$/ ARS: 8.12 - US\$/ COP: 2,002.7)

GPA is fully consolidated

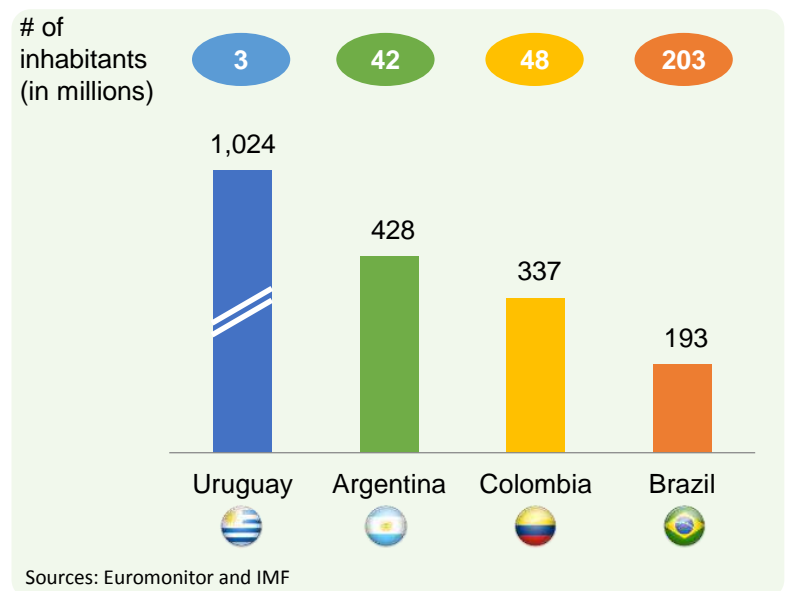
Source: Published figures for 2014, IFRS accounts for Exito (Disco Group not fully consolidated in 2014)

# 1 Enhanced growth profile through business and geographical diversification

## 2014 sales breakdown by business

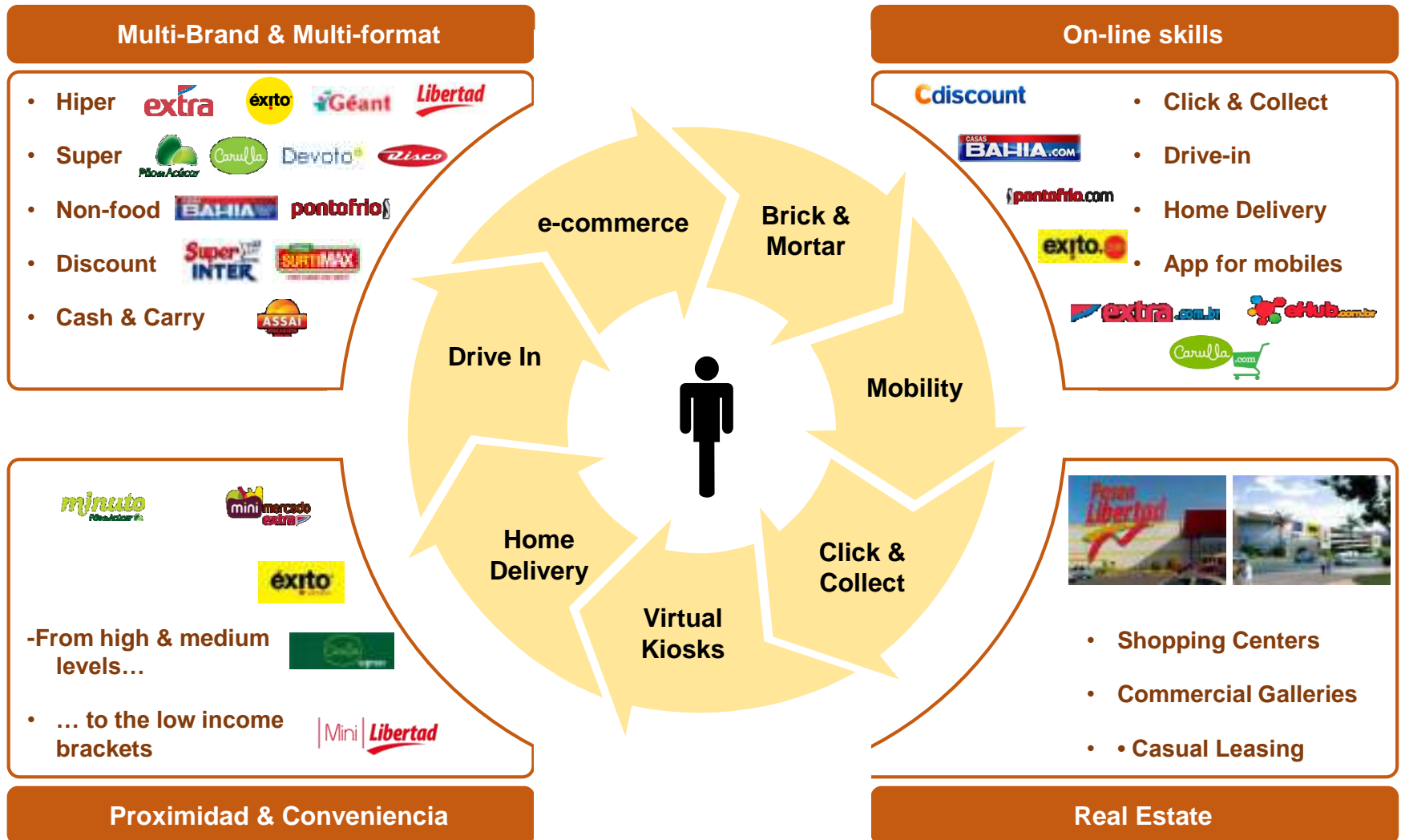


## Food retail shopping surface (sqm per 1,000 hab.)

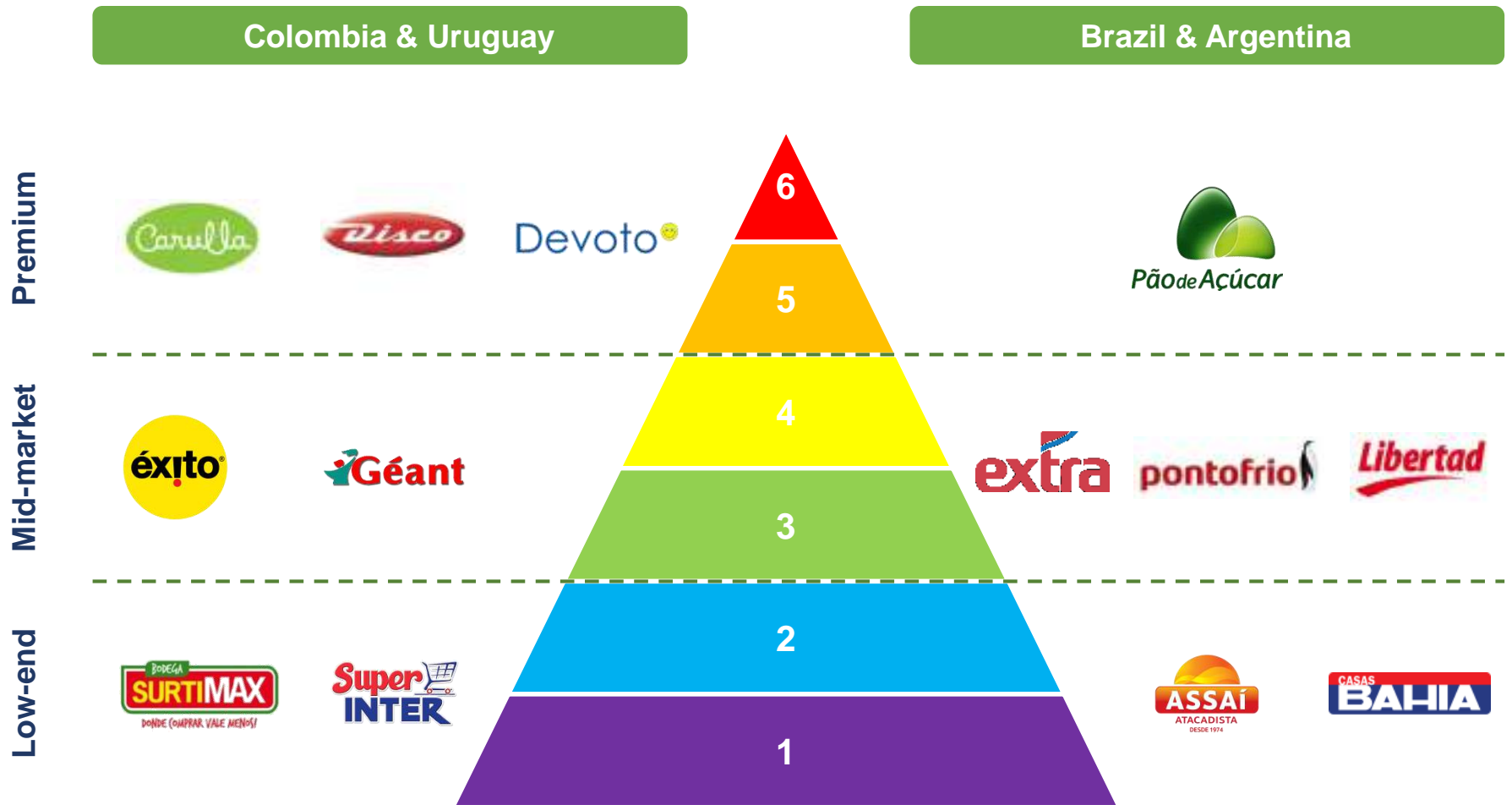


Exposure to fast-growing e-commerce operations  
 Large market size in Brazil with still significant penetration potential  
 Capacity to benefit from the rebound in Argentina and the roll-over of a dual retail / real estate model

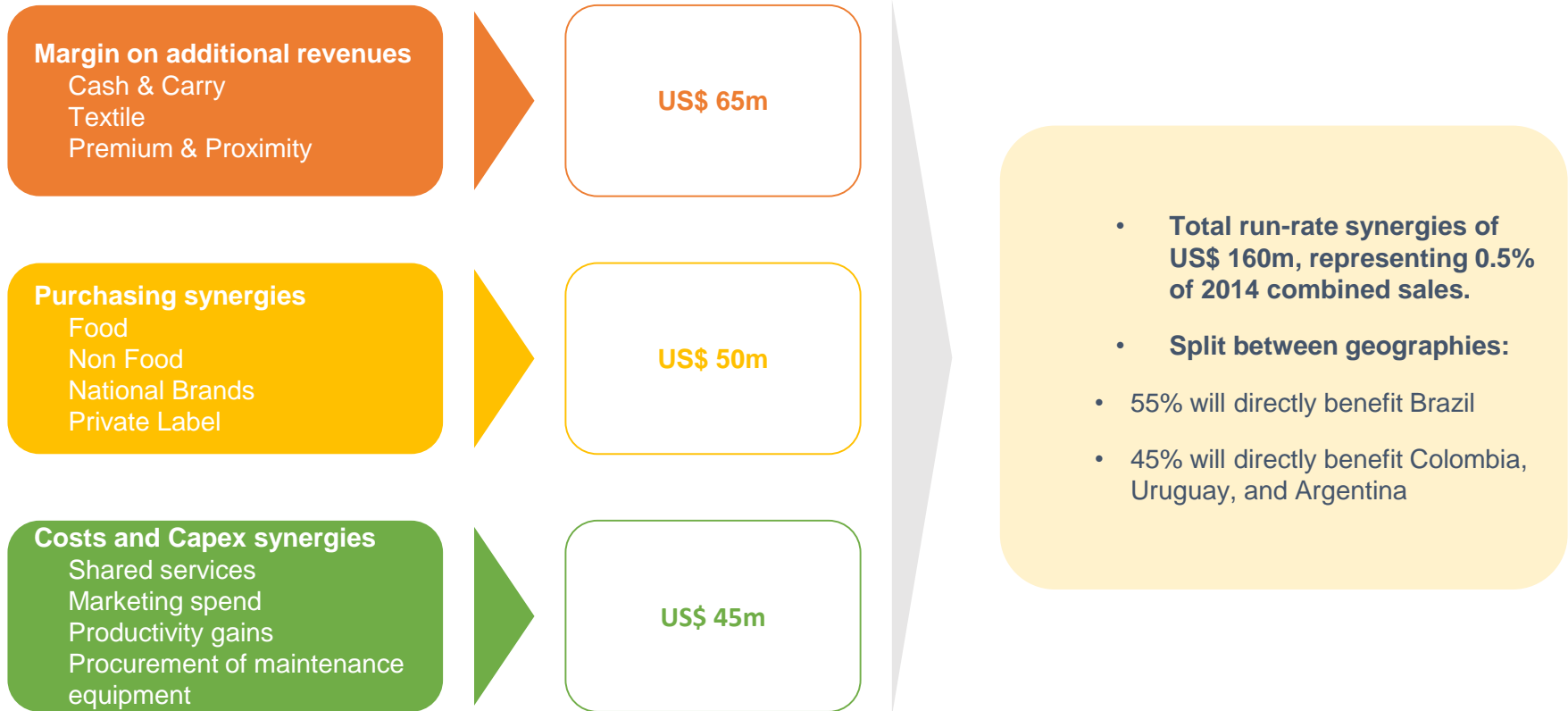
## 2 A best-in-class omni-channel model



### 3 Comprehensive coverage of every socioeconomic income



# 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

- 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

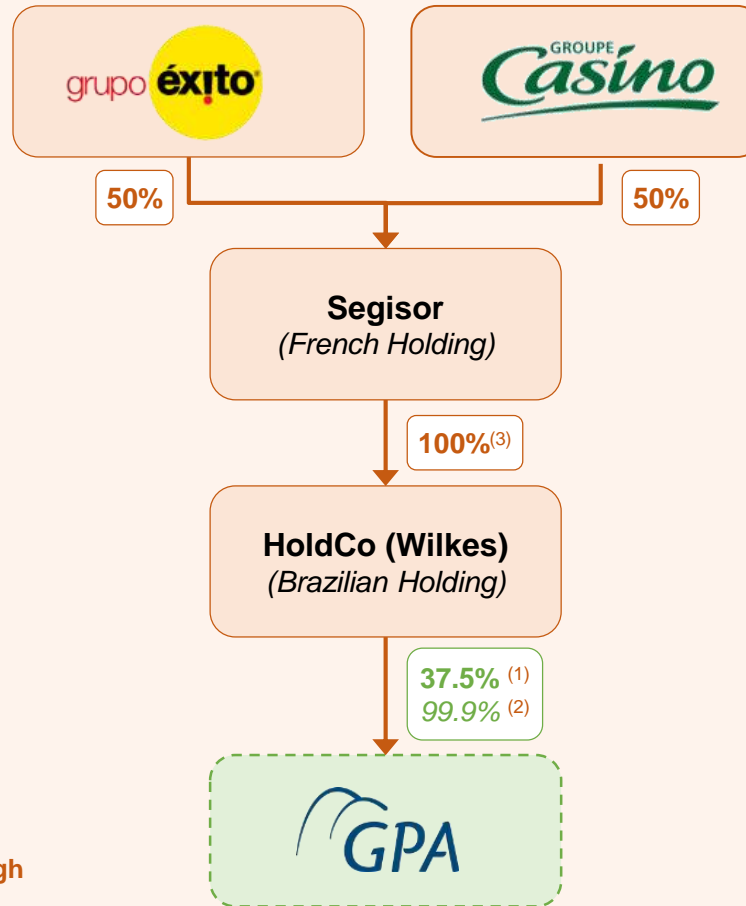
- Strengthening the current work on common initiatives like Global Compact and similar projects.
- Sharing best practices and adopting local winning initiatives as CEMPRE (Compromisso Empresarial para Reciclagem) where Grupo Pão de Açúcar is a party, and whose objectives are the promotion of post-consumer 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 GPA

## Éxito and Casino participation in GPA



(1) Economic %

(2) % Voting Rights

(3) Directly and indirectly through subsidiaries

# GPA – Due diligence relevant aspects

## Advisors

- Hiring world-renown legal advisors:
  - Lefosse Advogados, a firm that has participated in some of the largest and most complex operations in Brazil.
  - White & Case, an international law firm with cross-border experience working with some of the banks and the most respected and established companies in the world.

## Information and Findings

- As is usual for listed companies on the stock exchange, a process of due diligence was done on GPA's public information disclosed by the company in accordance with its obligations as securities issuer .
  - GPA gave Éxito advisors access to company management to resolve questions that arose during the due diligence.
  - The findings of the due diligence on GPA are consistent with the information disclosed by GPA to the market in their capacity as listed company.
  - Material damages resulting from GPA information that had not been disclosed to the market would be a compensable event.
- We performed legal due diligence on Segisor and other Segisor subsidiary companies that are involved in the transaction by owning voting shares in GPA.
  - In the basic information with granted access to these companies, there were not material risks identified signal inconvenience of the transaction.
  - Damages resulting from information that had not been revealed in the due diligence process would be a compensable event.

# GPA - Highlights of the Share Purchase Agreement

Representations and warranties	<b>Price</b>	<ul style="list-style-type: none"> <li>Fixed price of USD\$1.536m for 50% of the voting shares in the capital of Segisor owned by Casino Guichard Perrachon.</li> <li>No price adjustment mechanism.</li> </ul>
	<b>Parties</b>	<ul style="list-style-type: none"> <li>Casino, Guichard Perrachon and Éxito.</li> </ul>
	<b>Representations and Warranties</b>	<ul style="list-style-type: none"> <li>Standard Statements for this type of business taking into account the quality of issuer that of GPA - See next slide.</li> </ul>
	<b>Indemnity period</b>	<ul style="list-style-type: none"> <li>2 years (excluding taxes and claims arising from previous restructuring for which the duration is the limitation period)</li> </ul>
	<b>Limits on the indemnities</b>	<ul style="list-style-type: none"> <li>Casino Guichard Perrachon will not be liable for claims below: USD\$500,000</li> <li>Once accumulated compensable losses reach an equivalent amount to USD\$10 million, Casino, Guichard Perrachon will pay all compensable losses from the first dollar.</li> <li>Casino Guichard Perrachon will not be liable for claims over 15% of the purchase price, except where unclear fundamental statements otherwise. (capacity, existence, ownership of the shares), in which case the limit is the purchase price.</li> <li>These limits do not apply in cases of fraud or willful misconduct.</li> </ul>
<b>Applicable law</b>	<ul style="list-style-type: none"> <li>French law arbitration in the International Chamber of Commerce in Paris.</li> </ul>	

# GPA – Representations and warranties

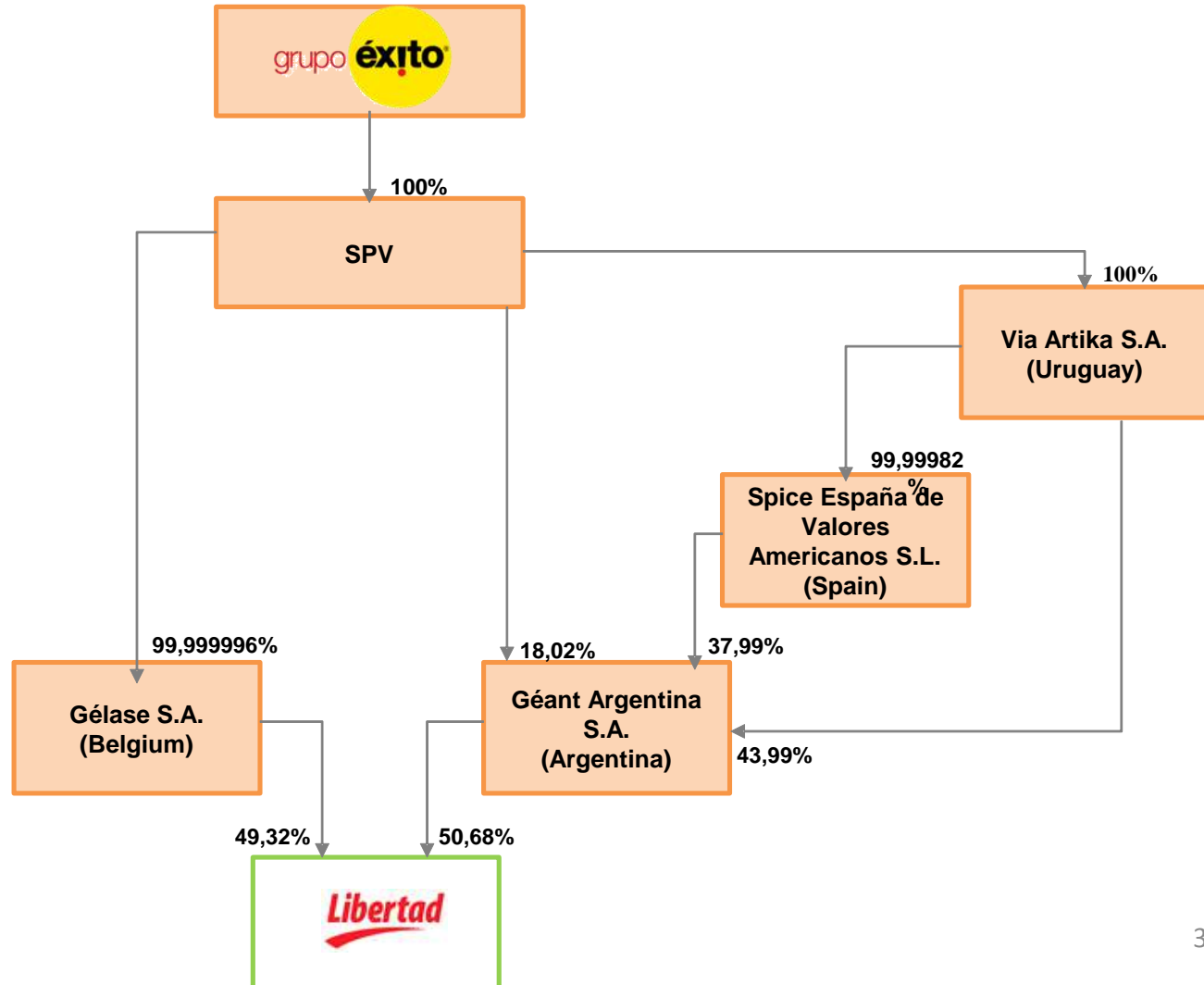


The parties negotiated usual and appropriate representations and warranties, including the following statements about the operating companies:

Representations and warranties	<p><b>By Casino, Guichard Perrachon related to GPA.</b></p>	<ul style="list-style-type: none"> <li>▪ Capacity existence and validity to carry out the transaction.</li> <li>▪ Absence of conflict.</li> <li>▪ Financial Statements (inter alia, states that all consolidated financial statements and the unaudited consolidated financial statements presented in interim form, in all material aspects, the GPA financier position in the relevant date)</li> <li>▪ Disclosure (among other</li> </ul>	<p>things, states that GPA and its subsidiaries have been duly registered all required disclosure documents, which do not contain false statements about material facts or intentional omission).</p> <ul style="list-style-type: none"> <li>▪ Absence of certain changes.</li> <li>▪ Tax.</li> <li>▪ Property.</li> <li>▪ Financial contracts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Absence of certain commercial practices (essentially states that the seller is not aware of violation of anti-corruption laws).</li> </ul>
	<p><b>De Casino, Guichard Perrachon respecto de sí mismo</b> <b>By Casino, Guichard Perrachon related itself</b></p>	<ul style="list-style-type: none"> <li>▪ Capacity existence and validity.</li> <li>▪ Absence of conflict.</li> <li>▪ Governmental authorizations.</li> <li>▪ Ownership of Shares.</li> <li>▪ Absence of encumbrances.</li> </ul>		

# Éxito participation in Libertad

## Éxito participation in Libertad



# Libertad - Due diligence relevant aspects

## Labor

- Lawsuits with administrative authorities as a result of massive layoffs.
- There could be labor claims resulting from:
  - Joint and several liability under the absence of adequate legal support for the provision of cleaning and security services.
  - Union requests to improve benefits for certain posts.

## Litigation

- Libertad is now involved in discussions with government authorities in issues related to customs and currency.
- Exposure: US\$2m

## Commercial contracts

- Risk of loss of license to operate the Holiday Inn Hotels as a result of a change of control clause, unless a waiver from Six Continent Hotels Inc will be obtained.
- Risk of loss of license to use the Leader Price Brand because of a change of control, unless obtaining waiver by Geimex.

## Corporate

- Carnes Huinca: Libertad believes that the liquidation of this subsidiary would lead to contingencies with respect to operating costs and labor issues.
- Exposure: US\$1.3m

# Libertad – Highlights of the Share Purchase Agreement

Representations and warranties	<b>Price</b>	<ul style="list-style-type: none"> <li>▪ Purchase price expressed in Enterprise Value (EV) (USD \$270m) increased to close by the available amount of cash in the balance sheet prior to the closing month.</li> </ul>
	<b>Representations and Warranties</b>	<ul style="list-style-type: none"> <li>▪ Standard Statements for this type of business taking into account Libertad is not registered in the stock market - See next slide.</li> </ul>
	<b>Indemnity period</b>	<ul style="list-style-type: none"> <li>▪ 1 year, excluding taxes and claims in which case the period extends the statute of limitations applicable.</li> </ul>
	<b>Limits on the indemnities</b>	<ul style="list-style-type: none"> <li>▪ Casino Guichard Perrachon will not be liable for claims below: USD\$350.0000</li> <li>▪ Once accumulated compensable losses reach an equivalent amount to USD\$1,500,000, Casino, Guichard Perrachon will pay all compensable losses from the first dollar.</li> <li>▪ Casino Guichard Perrachon will not be liable for claims over 15% of the purchase price, except in case of fraud or willful default, in which case this limit does not apply</li> </ul>
	<b>Applicable Law</b>	<ul style="list-style-type: none"> <li>▪ Colombian law (consistent with transactions Disco and Devoto 2011)</li> <li>▪ Arbitration according to the rules of the International Chamber of Commerce.</li> </ul>



# Libertad – Representations and warranties



The parties negotiated usual and appropriate representations and warranties, including the following statements about the operating companies:

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Representations and warranties</p> <p><b>By Casino, Guichard Perrachon related to shares of Spice, transferred shares, Arizona shares and the Compañías Arizona</b></p>	<ul style="list-style-type: none"><li>▪ Ownership on transferred shares and assets of the Company Arizona.</li><li>▪ Existence and capacity.</li><li>▪ Absence of conflict.</li><li>▪ Financial statements.</li><li>▪ Absence of certain changes.</li><li>▪ Litigation.</li><li>▪ Labor.</li><li>▪ Ownership of Assets.</li><li>▪ Bankruptcy proceedings.</li><li>▪ Immunities.</li><li>▪ Taxes.</li><li>▪ Corporate documents.</li><li>▪ Books and Records.</li><li>▪ Hidden liabilities.</li><li>▪ Corporate documents.</li><li>▪ Environmental.</li><li>▪ Exchange Affairs.</li><li>▪ Property.</li><li>▪ Material Contracts.</li><li>▪ Intellectual property.</li><li>▪ Data protection.</li><li>▪ Law enforcement and authorizations.</li></ul>
--	--

# Valuation considerations



# Main considerations in GPA's valuation

- **The price of R\$100 per common share of GPA was defined based on the intrinsic value of EPS in accordance with the methodology of Discounted Cash Flow (DCF):**
  - The projection of cash flows was prepared for each of GPA activities (Sum-of-the-parts): Food (including Cash & Carry), non-food (Via Varejo), e-commerce (Cnova) and was based on business plans prepared by the management of GPA, which were discussed with management at Éxito and its financial advisers in order to understand the fundamentals of the business, current trends and assumptions.
  - DCF methodology is particularly relevant given the structure of the transaction (purchase of 50% of shares with voting rights) and various growth profiles of each of the activities of GPA.
  
- **Additionally, other valuation methodologies (multi-criteria approach) in order to compare with other market standards were applied, reaching the following conclusions:**
  - The price is in line with the valuation of its main activities using the methodology of multiple comparable listed companies (comparable listed Sum-of-the-parts).
  - The price is below the average target of R\$105 per preferred shares (without voting rights) price set by analysts (1)
  - The price of R\$100 per share reflects a premium of 20.6% over the average price of the preferred stock of GPA for the past three months (consistent with the premium seen in the market for control premium and premium deals acquisition).
  - The potential synergies were not taken into account in the assessment.

Note: (1) published from the results of the company for the first quarter and is consistent with the average of the most recent reports (slightly above R\$98 for reports published since June).

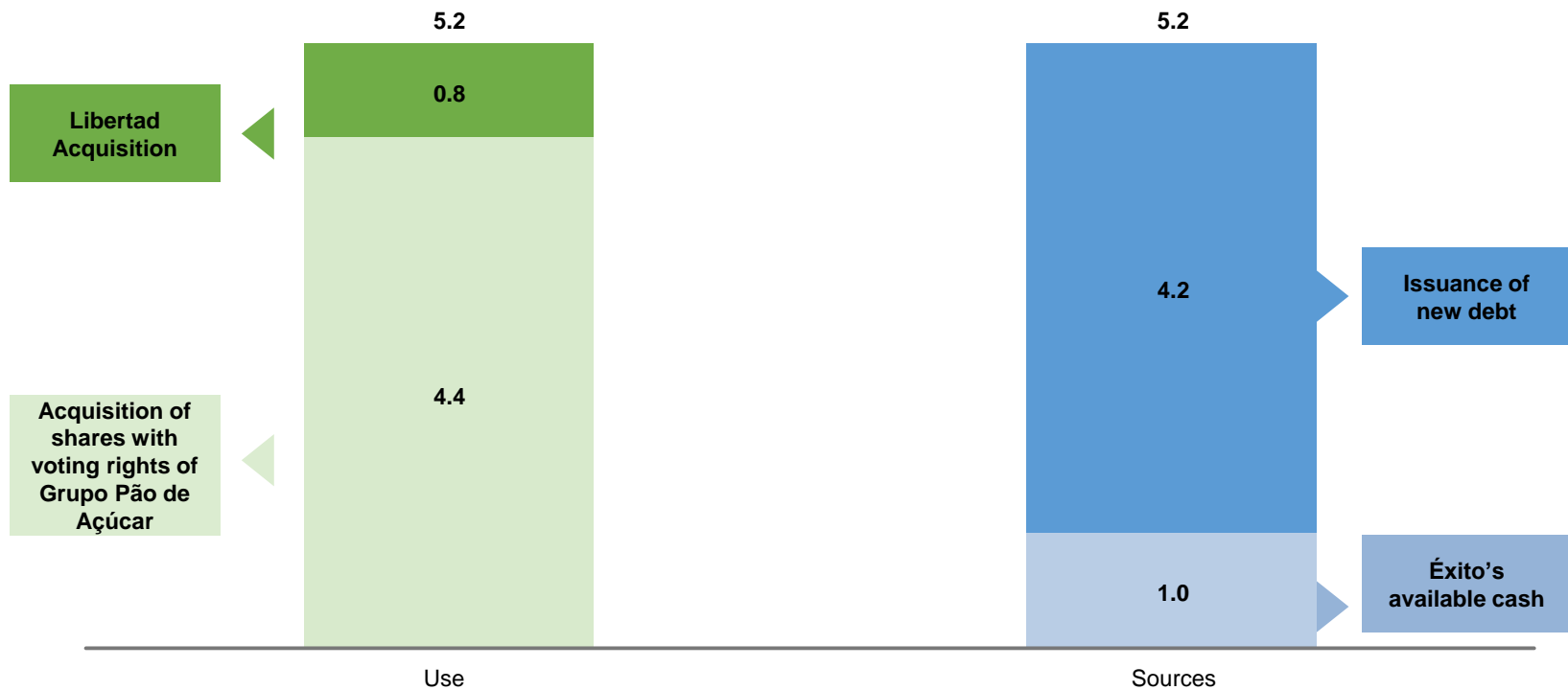
# Main considerations in Libertad's valuation

- **The enterprise value of USD270 million was defined based on the intrinsic value of Libertad.**
- **The price comes from the valuation methodology of Discounted Cash Flow (DCF) given the current situation of Libertad** (political and economic situation in Argentina) and the improvement the expected profitability in the medium term.
  - The DCF was prepared for each of the activities of Libertad (Sum-of-the-parts): *retail* and real estate marketing (shopping centers), and were based on the business plans prepared by management of Liberty which were discussed with Éxito management and its financial advisers in order to understand the fundamentals of the business, current trends and used assumptions.
- **The valuation under the methodology of multiples of comparable listed companies was used as a secondary reference but in this case does not shows the expected course of business.**
- **The potential synergies were not taken into account in the assessment.**

# 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 mix 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.
  - The agreements contain restrictions, conditions and covenants:
  - [LIST COVENANTS - PENDING GPZ]

## 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:



## Proposed Resolutions for the General Shareholders Meeting:

Once analyzed by the Board of Directors, the related party transaction and conflict of interest that this poses to some members of the Board of Directors and Management Company, the Board of Almacenes Éxito S.A. submitted for consideration to the shareholders the following proposal for the adoption of a consistent regional expansion opportunity in investing in the companies "Companhia Brasileira de Distribuição" or "Pão de Açúcar y Libertad S.A.”:

The General Shareholders Meeting resolves:

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.

1.

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.*