

Almacenes Exito

Casino's Analyst Day

December 10-11, 2009



Agenda

- || Almacenes Exito in a snapshot
- || Colombia: Macroeconomic Overview and Retail Market
- || Our Strategy
- || Financial Highlights
- || Opportunities going forward
- || Conclusion

Almacenes Exito in a snapshot

#1 Retailer in Colombia

- 1st private company in Colombia with net revenues of COP\$7.1 bn (USD3.6 billion) ⁽¹⁾
- Over one hundred years of experience in the Colombian retail market
- 38.4% ⁽²⁾ share of the formal retail market and 2.2x the net revenues of the closest competitor
- Multi format strategy with hypermarkets, supermarkets and bodega
- Complementary businesses financial retail, travel agencies, insurance, gas stations to complement the retail core
- Nationwide footprint across 51 cities (as of November 30, 2009)

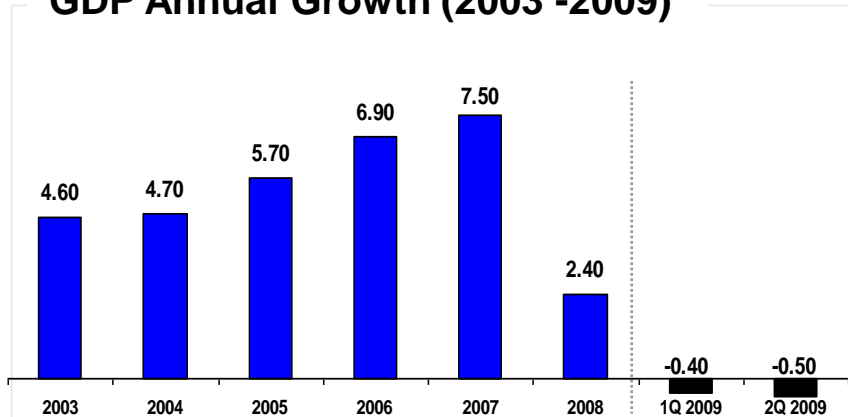
(1) As of December 2008
Average Exchange Rate 2008 USD1 = COP\$ 1.967

(2) Source: Nielsen as of December, 2008



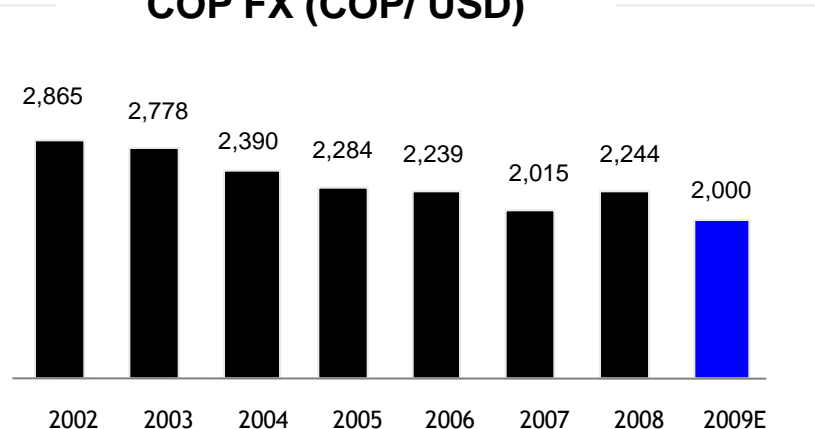
Colombia - Macroeconomic Overview

GDP Annual Growth (2003 -2009)



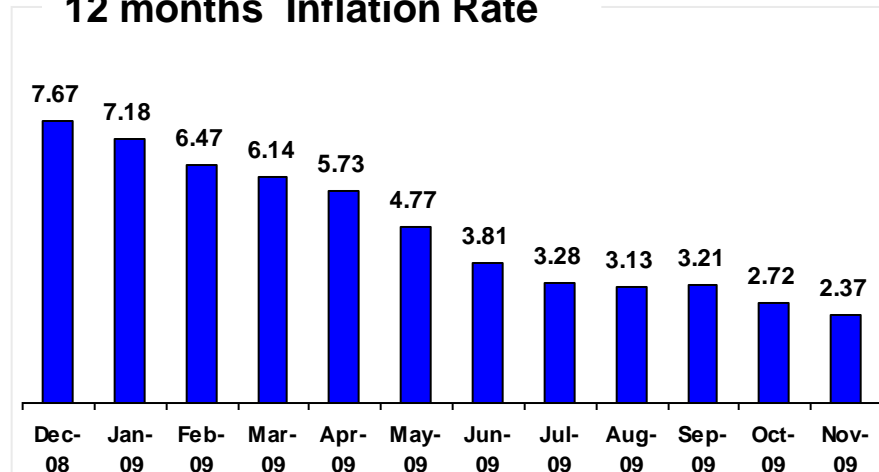
Source: Dane

COP FX (COP/ USD)

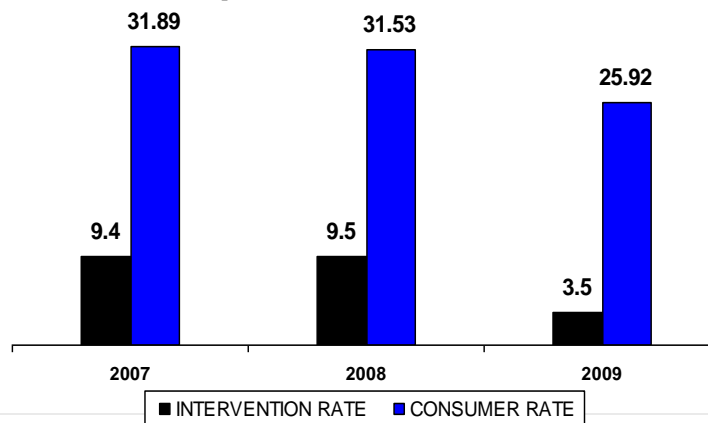


Source: Latin Focus, Bloomberg. Bancolombia -End of period

12 months Inflation Rate

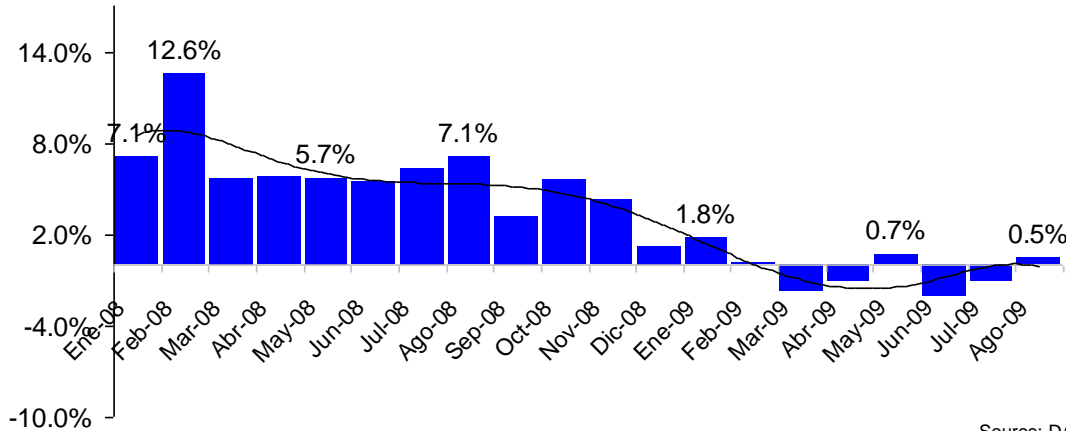


Central Bank Intervention Rate vs Cap Consumer Rate



Colombia - Macroeconomic Overview

Retail Sales as of August 2009 (in nominal terms)

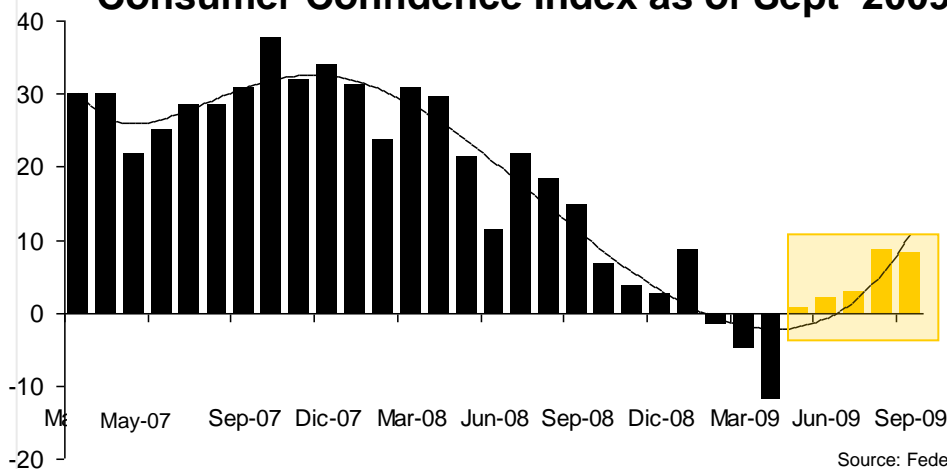


Source: DANE

| Retail Sales | |
|--------------|-------|
| Jan-09 | 1.8% |
| Feb-09 | 0.2% |
| Mar-09 | -1.8% |
| Apr-09 | -1.1% |
| May-09 | 0.7% |
| Jun-09 | -2.0% |
| Jul-09 | -1.0% |
| Ago-09 | 0.5% |

Source: DANE

Consumer Confidence Index as of Sept 2009

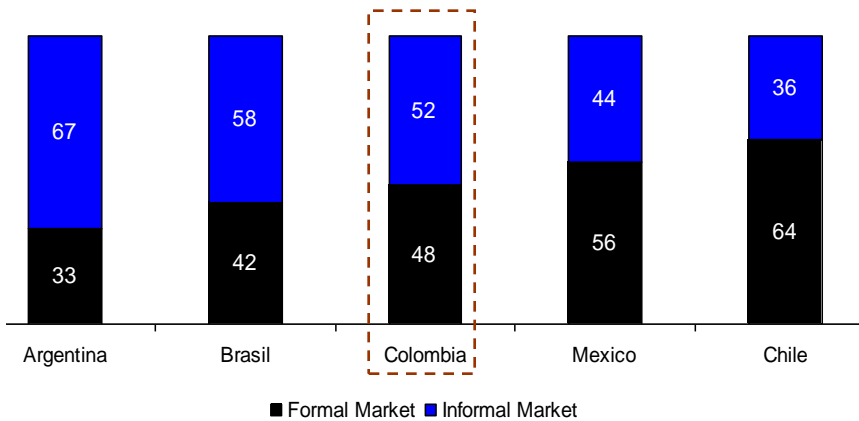


Source: Fedesarrollo

- Consumer confidence has been rising since April 09.
- Retail sales have begun to show a stabilization pattern over the past months.

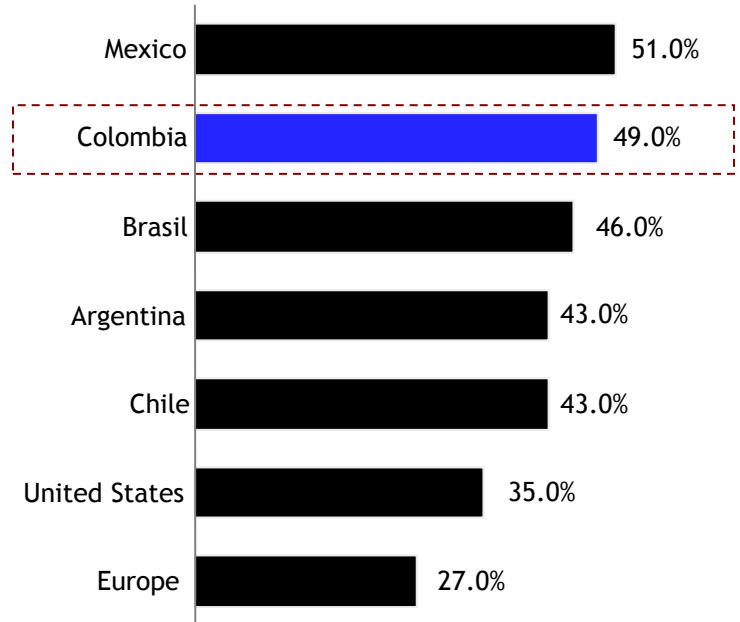
Ample room for market development

Informal market over total retail market



Source: Ilacad, 2008 in "Mapa del retail en America Latina"

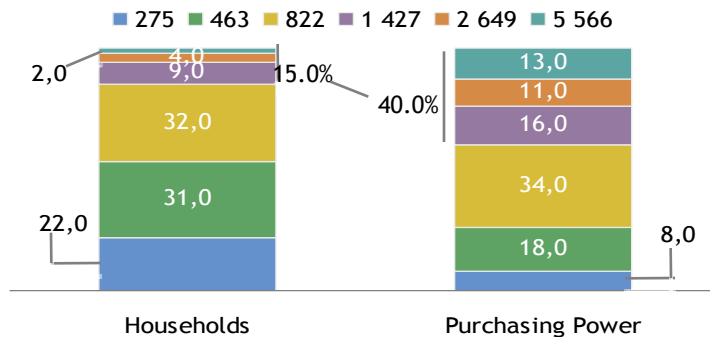
% of population below 25 yrs old *



2008 Population = 45mm
2008 PIB = US \$242bn

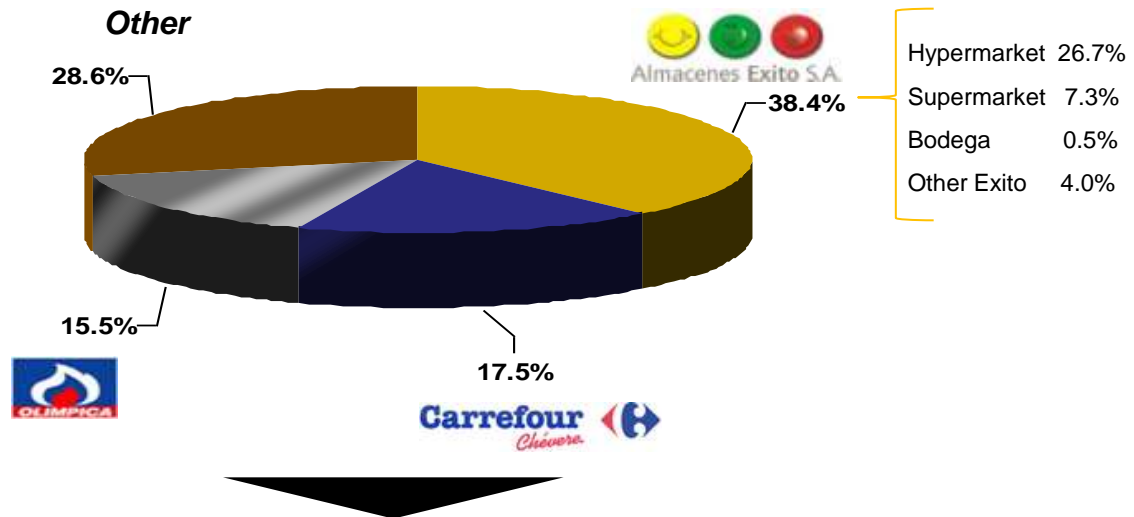
Source: www.banrep.gov.co
Average FX 2008 \$/US\$ = 1,966.26
*CEPAL 2005

Population breakdown by monthly income (USD)



Source: DANE average 23 main cities 2008
Average FX 2008 \$/US\$ = 1,966.26










Undisputable market share leader



Exito has sales approx. 2.2x higher than those of its closest competitor

Source: Nielsen as of December 31, 2008. Includes only formal retail market

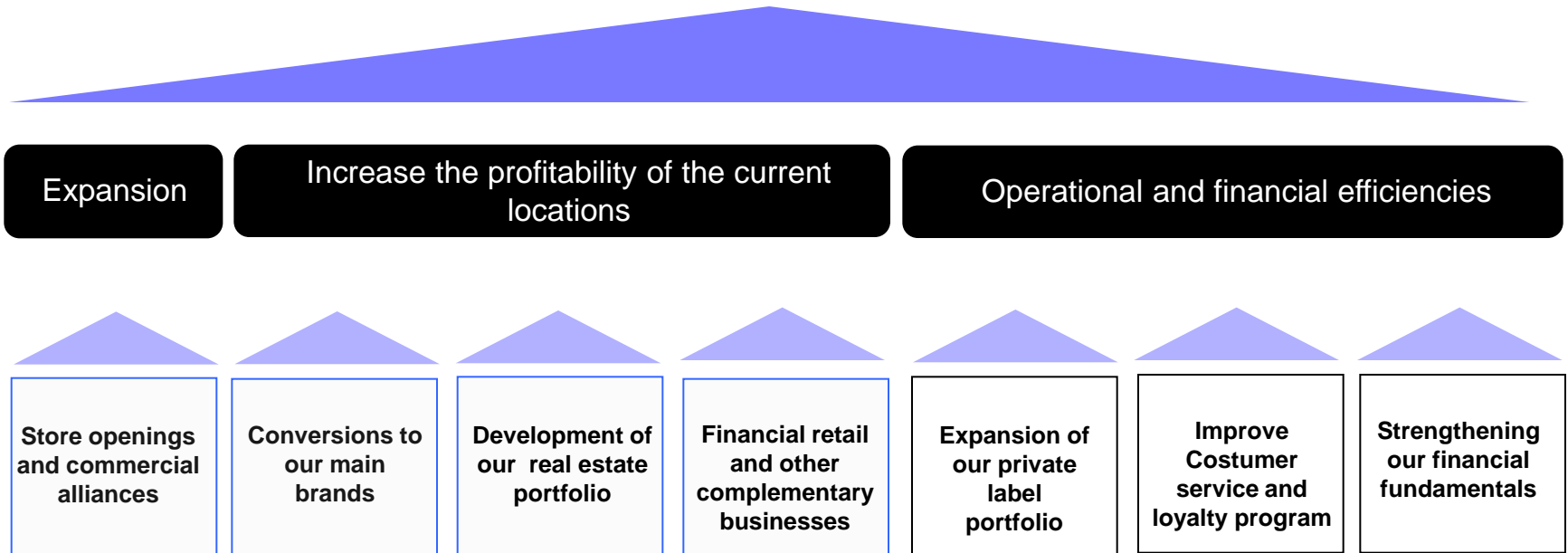
Competitive Landscape

| Company | | Stores October 2009 | Format | Net Revenues Dec 2008* |
|-------------------|---|------------------------|------------------|------------------------------|
| Almacenes Exito |  | 260 | Hyper/Super/Conv | 7,125 |
| Carrefour |  | 67 | Hyper | 3,169 |
| Olímpica |  | 162 | Super/ Hyper | 2,448 |
| Alkosto |  | 10 | Cash & Carry | 1,616 |
| Cacharrería La 14 |  | 15 | Hyper | 992 |
| Colsubsidio |  | 37 | Super | 775 |
| Cafam |  | 43 | Super | 663 |
| Makro |  | 14 | Cash & Carry | 575 |
| Home Center |  | 19 | DIY | N/A |
| Falabella |  | 8 | Dpt Store | N/A |
| ZARA |  | 7 | Mode / Textile | N/A |

* Source: Semana Magazine – May, 2009
COP Thousand million

Our Strategy








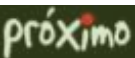
Enhance our profitability while strengthening our #1 position in the Colombian retail market



Growth levers

Operational and financial efficiencies

Our multi-format strategy differentiates us from our competitors and allows us to cover all the population segments

| | Format | Number of stores | Area (sq. m) | % sales |
|---|-------------|------------------|----------------|---------|
|   | Hypermarket | 89 | 463,445 | 70.7 |
|   | Supermarket | 89 | 86,813 | 19.0 |
|  | Bodega | 47 | 43,684 | 4.4 |
|    | Other | 35 | 55,020 | 5.9 |
| | | 260 | 648,962 | |

Banners Positioning



EXITO

Super center

Target:

Middle-Income women. She looks for value and relates quality and good prices.

Banners Positioning



Supermarket

Target:

People who look for quality and service.

They like the good things in life.



Banners Positioning



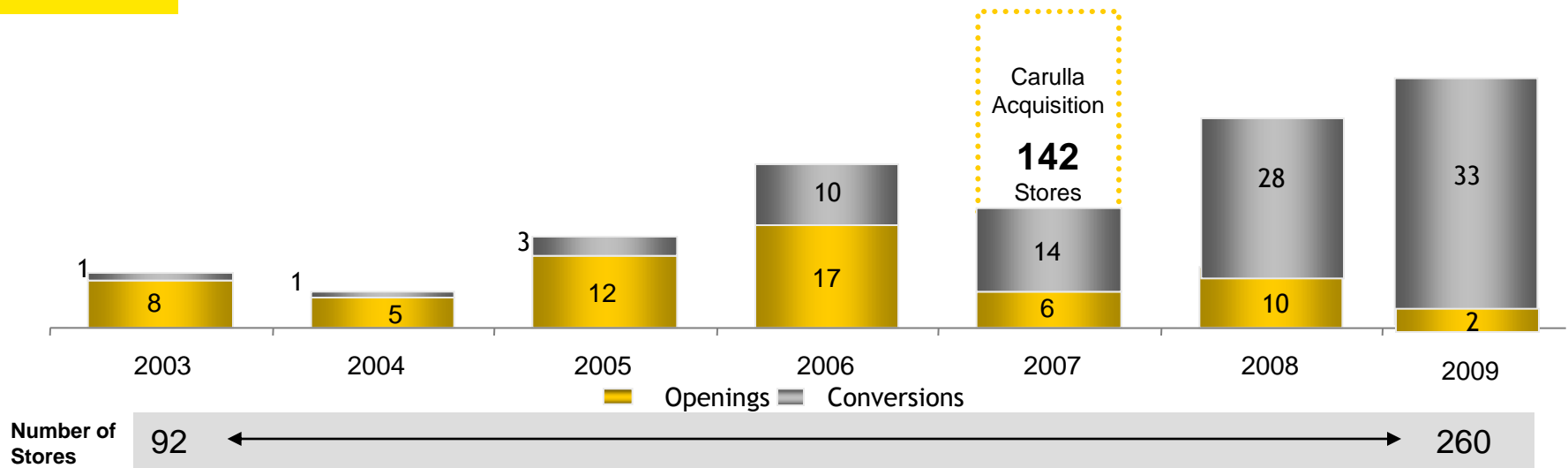
Medium and small Bodega

Target:

Low-income segment families who are not frequent customers of the formal channel.

They control their household budget and care for themselves.

Expansion: Store openings, conversions and acquisitions



Our long term expansion strategy

- Strengthening our presence in existing markets through new stores and conversions
- Penetrating new markets, particularly medium to small sized cities through the hypermarket format
- Saturation of existing markets through our supermarket format
- Bodega concept to penetrate lower income segments of the population

Profitable Store Conversion Program

LEY PASTO



EXITO PASTO



LEY UNICENTRO
MEDELLÍN



EXITO UNICENTRO
MEDELLÍN



| Year | Conversions Ley → Exito | Sales Var % |
|------|----------------------------|----------------|
| 2006 | 10 | + 42.5 |
| 2007 | 7 | + 32.5 |
| 2008 | 5 | + 21.2 |

Conversions to Bodega and Bodeguita Surtimax

A way to capture the lower-income segment of the market and face the challenge of low-price competition



- 47 conversions to Bodega and Bodeguita Surtimax in several cities as of November, 2009
- Targeting lower-income segments of the market
- Complete grocery assortment with In-and-Out in non-food categories.
- Strong support of Surtimax private label.
- Low prices and tight expense control at all levels.

Real estate developments to complement the core retail business



- 7 shopping malls already operating in medium-sized cities with an Exito hypermarket as the anchor store.
- Strategic real estate portfolio in premium locations
- 60% ownership of our existing selling area.



Portal de la Sabana, Bogotá



San Pedro Plaza, Neiva

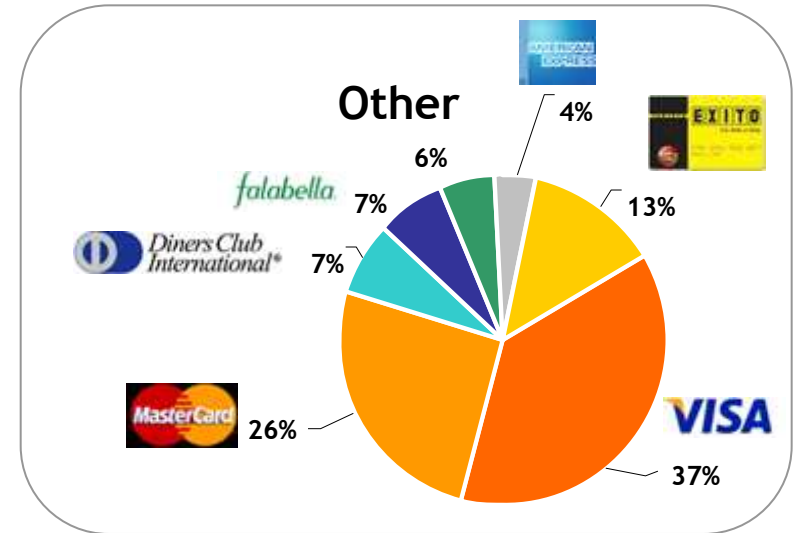
Financial Retail: A loyalty tool and a vehicle for penetrating new segments

- Launched in November 2005 through a 50/50 Joint Venture with Sufinanciamiento, a subsidiary of Bancolombia, Colombia's largest financial institution
- Almacenes EXITO became the pioneer of financial retail in the country with focus on lower income segments of the population.
- Break-even was reached in 2008



Credit Card Market Share in Colombia

Number of plastics placed



Source: Superfinanciera as of June 30/ 2009

- More than 1.3 million credit cards placed in the market and close to COP 700 thousand million (USD350 million) in receivables.
- Direct link with our loyalty programs

Widening the value propositions to our customers

Travel Business



- 50 points of sale running in association with Avianca, the leading airline in Colombia

Insurance Business



- 48 points of sale operating in partnership with Suramericana, the first player in the insurance business in Colombia

Gas Stations

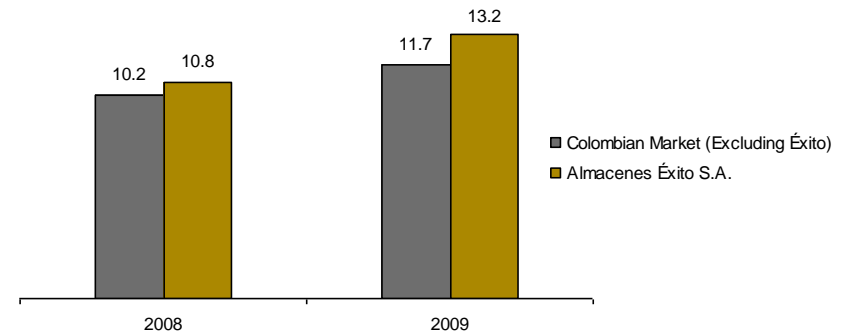


- 9 Gas stations operated directly by Exito.

Almacenes Exito is one step ahead of competition in terms of private label penetration

- Complete range of private labels covering the food and non food categories.
- A total of 22 brands and more than 4,000 SKUs
- Key differentiator in our textile product offering
- Key to maintain an adequate price perception.
- According to AC Nielsen data, Almacenes Exito private label market share has increased quicker than the average of the Colombian Market

Private label market share for food categories
Exito vs Colombian Market



Source: AC Nielsen as of September 09





ARKITECT
by Silvia Tcherassi

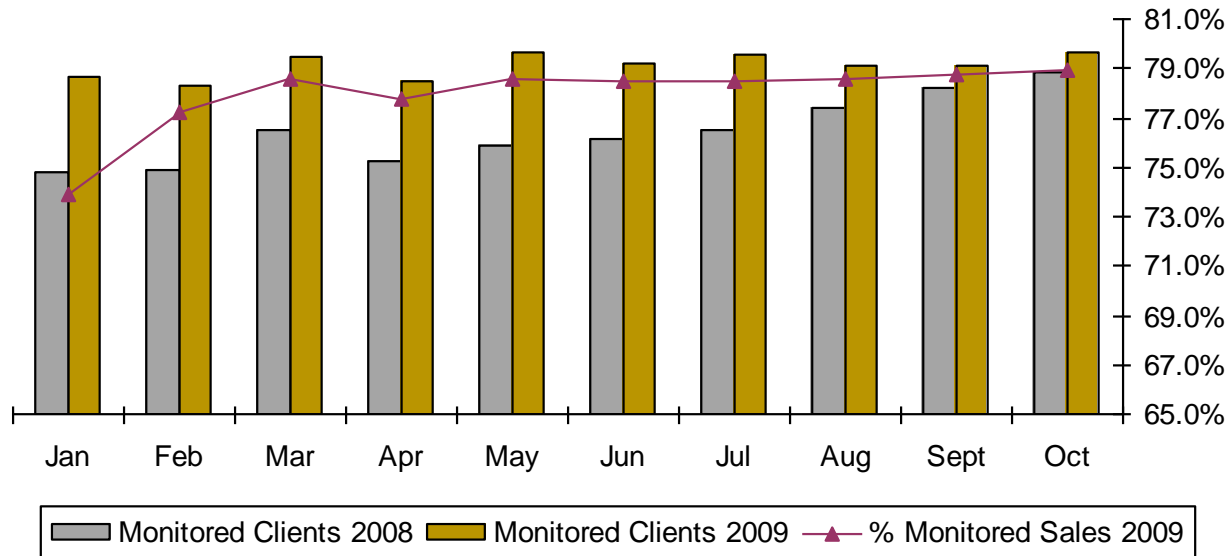


Loyalty programs

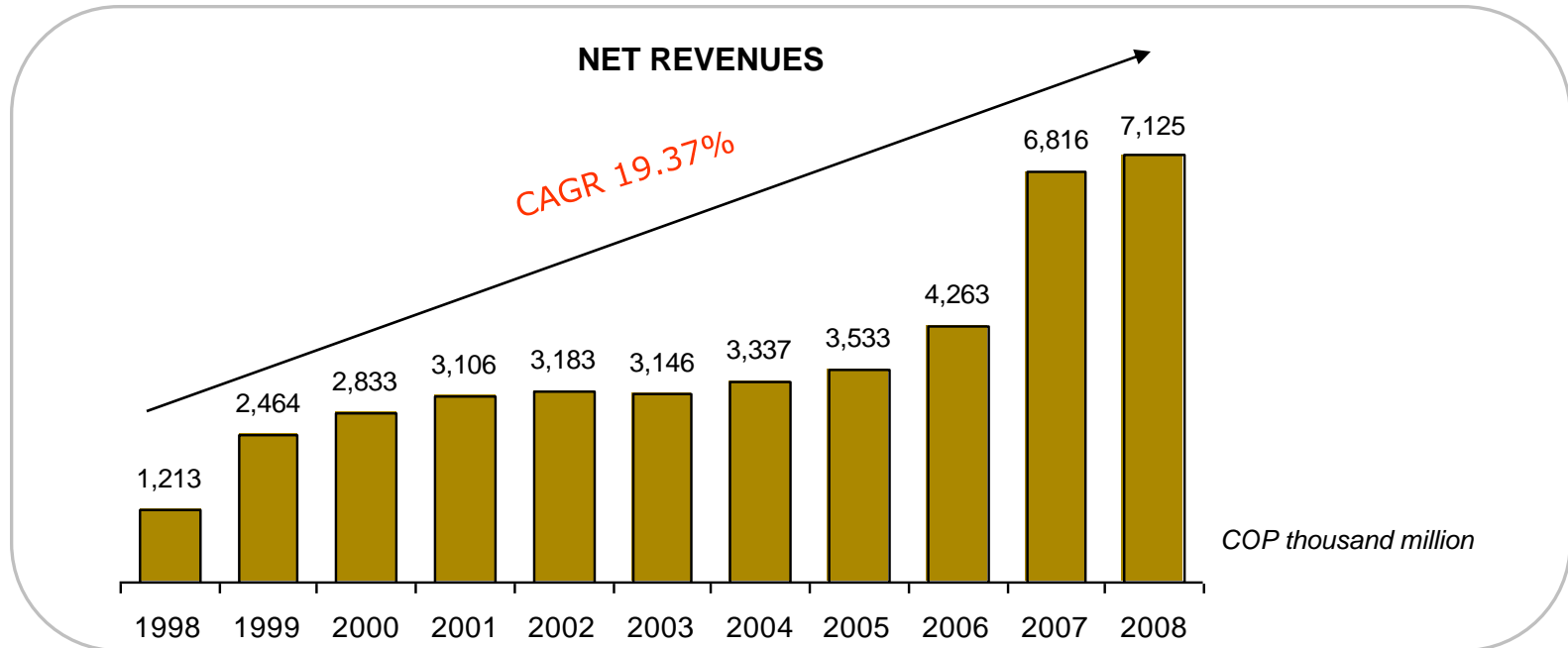
Key in getting a deeper knowledge of our customer base

More than
2 million
monitored
customers

Loyalty Program
Monitored customers

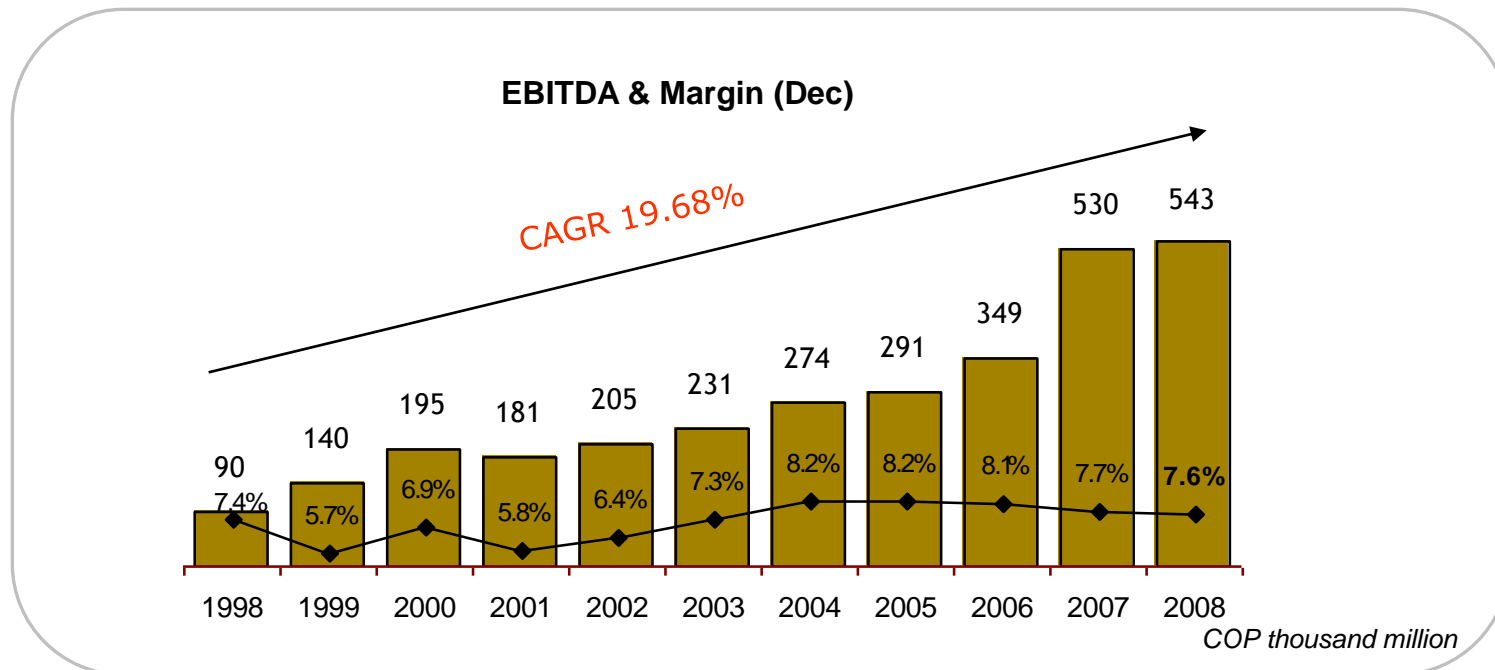


Financial Overview



- Combined growth strategy of organic expansion, conversions and acquisitions
- Major acquisitions in 1999 and 2007 of Cadenalco and Carulla Vivero, the second players of the market by then.

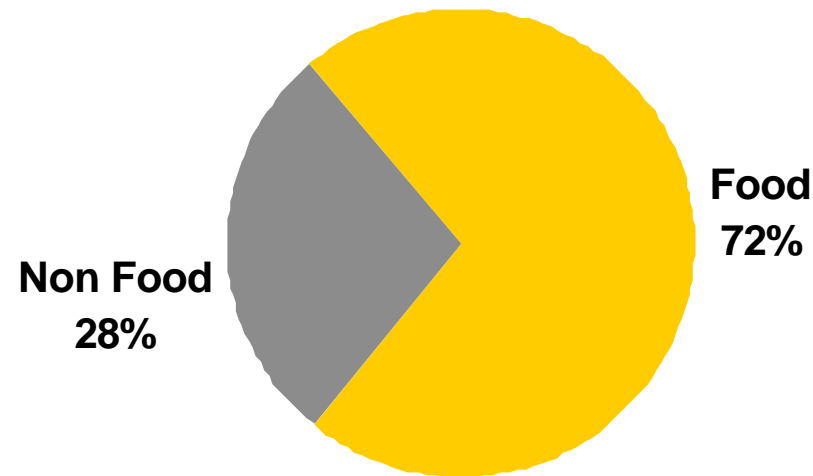
Financial Overview



- EBITDA boosted by major acquisitions and continuous organic growth
- Sustained growth thanks to our policy of margin preservation and cost control

Financial Overview

Sales Mix as of September, 2009



- Defensive mix in times of economic constrain
- Allows us to capture opportunities in expanding cycles

Financial Overview

P&L

As of September
COP Thousand Million

| | As of Sep 2009 | As of Sep 2008 | % Var |
|---|-------------------|-------------------|--------|
| Net Revenues | 4,942.1 | 5,104.9 | -3.2% |
| Gross Profit | 1,209.8 | 1,248.3 | -3.1% |
| <i>% of Net Revenues</i> | 24.5% | 24.5% | 3bp |
| Selling, General and Administrative Expense | -1,084.4 | -1,095.3 | -1.0% |
| <i>% of Net Revenues</i> | -21.9% | -21.5% | -49bp |
| Operating Income | 125.3 | 153.0 | -18.1% |
| <i>% of Net Revenues</i> | 2.5% | 3.0% | -46bp |
| Net Income | 44.0 | 63.5 | -30.7% |
| <i>% of Net Revenues</i> | 0.9% | 1.2% | -35bp |
| EBITDA | 338.8 | 359.4 | -5.7% |
| <i>% of Net Revenues</i> | 6.9% | 7.0% | -19bp |

- 2009 has been surrounded by a tough sales scenario as demand has been weak and volumes contracted.
- The company has faced the year through gross margin preservation and expense control so as to be able to keep EBIT and EBITDA margin as close as possible to 2008 levels.

Financial Overview

Financial Indicators

| Debt | Sep-09 | Sep-08 |
|--------------------|---------------|---------------|
| Gross Debt | 1,145,052 | 1,341,334 |
| Net Debt | 739,343 | 1,033,586 |
| Debt Ratios | Sep-09 | Sep-08 |
| EBITDA /Interest | 7.07x | 5.60x |
| Gross Debt/ Ebitda | 1.99x | 2.38x |
| Net Debt/ Ebitda | 1.41x | 1.87x |

- Due to the implementation of a financial excellence program, the company has reduced its Net Debt 28.5% in September 2009 compared to the same period last year.
- Further reduction of Debt are expected by year end due to the payment of maturities of Syndicated Loan and the acquisition of remaining Carulla shareholders stocks

Working Capital

| | 3Q 2008 | 3Q 2009 | Var |
|----------------------------|------------|------------|-------|
| Working Capital (COP Mill) | 110.7 | 39.6 | -71.1 |
| Inventory Turnover (Days) | 68 | 54 | -14 |
| Suppliers / Inventories | 0.84x | 0.85x | 0.01x |

- Inventory reduction and an adequate leverage on vendors enabled us to freed up COP\$71,083 million in working capital as of September 2009
- Actions such us reducing the number of vendors and SKUs, as well as several projects on stock management have contributed to these objectives.

Opportunities going forward

Store openings



The retail industry in Colombia has ample room for growth

- Nearly 52% of retail sales are done through the informal channel.
- One of the lowest saturation rates in the region.
- 111 cities with more than 50 thousand inhabitants

Objectives

- Guarantee strategic locations in advance for the company's growth.
- Strengthen our position in existing markets.
- Penetrate new cities, particularly medium to small sized

Number of cities with more than 50 thousand inhabitants

| No inhabitants/ Region | Centro | Costa | Occid. | Antioq y Eje | Total |
|---------------------------|--------|-------|--------|-----------------|--------|
| > 901 mil | 1/1 | 2/2 | 1/1 | 1/1 | 5/5 |
| 401 - 900 mil | 4/4 | 3/3 | 2/2 | 2/2 | 11/11 |
| 201 - 400 mil | 1/1 | 2/3 | 4/4 | 3/3 | 10/11 |
| 50 - 201 mil | 10/22 | 1/27 | 4/17 | 9/18 | 24/84 |
| Total | 16/28 | 8/35 | 11/24 | 15/24 | 50/111 |

■ Our presence

■ Total number of cities

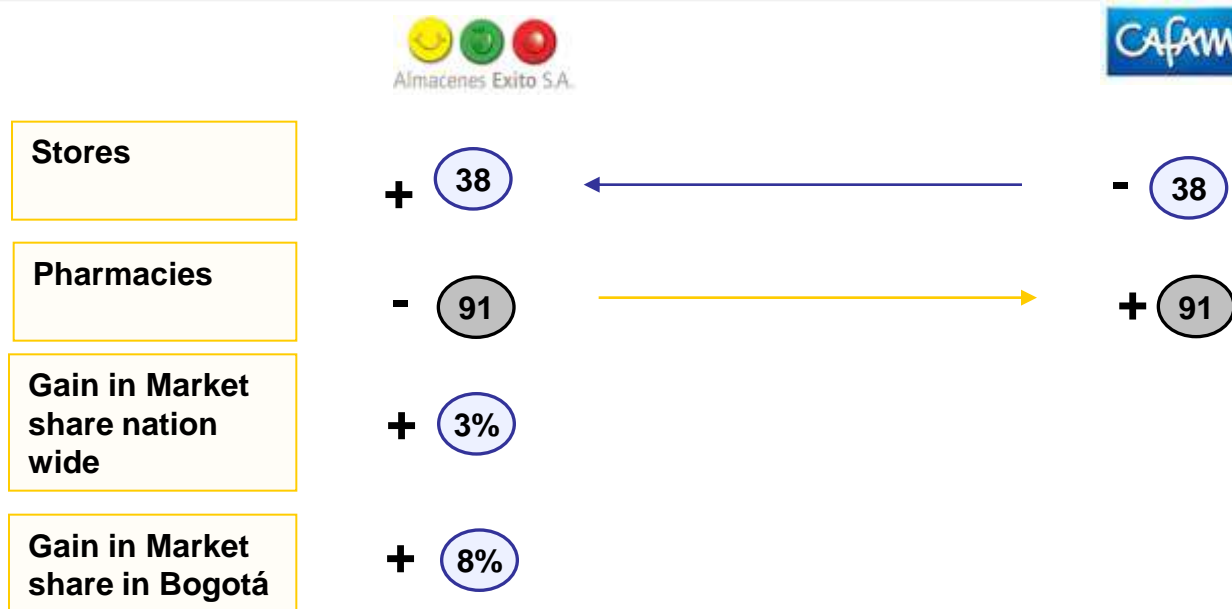
Source: Dane

Opportunities going forward

Commercial Alliance with CAFAM

Transaction Description

- Trade partnership agreement in which CAFAM operates the pharmacies located in Exito stores and Exito runs Cafam's supermarkets
- Synergies coming from commercial and operating conditions.
- The partnership agreement is subject to the no objection from government entities.
- Creative growth opportunity with no need of extensive CAPEX upfront.



Opportunities going forward

Conversions

Objectives

- Rationalize our brand portfolio from 11 brands at the end of 2008 to 4 brands.
- Consolidate the first stage of the bodega format.

Business Potential











39 Conversions left

Nearly 54 Thousand square meters

Potential increase in sales around 20%

Around 10% potential Increase in EBITDA



| | As of Nov 2009 | Current | Conversions |
|--------------------|---|---------|--|
| Hypermarkets |   | 89 |  116 |
| Supermarkets |   | 89 |   82 |
| Bodega & Bodeguita |  | 47 |  55 |
| Other |  | 35 | 0 |

Opportunities going forward

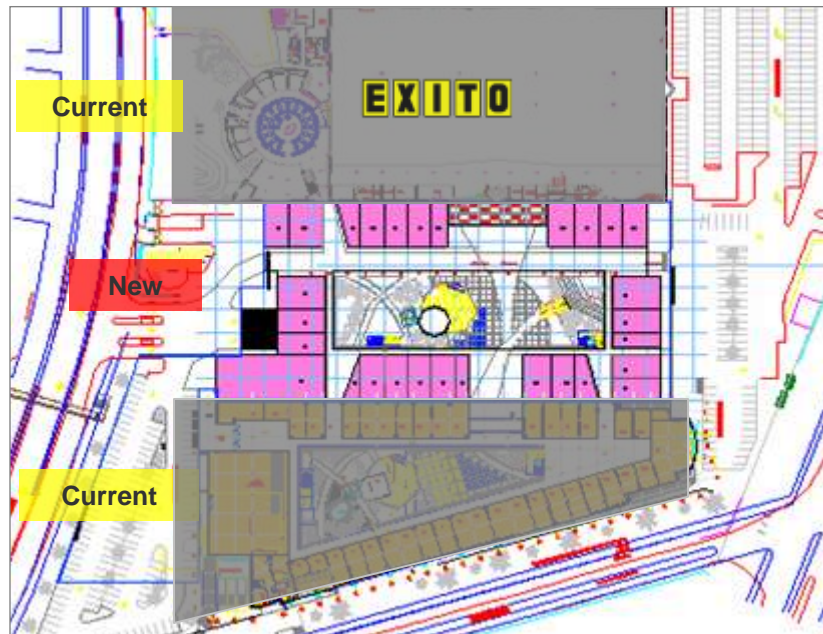
Development of our real estate portfolio

Business Potential

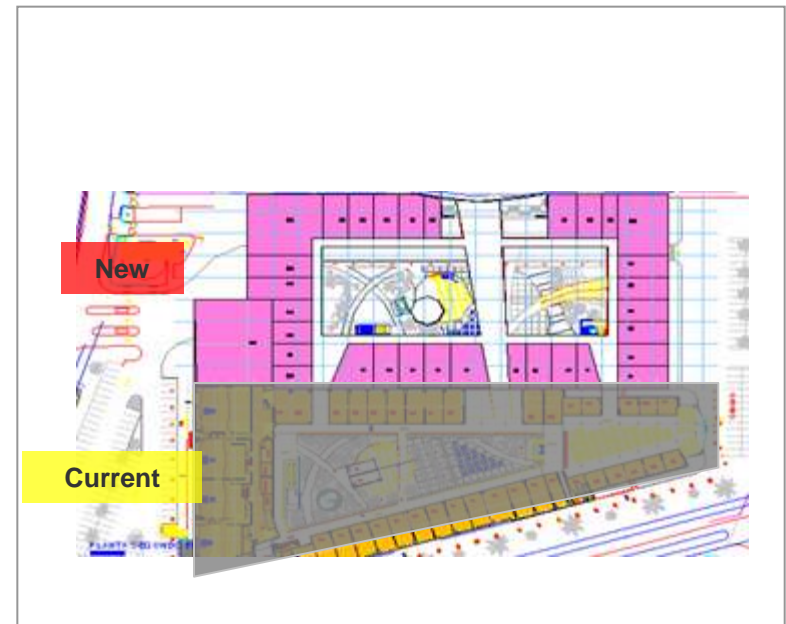
- More than 100 potential real estate developments including shopping malls, power centers and adjacent commercial galleries in our current locations
- More than 700 commercial partners in our existing real estate developments

Illustrative Example Extension of our Shopping Mall in Neiva

First Floor



Second Floor



Opportunities going forward

Continue Growing in New businesses



- Consolidate our position in the credit card business



- 50 points of sale already opened in Exito hypermarkets with potential for additional 40.



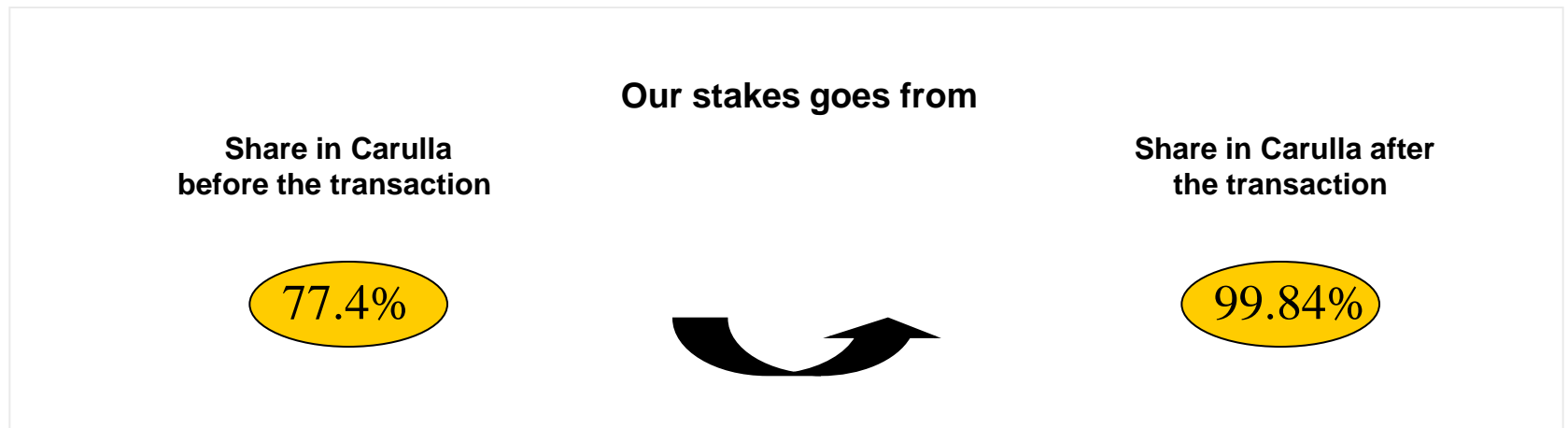
- 9 Gas Stations as of Sept 09 and more than 10 openings expected for 2010.






- 48 Points of sale in 15 cities, with potential for 52 more.



Renegotiation of Carulla PUT



Transaction Benefits

-  A step forward to a merger between Almacenes Exito and Carulla Vivero S.A.
-  It will enable us to capture the remaining operational synergies
-  It will allow us to benefit from non operating synergies specially in tax efficiencies.

Successful Local Equity Offering

Use of Proceeds

60% In The company's investment plan

- Store openings and commercial alliances
- Conversions to our main brands
- Development of our real state portfolio
- New businesses Growth and Financial Retail

40% Strengthening of our balance sheet

- Cancellation of debt and other financial obligations
- Acquisition of Carulla remaining shares

Equity Offering

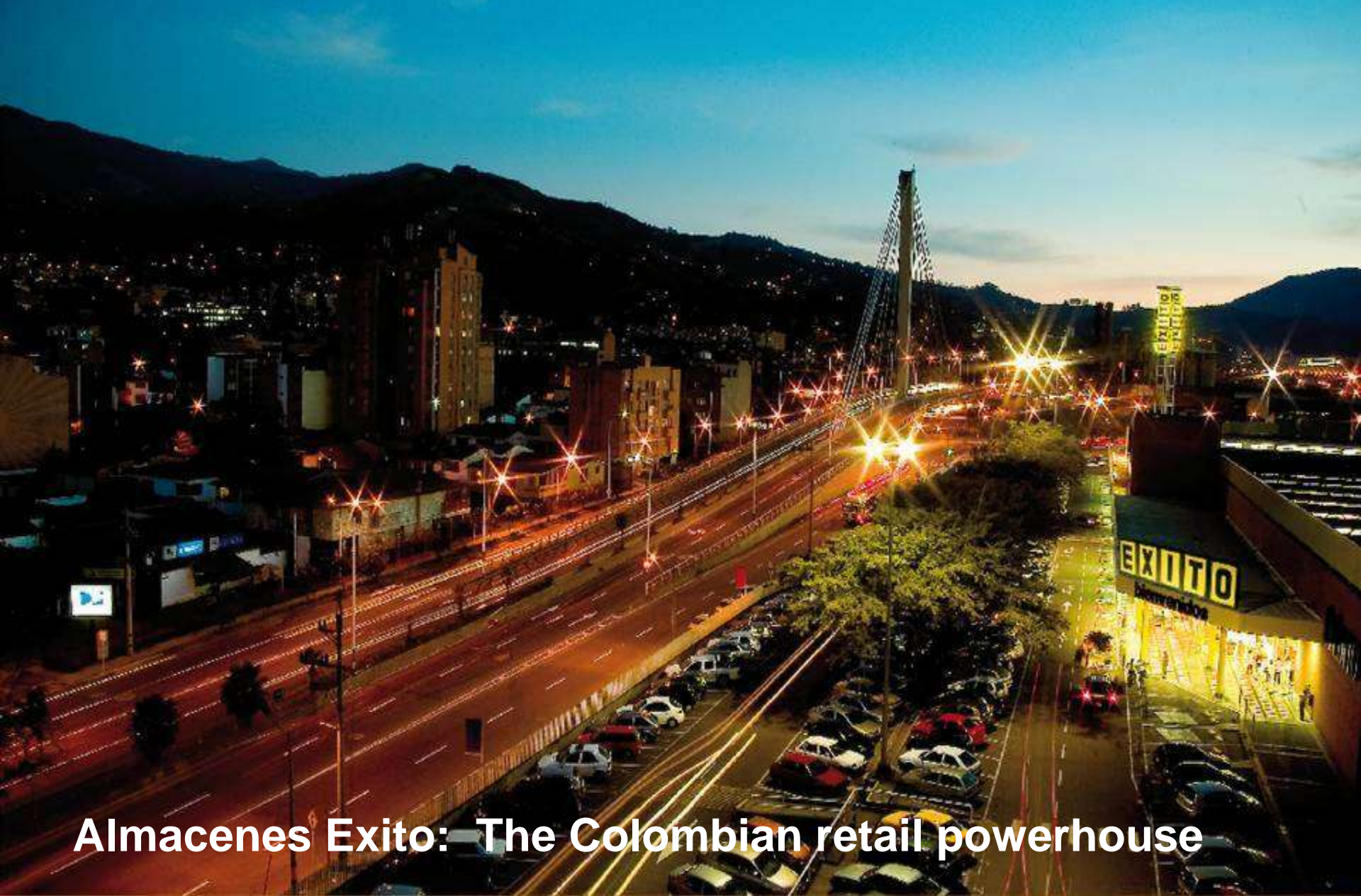
| | |
|-----------------|-----------------|
| No of Shares | 30.0 Mill |
| Price Per Share | \$ 14,500 |
| Offering Amount | \$ 435,000 mill |

Share price evolution COP (As of December 7, 09)



Platform set for growth

- Improved financial flexibility with low level of Debt / leverage
- Solid Balance Sheet
- Exito is reinitiating its expansion plan to capture upcoming value generation opportunities



Almacenes Exito: The Colombian retail powerhouse



analyst
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