CONSOLIDATED FINANCIAL STATEMENTS

A FUTURE TOGETHER

Statutory Auditor's Report

To the Shareholders' Meeting of
Grupo Nutresa S. A.
February 26, 2016

I have audited the consolidated statement of financial position of Grupo Nutresa S. A. at December 31, 2015, and the related statements of comprehensive income, of changes in shareholders' equity, and of cash flows for the years then ended, as well as the summary of significant accounting policies set forth in Note 3 and other explanatory notes.

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and financial reporting standards accepted in Colombia. Such responsibility includes: Designing, implementing, and maintaining relevant internal control to the preparation and fair presentation of the financial statements that are free of material misstatements whether due to fraud or error; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

My responsibility is to express an opinion about such financial statements based on my audit. I obtained the information necessary to comply with my statutory audit functions and I performed my work in accordance with the auditing standards generally accepted in Colombia. These standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit of financial statements involves, amongst other, performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the statutory auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as assessing the overall presentation of the financial statements. I believe that the audit evidence I obtained provides a reasonable basis for the opinion on the financial statements I express below.

In my opinion, the aforementioned consolidated financial statements audited by me, which were faithfully taken from the accounting consolidation books, present fairly, in all material respects, the financial position of Grupo Nutresa S. A. and its subordinates at December 31, 2015, and the results of their operations and their cash flows for the years then ended, in accordance with the accounting and financial reporting standards accepted in Colombia.

Bibiana Moreno Vásquez
Statutory Auditor – Professional Card No. 167200-T
Member of PricewaterhouseCoopers Ltda.

CERTIFICATION OF THE FINANCIAL STATEMENTS

The undersigned legal representative and the General Accountant of Grupo Nutresa S. A.

CERTIFY:

February 26, 2016.

That we have previously verified all assertion, herewith contained in the Consolidated Financial Statements, as of December 31, 2015 and 2014, according to regulations, and those that have been faithfully taken from the financial statements of the Parent Company and its subsidiaries, which have been duly certified and audited.

In accordance with the above stated, regarding to the mentioned financial statements herewith mentioned, we declare the following:

1. Grupo Nutresa's Assets and liabilities, exists, and the transactions recorded were made during the corresponding years.

2. All realized economic transactions have been recorded.

3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the companies.

4. All elements have been recorded in the appropriate amounts, and in accordance with the generally accepted accounting principles.

5. The economic transactions that affect the companies, have been correctly classified, described and disclosed.

6. The financial statements and notes do not contain misstatements or material inaccuracies which could affect the financial position, shareholders' equity, or operations of the companies. Similarly, appropriate procedures, and financial information disclosure and control systems, have been established and maintained, to insure accurate reporting to third–party users of such information.

CIGP.

Carlos Ignacio Gallego Palacio
President

Jaime León Montoya Vásquez
General Accountant – Professional Card No. 45056-T

Certification of the financial statements Law 964 of 2005

Shareholders
Grupo Nutresa S.A.
Medellin

The undersigned Legal Representative of Grupo Nutresa S. A.

CERTIFIES:

February 26, 2016

That the financial statements and operations of the Company as of December 31, 2015 and 2014 do not contain defects, inaccuracies or errors that prevent knowing their true financial situation.

This is stated to comply with Article 46 of Law 964 of 2005.

As evidence, this is signed on the 26th day of the month of February, 2016.

CIGP.

Carlos Ignacio Gallego Palacio
President

Financial Position Statement

At December 31st of 2015, 2014, and at January 1, 2014 (Values expressed in millions of Colombian Pesos)

	Notes	2015	2014	January 1, 2014
ASSETS				
Current assets				
Cash and cash equivalents	8	$ 286.064	$ 391.863	$ 415.867
Trade and other receivables	9	878.280	739.808	714.255
Inventories	10	1.032.969	841.852	698.155
Biological assets	11	53.119	47.770	37.449
Other current assets	12	220.762	139.352	114.857
Non-current assets held for sale	13	71.679	-	-
Total current assets		**$ 2.542.873**	**$ 2.160.645**	**$ 1.980.583**
Non-current assets				
Trade and other receivables	9	26.729	23.124	21.856
Non-current, biological assets	11	5.699	4.185	2.574
Investments in associated and joint ventures	19	109.021	83.323	79.310
Other financial non-current assets	20	3.418.149	4.016.462	3.558.011
Property, plant and equipment, net	14	3.383.722	2.963.335	2.856.534
Investment properties	15	82.393	96.280	73.773
Goodwill	16	2.033.403	1.373.072	1.302.339
Other intangible assets	17	1.179.957	766.829	729.132
Deferred tax assets	18	355.461	297.783	122.394
Other assets	12	40.645	32.348	5.106
Total non-current assets		**$ 10.635.179**	**$ 9.656.741**	**$ 8.751.029**
TOTAL ASSETS		**$ 13.178.052**	**$ 11.817.386**	**$ 10.731.612**
LIABILITIES				
Current liabilities				
Financial obligations	21	1.059.660	455.480	418.135
Trade and other payables	22	825.435	656.458	593.299
Tax charges	18	172.323	150.217	175.906
Employee benefits liabilities	23	160.628	137.300	136.892
Current provisions	24	4.415	2.417	2.484
Other liabilities	25	26.641	13.885	5.410
Total current liabilities		**$ 2.249.102**	**$ 1.415.757**	**$ 1.332.126**
Non-current liabilities				
Financial obligations	21	2.034.604	1.688.797	1.598.937
Trade and other payables	22	159	159	167
Employee benefits liabilities	23	211.533	209.287	204.908
Deferred tax liabilities	18	639.810	471.713	450.146
Total non-current liabilities		**$ 2.886.106**	**$ 2.369.956**	**$ 2.254.158**
TOTAL LIABILITIES		**$ 5.135.208**	**$ 3.785.713**	**$ 3.586.284**
SHAREHOLDER EQUITY				
Share capital issued	27.1	2.301	2.301	2.301
Paid-in capital	27.1	546.832	546.832	546.832
Reserves	27.2	1.947.419	1.757.417	1.529.143
Other comprehensive income, accumulated	28	3.569.478	3.802.361	3.360.770
Retained earnings	40.3	1.514.303	1.305.618	1.686.773
Earnings for the period		428.152	587.226	
Equity attributable to the controlling interest		**$ 8.008.485**	**$ 8.001.755**	**$ 7.125.819**
Non-controlling interest	27.4	34.359	29.918	19.509
TOTAL SHAREHOLDER EQUITY		**$ 8.042.844**	**$ 8.031.673**	**$ 7.145.328**
TOTAL LIABILITIES AND EQUITY		**$ 13.178.052**	**$ 11.817.386**	**$ 10.731.612**

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

Jaime León Montoya Vásquez
General Accountant – Professional Card No. 45056-T
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Carlos Ignacio Gallego Palacio
President
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Comprehensive Income Statement

From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	Notes	2015	2014
Continuing operations			
Operating revenue	6	$ 7.945.417	$ 6.481.813
Cost of goods sold	30	(4.507.166)	(3.618.717)
Gross profit		$ 3.438.251	$ 2.863.096
Administrative expenses	30	(371.810)	(328.368)
Sales expenses	30	(2.144.502)	(1.709.315)
Production expenses	30	(137.446)	(135.091)
Exchange differences on operating assets and liabilities	33.2	2.619	11.406
Other operating expenses, net	31	(4.427)	(25.625)
Operating profit		$ 782.685	$ 676.103
Financial income	32	9.828	11.872
Financial expenses	32	(234.896)	(170.648)
Dividend portfolio	20	47.016	43.395
Exchange differences on non-operating assets and liabilities	33	27.181	18.479
Loss on net monetary position	29	(32.160)	(12.771)
Share of profit of associates and joint ventures	19	4.928	3.222
Other income (expenses), net		(288)	7.025
Income before tax and non-controlling interest		$ 604.294	$ 576.677
Deferred income tax	18	16.421	170.500
Current income tax	18	(183.561)	(145.647)
Profit after taxes from continuous operations		$ 437.154	$ 601.530
Discontinued operations, after income tax	34	(6.335)	(12.014)
Net profit for the year		$ 430.819	$ 589.516
Profit for the period attributable to:			
Controlling interest		$ 428.152	$ 587.226
Non-controlling interest	27.4	2.667	2.290
Net profit for the year		$ 430.819	$ 589.516
Earnings per share			
Basic, attributable to controlling interest (in Colombian pesos)	35	930,77	1.276,58
OTHER COMPREHENSIVE INCOME, NET TAXES			
Items that are not subsequently reclassified to profit and loss:			
Actuarial gains on defined benefit plans	28.1	$ 6.727	$ (3.522)
Equity investments measured at fair value	20	(599.282)	458.736
Income tax components that will not be reclassified		2.791	2.884
Total items that are not subsequently reclassified to profit and loss		$ (589.764)	$ 458.098
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of associate and joint ventures	19	5.939	1.520
Exchange differences on translation of foreign operations	28.4	352.864	(14.351)
Total items that are or may be subsequently reclassified to profit and loss:		$ 358.803	$ (12.831)
Other comprehensive income, after tax		$ (230.961)	$ 445.267
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ 199.858	$ 1.034.783
Total comprehensive income attributable to:			
Controlling interest		195.269	1.028.817
Non-controlling interest		4.589	5.966
Total comprehensive income		$ 199.858	$ 1.034.783

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

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Change in Equity Statement

From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	Share capital issued	Paid-in capital	Other reserves	Hyperinflation reserves	Accumulated results	Profit for the period	Other comprehensive income accumulated	Total equity attributable to controlling interest	Non-controlling interest	Total
Equity at January 1, 2015	**2.301**	**546.832**	**1.477.590**	**279.827**	**1.305.618**	**587.226**	**3.802.361**	**8.001.755**	**29.918**	**8.031.673**
Profit for the period						428.152		428.152	2.667	430.819
Other comprehensive income for the period, net of income tax							(232.883)	(232.883)	1.922	(230.961)
Comprehensive income for the period						**428.152**	**(232.883)**	**195.269**	**4.589**	**199.858**
Transfer to accumulated results					587.226	(587.226)				
Cash dividends (Note 27.3)					(212.577)			(212.577)	(11)	(212.588)
Appropriation of reserves			164.876		(164.876)			-		-
Tax on wealth (Note 18.7)			(24.949)					(24.949)		(24.949)
Non-controlling interest transactions								-	(137)	(137)
Revaluation of equity for hyperinflationary economies (Note 29)				49.303				49.303		49.303
Other equity movements			772		(1.088)			(316)		(316)
Equity at December 31, 2015	**2.301**	**546.832**	**1.618.289**	**329.130**	**1.514.303**	**428.152**	**3.569.478**	**8.008.485**	**34.359**	**8.042.844**
Equity at January 1, 2014	**2.301**	**546.832**	**1.292.370**	**236.773**	**1.686.773**	**-**	**3.360.770**	**7.125.819**	**19.509**	**7.145.328**
Profit for the period						587.226		587.226	2.290	589.516
Other comprehensive income for the period, net of income tax							441.591	441.591	3.676	445.267
Comprehensive income for the period						**587.226**	**441.591**	**1.028.817**	**5.966**	**1.034.783**
Cash dividends (Note 27.3)					(198.773)			(198.773)	297	(198.476)
Appropriation of reserves			181.462		(181.462)			-		-
Business combinations								-	4.212	4.212
Non-controlling interest transactions			43					43	(66)	(23)
Revaluation of equity for hyperinflationary economies (Note 29)				43.054				43.054		43.054
Other equity movements			3.715		(920)			2.795		2.795
Equity at December 31, 2014	**2.301**	**546.832**	**1.477.590**	**279.827**	**1.305.618**	**587.226**	**3.802.361**	**8.001.755**	**29.918**	**8.031.673**

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

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Cash-flow Statement

From January 1st to December 31st (Values expressed in millions of Colombian Pesos)

	2015	2014
Cash flow from operating activities		
Collection from sales of goods and services	$ 7.788.191	$ 6.422.123
Payments to suppliers for goods and services	(5.640.140)	(4.634.348)
Payments to and on behalf of employees	(1.290.701)	(1.070.263)
Income taxes and tax on wealth, paid	(222.143)	(197.799)
Other cash inflow	(19.669)	8.751
Net cash flow from operating activities	**$ 615.538**	**$ 528.464**
Cash flow from investment activities		
Payments to third parties for control of subsidiaries	(743.401)	(14.460)
Cash and cash equivalents from acquisitions	6.353	3.954
Purchases /sales of equity of associates and joint ventures	(14.831)	480
Sales of property, plant and equipment	9.309	3.499
Purchases of property, plant and equipment	(394.964)	(358.790)
Dividends received	46.142	42.405
Interest received	7.437	8.644
Other cash inflow	3.858	2.330
Net cash used in investment activities	**$ (1.080.097)**	**$ (311.938)**
Cash flow from financial activities		
Proceeds from loans	738.986	88.775
Dividends paid (Note 27.3)	(208.480)	(194.488)
Interest paid	(197.100)	(141.552)
Other inflows (out-flows) of cash	(15.354)	(6.248)
Net cash flow from (used in) financial activities	**$ 318.052**	**$ (253.513)**
Decrease in cash and cash equivalent from activities	**$ (146.507)**	**$ (36.987)**
Net foreign exchange differences	40.708	12.983
Net decrease cash and cash equivalents	**(105.799)**	**(24.004)**
Cash and cash equivalents at the beginning of the period	391.863	415.867
Cash and cash equivalents at the end of the period (Note 8)	**$ 286.064**	**$ 391.863**

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A MESSAGE FROM MANAGEMENT AT GRUPO NUTRESA

Monitoring management indicators

Grupo Nutresa assesses the management of sustainability on economic, social, and environmental dimensions; to measure the management in the economic dimension, indicators, such as, total sales, international sales, sales in Colombia, and EBITDA, are used.

For Grupo Nutresa, EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization), is calculated by eliminating depreciation charges, amortization, and unrealized gains or losses from exchange differences in operating assets and liabilities from the operating income. It is considered that EBITDA is most significant for investors, because it provides an analysis of operating results and segment profitability, using the same measurement used by management. Likewise, EBITDA allows for comparison of the results, or benchmark with other companies in the same industry and market. EBITDA is used to track the evolvement of the business and establish operating and strategic objectives. EBITDA is commonly reported and widely used amongst analysts, investors, as well as, other stakeholders interested in the industry. EBITDA is not a measure explicitly defined as such, in IFRS, and may therefore, not be comparable with similar indicators used by other companies. EBITDA should not be considered an alternative to operating income, as an indicator of operating results, nor as an alternative to cash flow from operating activities as a measure of liquidity.

The following table details the reconciliation between the EBITDA and the operating income of Grupo Nutresa, for the period covered by these financial statements, and is as follows:

	2015	2014
Operating earnings	**782.685**	**676.103**
Depreciation and amortization (See note 3)	200.203	164.738
Unrealized exchange differences from operating assets and liabilities	(7.334)	(5.140)
EBITDA (See details by segment in note 6)	**975.554**	**835.701**

Table 1

Management of Capital

The increasing value creation is a fundamental part of the strategic objectives set by the Group. This translates into the active management of the capital structure, which balances the sustained growth of current operations, which requires constant investment in capital expenditures (Capex), and growth through acquisitions of ongoing businesses, which bring economic and strategic value to the Group.

In the allocation of resources, for both investments in fixed assets and acquisitions, the cost of capital (WACC) is used as a reference point to measure added value relevant to each type of investment, geography, and particular level of risk. In every one of our investments, the goal is to seek a return that exceeds the cost of the capital.

Similarly, for each investment various sources of funding, both internal and external, are analyzed to secure a suitable profile for the duration of that specific investment, as well as, cost optimization. In accordance, with a moderate financial risk profile, the capital structure of the Group aims towards obtaining the highest credit ratings.

NOTES
FOR THE **CONSOLIDATED** FINANCIAL STATEMENTS

For the period between January 1st and December 31st of 2015 and 2014

(Values are expressed as millions of Colombian Pesos, except for the values in foreign currency, exchange rates, and number of shares.)

NOTE 1.
CORPORATE INFORMATION

1.1 ENTITY AND CORPORATE PURPOSE OF PARENT COMPANY AND SUBSIDIARIES

Grupo Nutresa S.A. and its subsidiaries, (hereinafter referred to as: Grupo Nutresa, the Company, the Group, or Nutresa), constitute an integrated and diversified food industry group, that operates mainly in Colombia and Latin America. The Parent Company is Grupo Nutresa S.A., a corporation of Colombian nationality, incorporated on April 12, 1920, with its headquarters in the City of Medellin, Colombia; its terms expire on April 12, 2050. The Corporate Business Purpose consists of the investment or application of available resources, in organized enterprises, under any of the forms permitted by law, whether domestic or foreign, and aimed at the use of any legal economic activity, either tangible or intangible assets, with the purpose of safeguarding its capital.

Below is information of subsidiaries: name, main activity, Country of Incorporation, functional currency, and percentage of shares held by Grupo Nutresa:

Entity	Main Activity	Functional Currency (2)	% Participation	
			2015	2014
Colombia				
Industria Colombiana de Café S.A.S.	Production of coffee and coffee related products	COP	100,00%	100,00%
Compañía Nacional de Chocolates S. A. S.	Production of chocolates, its derivatives, and related products	COP	100,00%	100,00%
Compañía de Galletas Noel S. A. S.	Production of biscuits, cereals, et al.	COP	100,00%	100,00%
Industria de Alimentos Zenú S. A. S.	Production and sales of meats and its derivatives	COP	100,00%	100,00%
Productos Alimenticios Doria S. A. S.	Production of pasta, flour, and cereals	COP	100,00%	100,00%
Molino Santa Marta S.A.S.	Milling of grains	COP	100,00%	100,00%
Alimentos Cárnicos S.A.S.	Production of meats and its derivatives	COP	100,00%	100,00%
Tropical Coffee Company S. A. S.	Assembly and production of coffee products	COP	100,00%	100,00%
Litoempaques S. A. S.	Production or manufacturing of packaging material	COP	100,00%	100,00%
Pastas Comarrico S. A. S.	Production of pasta, flour, and cereals	COP	100,00%	100,00%
Novaventa S.A.S.	Sales of foods and other items via direct sales channels	COP	100,00%	100,00%
La Recetta Soluciones Gastronómicas Integradas S.A.S.	Distribution of foods via institutional channels	COP	70,00%	70,00%
Meals Mercadeo de Alimentos de Colombia S.A.S.	Production and sales of Ice cream, dairy beverages, et al.	COP	100,00%	100,00%
Servicios Nutresa S.A.S.	Provision of specialized business services	COP	100,00%	100,00%
Setas Colombianas S.A.	Processing and sales of mushrooms	COP	99,48%	99,48%
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	Provision of logistics services	COP	100,00%	100,00%
Gestión Cargo Zona Franca S.A.S.	Provision of logistics services	COP	100,00%	100,00%
Comercial Nutresa S.A.S.	Sales of food products	COP	100,00%	100,00%
Industrias Aliadas S.A.S.	Provision of services related to coffee	COP	100,00%	100,00%
Opperar Colombia S.A.S.	Provision of transportation services	COP	100,00%	100,00%
Fideicomiso Grupo Nutresa	Management of financial resources	COP	100,00%	100,00%
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Investment in cocoa production	COP	83,41%	83,41%
IRCC Ltda.(1)	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	-
LYC S.A.S. (1)	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	-
PJ COL S.A.S. (1)	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	-
Panero S.A.S. (1)	Production of foods and operation of food establishments providing to the consumer	COP	100,00%	-
New Brands S.A. (1)	Production of dairy and ice cream	COP	100,00%	-
Schadel Ltda. (1)	Production of dairy and its derivatives	COP	99,88%	-
Tabelco S.A.S. (1) (3)	Production of foods and operation of food establishments providing to the consumer	COP	-	-

Table 2

Entity	Main Activity	Functional Currency (2)	% Participation	
			2015	2014
Chile				
Tresmontes Lucchetti S.A.	Provision of specialized business services	CLP	100,00%	100,00%
Nutresa Chile S.A.	Management of financial resources	CLP	100,00%	100,00%
Tresmontes Lucchetti Agroindustrial S.A.	Agricultural and industrial production	CLP	100,00%	100,00%
Tresmontes Lucchetti Internacional S.A.	Sales of food products	CLP	-	100,00%
Tresmontes Lucchetti Servicios S.A.	Management of financial resources	CLP	100,00%	100,00%
Tresmontes S.A.	Production and sales of foods	CLP	100,00%	100,00%
Inmobiliaria Tresmontes Lucchetti S.A.	Management of financial resources	CLP	100,00%	100,00%
Lucchetti Chile S.A.	Production of pasta, flour, and cereals	CLP	100,00%	100,00%
Novaceites S.A.	Production and sales of vegetable oil	CLP	50,00%	50,00%
Inmobiliaria y Rentas Tresmontes Lucchetti	Management of financial resources	CLP	100,00%	100,00%
Costa Rica				
Compañía Nacional de Chocolates DCR, S.A.	Production of chocolates and its derivatives	CRC	100,00%	100,00%
Compañía de Galletas Pozuelo DCR S.A.	Production of biscuits, et al.	CRC	100,00%	100,00%
Industrias Lácteas de Costa Rica S.A.	Production and sales of dairy	CRC	-	100,00%
Cía. Americana de Helados S.A.	Production and ice cream sales	CRC	100,00%	100,00%
Fransouno S.A.	Production and sales of foods	CRC	-	100,00%
Helados H.D. S.A.	Production and sales of foods	CRC	-	100,00%
Americana de Alimentos Ameral S.A.	Production and sales of foods	CRC	-	100,00%
Inmobiliaria Nevada S.A.	Wide-trade exercise and industry representation	CRC	-	100,00%
Servicios Nutresa CR S.A.	Specialized business services provider	CRC	100,00%	-
Guatemala				
Comercial Pozuelo Guatemala S.A.	Distribution and sales of food products	QTZ	100,00%	100,00%
Heladera Guatemalteca S.A.	Production and sales of ice cream	QTZ	100,00%	100,00%
Distribuidora POPS S.A.	Sales of ice cream	QTZ	100,00%	100,00%
Nevada Guatemalteca S.A.	Property leasing services	QTZ	100,00%	100,00%
Guate-Pops S.A.	Employee services	QTZ	100,00%	100,00%
Mexico				
Nutresa S.A. de C.V.	Production and sales of food products	MXN	100,00%	100,00%
Serer S.A. de C.V.	Employee services	MXN	100,00%	100,00%
Comercializadora Tresmontes Lucchetti S.A. de C.V.	Sales of food products	MXN	100,00%	100,00%
Servicios Tresmontes Lucchetti S.A. de C.V.	Management of financial resources	MXN	100,00%	100,00%
Tresmontes Lucchetti México S.A. de C.V.	Production and sales of foods	MXN	100,00%	100,00%
TMLUC Servicios Industriales, S. A. de CV	Management of financial resources	MXN	100,00%	100,00%
Panama				
Promociones y Publicidad Las Américas S.A.	Management of financial resources	PAB	100,00%	100,00%
Alimentos Cárnicos de Panamá S.A.	Production of meats and its derivatives	PAB	100,00%	100,00%
Comercial Pozuelo Panamá S. A	Production of biscuits, et al.	PAB	100,00%	100,00%
American Franchising Corp. (AFC)	Management of financial resources	USD	100,00%	100,00%
Aldage, Inc. (1)	Management of financial resources	USD	100,00%	-
LYC Bay Enterprise INC. (1)	Management of financial resources	USD	100,00%	-
Sun Bay Enterprise INC. (1)	Management of financial resources	USD	100,00%	-

The United States of America				
Abimar Foods Inc.	Production and sales of food products	USD	100,00%	100,00%
POPS One LLC	Operation of food establishments providing to the consumer – Ice cream	USD	-	98,00%
POPS Two LLC	Operation of food establishments providing to the consumer – Ice cream	USD	-	98,00%
Cordialsa Usa, Inc.	Sales of food products	USD	100,00%	100,00%
Costa Rica's Creamery LLC.	Operation of food establishments providing to the consumer – Ice cream	USD	100,00%	100,00%
Gulla Properties Development LLC. (1) (3)	Management of financial resources	USD	-	-
Heanor Consulting LLC. (1) (3)	Management of financial resources	USD	-	-
Venezuela				
Cordialsa Noel Venezuela S.A.	Sales of food products	VEI	100,00%	100,00%
Industrias Alimenticias Hermo de Venezuela	Production of foods	VEI	100,00%	100,00%

Entity	Main Activity	Country	Functional Currency	% Participation 2015	% Participation 2014
Other Countries					
TMLUC Argentina S.A.	Production and sales of food products	Argentina	ARS	100,00%	100,00%
Corp. Distrib. de Alimentos S.A (Cordialsa)	Sales of food products	Ecuador	USD	100,00%	100,00%
Comercial Pozuelo El Salvador S.A. de C.V.	Distribution and sales of food products	El Salvador	USD	100,00%	100,00%
Americana de Alimentos S.A. de C.V.	Sales of food products	El Salvador	USD	100,00%	100,00%
Comercial Pozuelo Nicaragua S.A.	Sales of food products	Nicaragua	NIO	100,00%	100,00%
Industrias Lácteas Nicaragua S.A.	Sales and logistics management	Nicaragua	NIO	100,00%	100,00%
Compañía Nacional de Chocolates del Perú S.A.	Production of foods and beverages	Peru	PEN	100,00%	100,00%
TMLUC Perú S.A.	Production and sales of foods	Peru	PEN	100,00%	100,00%
Cordialsa Boricua Empaque, Inc.	Sales of food products	Puerto Rico	USD	-	100,00%
Helados Bon	Production and sales of ice cream, beverages and dairy, et al.	Dominican Republic	DOP	81,18%	81,18%
Gabon Capital LTD. (1)	Management of financial resources	BVI	USD	100.00%	-
Baton Rouge Holdings LTD. (1)	Management of financial resources	BVI	USD	100.00%	-
Ellenbrook Holdings Limited (1)	Management of financial resources	BVI	USD	100.00%	-
Perlita Investments LTD. (1)	Management of financial resources	BVI	USD	100.00%	-
El Corral Investments INC (1)	Management of financial resources and franchises	BVI	USD	100,00%	-

(1) Companies incorporated as part of the business combination of Grupo El Corral, realized in February 2015 (See Note 5).
(2) See Note 34.1 for descriptions of abbreviations for each currency and the primary impact on Grupo Nutresa's financial statements.
(3) At December 31, 2015, Grupo Nutresa possesses no participation, direct or indirect, over these companies; however, there does exist a private stakeholders' agreement, derived from the adquisition of Grupo El Corral, in which control over the relevant decision making, of these companies, is granted to Grupo Nutresa.

Changes in the scope of consolidation

The following are the changes in consolidation parameters, during the period:

2015: The acquisition of Grupo El Corral was executed and the assets and liabilities, representing the companies acquired to February 28, 2015, as well as, its results, as of March 1, 2015 were incorporated into Grupo Nutresa's consolidates statements. In June, Servicios Nutresa CR S.A. was registered in Costa Rica. In August, a merger between Americana de Alimentos Ameral S.A. and Helados H.D. S.A., with Industrias Lácteas de Costa Rica S.A. was executed, leaving the latter active; similarly, Fransouno S.A. and Inmobiliaria Nevada S.A. were merged with Cía. Americana de Helados S.A., the latter active to date. In the U.S., the companies, POPS One LLC and POPS Two LLC, were liquidated. In September, Tresmontes Lucchetti Internacional S.A. and Tresmontes Lucchetti S.A. were merged. In November, Industrias Lácteas de Costa Rica was absorbed by Compañía Americana de Helados S.A. (American Ice Cream Co. Inc.), leaving the latter active.

2014: Control of the "Fondo de Cacao" was obtained, an entity, over which, Grupo Nutresa had significant influence, and for which *the equity method* was applied until March 2014. The assets and liabilities of the subsidiary are incorporated into the consolidated financial statement of Grupo Nutresa as of March 31, 2014, and profit and loss, as of April 1, 2014. In the second quarter of 2014, as part of corporate restructuring in Chile, there was a spinoff of Tresmontes Lucchetti S.A., resulting in a new company called Tresmontes Lucchetti Dos S.A. and a new company, called Servicios Industriales S.A. de C.V., was established in Mexico. In September, Opperar Colombia S.A.S. was created in Colombia. As a result of corporate restructuring in Chile during the last quarter of the year, Tresmontes Lucchetti S.A. absorbs Tresmontes Lucchetti International S.A. (Newco), Lucchetti Chile S.A. (Newco) absorbs Inversiones and Servicios Tresmontes Ltda., Inversiones Agroindustrial S.A. absorbs Inversiones Agroindustrial Ltda., Lucchetti Chile S.A. (Newco) absorbs Deshidratados S.A., Tresmontes Lucchetti S.A. absorbs Envasadora de Aceites S.A., Nutresa Chile S.A. absorbs Inversiones Agroindustrial S.A. (Newco), Tresmontes S.A. absorbs Tresmontes S.A., and Inmobiliaria Tresmontes Lucchetti S.A. (Newco) absorbs Inmobiliaria Tresmontes Luchetti S.A.

NOTE 2.
BASIS OF PREPARATION

Grupo Nutresa´s consolidated financial statements, for the period between January 1st and December 31st of 2015, were prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS), issued by the International Accounting Standards Board, (hereinafter IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter IFRIC), and approved in Colombia through Decree 2784 of 2012, Decree 3023 of 2013, Decree 2420 of 2015, its regulations, and other accounting standards issued by the Financial Superintendence of Colombia.

Grupo Nutresa prepared the consolidated financial statements to December 31, 2014, applying the principles generally accepted in Colombia; the Financial Statements at December 31, 2015 are the first financial statements prepared in accordance with the financial information norms approved in Colombia, based upon IFRS; See Note 40- "Transition to International Financial Reporting Standards", for more details regarding the impact of First-time Adoption of IFRS for Grupo Nutresa.

2.1 BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis, except for the measurements at fair value of certain financial instruments, as described in the policies herewith. The carrying value of recognized assets and liabilities that have been designated as hedged items in fair value hedges, which would otherwise be accounted for at amortized cost, and are adjusted to record changes in the fair values, attributable to those risks that are covered under "effective hedges".

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Colombian Pesos, which is both the functional and presentation currency of Grupo Nutresa S.A. These figures are expressed as millions of Colombian Pesos, except for net earnings per share and the representative market exchange rates, which are expressed as Colombian Pesos, and other currencies [E.g. USD, Euros , Pounds Sterling , among others], which are expressed as monetary units.

2.3 CLASSIFICATION OF ITEMS IN CURRENT AND NON-CURRENT

Grupo Nutresa presents assets and liabilities in the Statement of Financial Position, classified as current and non-current. An asset is classified as current when the entity: expects to realize the asset, or intends to sell or consume it within its normal operating cycle, holds the asset primarily for negotiating purposes, expects to realize the asset within twelve months after the reporting period is reported, or the asset is cash or cash equivalent, unless the asset is restricted for a period of twelve months after the close of the reporting period. All other assets are classified as non-current. A liability is classified as current when the entity expects to settle the liability within its normal operating cycle or holds the liability primarily for negotiating purposes.

NOTE 3.
SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF CONSOLIDATION
3.1.1 INVESTMENTS IN SUBSIDIARIES

The consolidated financial statements include Grupo Nutresa S.A.´s financial information, as well as, its subsidiaries, to December 31, 2015 and its corresponding comparative financial information. A subsidiary is an entity controlled by one of the companies that composes Grupo Nutresa. Control exists when any of the Group companies has the power to direct the relevant activities of the subsidiary, which are generally: the operating and financing activities to obtain benefits from them, and is exposed, or has rights, to those variable yields.

The accounting policies and practices are applied homogeneously, by the Parent Company and its subsidiary companies. In cases of subsidiaries located abroad, the practices do not differ significantly from the accounting practices used in the countries of origin, and/or have been homologized to those that have a significant impact on the consolidated financial statements. All balances and significant transactions between companies and the unrealized profits or losses, are eliminated in the consolidation process.

The consolidated statements, from the date of acquisition until the date that Grupo Nutresa loses its control, are included in the financial statements of subsidiaries; any residual interest that is retained is measured at fair value; the gains or losses arising from this measurement are recognized in the results for that period.

Consolidation of companies in which Grupo Nutresa owns less than the majority of voting rights:

The Group considers to exercise control of the relevant activities of Novaceites S.A., despite that their actual controlling shares are 50% which does not give the majority of the voting rights; this conclusion is based on the composition of Direction of Novaceites S.A., apprised of the Administration of TMLUC, as well as, the General Management of the Company and the level of involvement of TMLUC in its accounting and commercial processes.

3.1.2 NON-CONTROLLING INTEREST

Non-controlling interest in net assets of the consolidated subsidiaries are presented separately within Grupo Nutresa's equity. Profit and loss, and other comprehensive income, is also attributed to non-controlling and controlling interest.

Subsidiaries' purchases or sales involving non-controlling ownership that do not involve a loss of control are recognized directly in equity.

Grupo Nutresa considers minority interests transactions, as transactions with Shareholders of the Company. When carrying out acquisitions of minority interest transactions, the difference between the consideration paid, and the interest acquired over the book value of the subsidiary´s net assets, is recognized as an equity transaction; therefore, goodwill for those acquisitions is not recognized.

3.2 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which Grupo Nutresa has significant influence over financial and operating policies, without having control or joint control. A joint venture is an entity that Grupo Nutresa controls jointly with other participants, where, together, they maintain a contractual agreement that establishes joint control over the relevant activities of the entity.

At the date of acquisition, the excess acquisition cost over the net fair value of the identifiable assets, liabilities, and contingent liabilities assumed by the associate or joint venture, is recognized as goodwill. Goodwill is included in the book value of the investment and is not amortized, nor is it individually tested for impairment.

The results, assets, and liabilities of the associate or joint venture are incorporated in the consolidated financial statement, using *the equity method*, under which the investment is initially recorded at cost and is adjusted with changes of the participation of Grupo Nutresa, over the net assets of the associate or joint venture after the date of acquisition less any impairment loss on the investment. The losses of the associate or joint venture that exceed Grupo Nutresa's shares in the investment, are recognized as a provision, only when it is probable that there will be an outflow of economic benefit and there is a legal or implicit obligation.

Where *the equity method* is applicable, adjustments are made to homologize the accounting policies of the associate or joint venture with those of Grupo Nutresa, the portion that corresponding to Grupo Nutresa of profit and loss obtained from the measurement at fair value at the date of acquisition is incorporated into the financial statements, and gains and losses from transactions between Grupo Nutresa and the associate or joint venture are eliminated, to the extent of Grupo Nutresa´s participation in the associate or joint venture. *The equity method* is applied from the date of the acquisition to the date that significant influence or joint control over the entity is lost.

The portion of profit and loss of an associate or joint venture is presented in the statement of comprehensive income, in the results section for the period, net of taxes and non-controlling interest in the subsidiaries of the associate or joint venture. The portion of changes recognized directly in equity and other comprehensive income of the associate or joint venture is presented in the statement of changes in equity and other consolidated comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized by reducing the carrying value of the investment.

Grupo Nutresa periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment. Impairment losses are recognized in profit and loss, and are calculated as the difference between the recoverable amount of the associate or joint venture (which is the higher of the two values, between the value in use and its fair value minus cost to sell), and the book value.

When the significant influence over an associate or joint control is lost, Grupo Nutresa measures and recognizes any retained residual investment at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment at its value from sale is recognized in profit and loss in that period.

3.3 SIGNIFICANT ACCOUNTING POLICIES

Grupo Nutresa and its subsidiaries apply the following significant accounting policies in the preparation of the consolidated financial statements:

3.3.1 BUSINESS COMBINATIONS AND GOODWILL

Operations whereby the joining of two or more entities or economic units into one single entity or group of entities occurs are considered business combinations.

Business combinations are accounted for using *the acquisition method*. Identifiable assets acquired, liabilities, and contingent liabilities assumed from the acquisition are recognized at fair value at the date of acquisition; acquisition costs are recognized in profit and loss and goodwill as an asset in the consolidated statement of financial position.

The consideration transferred is measured as the value added of the fair value at the date of acquisition, of assets given, and liabilities incurred or assumed, and equity instruments issued by Grupo Nutresa, including any contingent consideration, for obtaining control the acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest, and when applicable, the fair value of any previously held equity interest, over the net value of the assets acquired, liabilities, and contingent liabilities assumed at the date of acquisition. The resulting gain or loss from the measurement of previously held interest can be recognized in current earnings or other comprehensive income, accordingly. In previous periods for which it is reported, the acquirer may have recognized in other comprehensive income, changes in the value of its equity interest in the acquired. If so, the amount that was recognized in other comprehensive income shall be recognized, on the same basis, as it would be required, if the acquirer had disposed directly of the previously held equity interest. When the consideration transferred is less than the fair value of the net assets acquired, the gain is recognized in profit and loss, on the date of acquisition.

For each business combination, at the date of acquisition, Grupo Nutresa chooses to measure non-controlling interest at the proportionate share of the identifiable assets acquired, liabilities, and contingent liabilities assumed from the acquisition, or at fair value.

Any contingent consideration in a business combination is classified as liability or equity, and is recognized at fair value at the date of acquisition. Subsequent changes in fair value of a contingent consideration, classified as financial liability, are recognized in profit and losses, in that period or in other comprehensive income. When it is classified as equity, it is not re-measured and its subsequent settlement is recognized in equity. If the consideration is not classified as a financial liability, it is measured in accordance with applicable IFRS.

Goodwill acquired in a business combination is allocated, at the date of acquisition, to cash-generating units of Grupo Nutresa, that are expected to be benefitted by the combination, irrespective of whether other assets or liabilities of the acquired are assigned to these units.

When goodwill is part of a cash-generating unit, and part of the operation within that unit is sold, the goodwill associated with the operation disposed is included in the carrying value of the operation when determining the gain or loss upon disposal of the operation. Goodwill written off is determined based upon the percentage of the operation sold, which is the ratio of the book value of the operation sold and the book value of the cash-generating unit.

3.3.2 FOREIGN CURRENCY

Transactions made in a currency other than the functional currency of the Company are translated using the exchange rate at the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the closing of the financial statements and taken from the information published by the official entity responsible for certifying this information; non-monetary items that are measured at fair value are converted using the exchange rates on the date when its fair value is determined and non-monetary items that are measured at historical cost, are translated using the exchange rates determined on the date of the original transaction.

All exchange differences arising from operating assets and liabilities are recognized on the income statement, as part of revenue and operating expenses; exchange differences in other assets and liabilities are recognized as income or expense, except for, monetary items that provide an effective hedge for a net investment in a foreign operation and from investments in shares classified as fair value through equity. These items and their tax impact are recognized in other comprehensive income until disposal of the net investment, at which time are recognized in profit and loss.

For the presentation of Grupo Nutresa's consolidated financial statements, the financial condition and results of entities whose functional currency is different from the presentation currency of the Company and whose economy is not classified as hyperinflationary are translated as follows:

- Assets and liabilities, including goodwill, and any adjustment to the fair value of assets and liabilities, arising from the acquisition are translated at end of period exchange rates.
- Income and expenses are translated at the monthly average exchange rate.

In companies whose economy has been classified as hyperinflationary, assets, liabilities, income, and expenses are translated at the end of period exchange rates.

Exchange differences, arising from translation of foreign operations, are recognized in other comprehensive income on a separate account ledger named "Exchange differences on translation of foreign operations", as well as, exchange differences, in long-term receivable or payable accounts, which are part of, the net investment abroad. In the disposal of foreign operations, the current amount of other comprehensive income that relates to the foreign operation is recognized in the period results.

(a) Restated financial statements in hyperinflationary economies

The financial statements of subsidiaries whose functional currency is the currency of a hyperinflationary economy, including comparative information restated in terms of the measuring unit current at the date of closing of the reporting period is reported before being converted into pesos for consolidation. Gains or losses, on the net monetary position, are included in profit or loss.

3.3.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in the statement of financial position and statement of cash flows, include cash on hand and banks, highly liquid investments easily convertible to a known amount of cash and subject to an insignificant risk of changes in its value, with a maturity of three months or less from the date of purchase. These items are initially recognized at historical cost and restated to recognize its fair value at the date of each accounting year.

3.3.4 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and, simultaneously, to a financial liability or equity instrument of another entity. Financial assets and liabilities are initially recognized at fair value plus (less) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

At initial recognition, Grupo Nutresa classifies its financial assets for subsequent measurement at amortized cost or fair value, depending on Grupo Nutresa's business model for the administration of financial assets and the characteristics of the contractual cash flows of the instrument; or as derivatives designated as hedging instruments in an effective hedge, accordingly.

(i) Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to keep the contractual cash flows, and the contractual terms, on specific dates, cash flows that are solely for payments of principal and interest on the outstanding principal value. Notwithstanding the foregoing, Grupo Nutresa designates a financial asset as irrevocably measured at fair value through profit and loss.

Grupo Nutresa has determined that the business model for accounts receivable is to receive the contractual cash flows, which is why they are included in this category.

(ii) Financial assets measured at fair value

The financial assets, different from those measured at amortized cost are subsequently measured at fair value, with changes recognized in profit and loss. However, for investments in equity instruments that are not held for trading purposes, Grupo Nutresa irrevocably chooses to present gains and losses on the fair value measurement in other comprehensive income. On disposal of investments at fair value, through other comprehensive income, the accumulated value of the OCI is transferred directly to retained earnings and are not reclassified to profit and loss, in that period. Cash dividends received from these investments are recognized in the statement of comprehensive income, in the profit and loss of that period.

The fair values of quoted investments are based on the current trading prices.

Financial assets measured at fair value are not tested for impairment.

(iii) Impairment of financial assets at amortized cost

Financial assets measured at amortized cost are evaluated for indicators of impairment at each balance sheet date. Financial assets are impaired when there exists, objective evidence, that, as a result of one or more events occurring after the initial recognition of the financial asset, the estimated future flows of the financial asset, (or group of financial assets) have been affected.

The criteria used to determine if there is objective evidence of impairment losses, includes:

- significant financial difficulty of the issuer or counterparty
- non-payment of principal and interest
- probability that the lender will declare bankruptcy or financial reorganization

The amount of the impairment is the difference between the carrying value of the asset, and the present value of estimated futurecash flows, discounted at the original effective rate of the financial asset. The carrying value of the asset is reduced and the amount of the loss and is recognized in profit and losses.

(iv) Derecognition

A financial asset or a part of it, is dropped from the statement of financial position when it is sold, transferred, expires, or Grupo Nutresa loses control over the contractual rights or the cash flows of the instrument. A financial liability, or a portion of it, is derecognized from the statement of financial position, when the contractual obligation has been discharged or has expired. When an existing financial liability is replaced by another, from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification, it is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying value is recognized in the statement of comprehensive income in profit and loss.

(v) Financial liabilities

Financial liabilities are subsequently measured at amortized cost, using the effective interest rate. Financial liabilities include balances with suppliers and accounts payable, financial obligations, and other derivative financial liabilities. This category also includes those derivative financial instruments taken by the Group that are not designated as hedging instruments, in effective hedging risks.

Financial obligations obtained by resources, be it from credit institutions or other financial institutions in the country or abroad, are classified as financial liabilities obligations.

(vi) Off-setting financial instruments

Financial assets and financial liabilities are offset so that the net value is reported on the consolidated statement of financial position, only if (i) there is, at present, a legally enforceable right to offset the amounts recognized, and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(vii) Derivative instruments and hedge accounts

A financial derivative is a financial instrument, whose value changes in response to changes in an observable market variable (such as an interest rate, foreign exchange, the price of a financial instrument, or a market index, including credit ratings) and whose initial investment is very small compared to other financial instruments with similar changes in response to market conditions, and are generally settled at a future date.

In the normal course of business, companies engage in transactions with derivative financial instruments with the sole purpose of reducing its exposure to fluctuations in exchange rates and interest rates on foreign currency liabilities. These instruments include, among others, swaps, forwards, options and futures over commodities traded for own-use.

Derivatives are classified under the category of financial assets or liabilities, according to the nature of the derivative, and are measured at fair value on the income statement, except those that are designated as hedging instruments.

Commodities contracts, with the purpose of receipt or delivery a non-financial item, in accordance with the purchase, sale, or usage requirements expected by the entity, are considered "derivatives for own-use" and the impact is recognized as part of cost of the inventory.

Grupo Nutresa designates and documents certain derivatives as hedging instruments to cover:

- Changes in the fair value of recognized assets and liabilities or in firm commitments (fair value hedges)
- Exposure to variations in cash flows of highly probable forecast transactions (cash flow hedges) and
- Hedges of net investments in foreign operations

The Group expects that the hedges are highly effective in offsetting the changes in fair value or variations of cash flows. The Group continuously evaluates the coverage, at least quarterly, to determine that they have actually been highly effective throughout the periods for which they were designated.

Hedges which meet the strict criteria required for hedge accounting are accounted for as follows:

Fair value hedges: The Group uses these hedges to mitigate the risks of exchange rates and interest rates on recognized assets and liabilities. Changes in the fair value of the hedging instruments are recognized in the income statement, as financial expense, and the hedged item is adjusted for the hedged risk and any gain or loss is recognized in the income statement as financial expense.

Cash flow hedges: the effective portion of changes in fair value of the hedging instrument is recognized in other comprehensive income, while any ineffective portion is recognized immediately in profit or loss. When the hedged item results in the recognition of a non-financial asset or liability, the gains and losses previously recognized in other comprehensive income, are included in the cost of the asset or liability. Otherwise, gains or losses recognized in other comprehensive income are transferred to the income statement when the hedged item affects profit or loss.

Net investment hedges: Changes in fair value of the hedging instrument are recognized directly in other comprehensive income, as well as, gains or losses from the translation of a foreign operation, until the sale or disposition of the investment.

3.3.5 INVENTORIES

Assets held for sale in the ordinary course of business, or in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process, or services provided, are classified as inventory.

Inventories are valued at the lower of, acquisition or manufacturing cost, or net realizable value. Cost is determined using the *average cost method.* Net realizable value is the estimated selling price of inventory in the ordinary course of operations, less the applicable variable sales expenses.

Inventories are valued using *the weighted average method* and the cost includes the costs directly related to the acquisition and those incurred to give them their current condition and location. The cost of finished goods and work in progress is comprised of raw materials, direct labor, other direct costs, and indirect manufacturing expenses.

Trade discounts, rebates, and other similar items are deducted from the acquisition cost of inventory.

In the case of commodities, the cost of the inventory includes any gain or loss on the hedging of raw material procurement.

3.3.6 BIOLOGICAL ASSETS

Biological assets held by Grupo Nutresa are measured from initial recognition at the fair value less expenses to make the sale; the changes are recognized in the income statement for the period. Agricultural products coming from biological assets are measured at fair value less costs to sell at the time of collection or harvest, when they are transferred to inventory.

When fair value cannot be reliably measured, they are measured at cost and the existence of impairment indicators permanently assessed.

3.3.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the value of land, buildings, furniture, vehicles, machinery and equipment, computer hardware, and other facilities owned by the consolidated entities, which are used in the operation of the entity.

Fixed assets are measured at cost, net of accumulated depreciation, and accumulated loss impairment, if any. The cost includes: the acquisition price, costs directly related to the location of assets in place and the necessary conditions to operate in the manner intended by Grupo Nutresa, borrowing costs for construction projects that take a period of a year or more to be completed if the conditions for approval are met, and the present value of the expected cost for the decommissioning of the asset after its use, if the recognition criteria for a provision are met.

Trade discounts, rebates, and other similar items are deducted from the acquisition cost of the asset.

For significant components of property, plant and equipment that must be replaced periodically, the Group derecognizes the replaced component and recognizes the new component as an asset with a corresponding specific useful life, and depreciates accordingly. Likewise, when a major inspection is performed, its cost is recognized as a replacement of the carrying value of the asset to the extent that the requirements for recognition are met. All other routine repair and maintenance expenses are recognized in results, as they are incurred.

Substantial improvements on properties of third parties are recognized as part of Grupo Nutresa's fixed assets and depreciated for the shortest period between the useful life of the improvements made or the lease term.

Depreciation starts when the asset is available for use and is calculated on a straight line basis over the estimated asset life as follows:

Buildings	20 to 60 years
Machinery (*)	10 to 40 years
Minor equipment - operating	2 to 10 years
Transport equipment	3 to 10 years
Communication and computer equipment	3 to 10 years
Furniture, fixtures and office equipment	5 to 10 years

Table 3

(*) Some of the machinery related to production is depreciated using *the hours produced method,* according to the most appropriate in which the consumption of the economic benefits of the asset, is reflected.

The residual values, useful lives, and depreciation methods of assets are reviewed and adjusted prospectively at year-end, in cases where it is required.

A component of property, plant and equipment or any substantial part of it initially recognized is derecognized upon sale or when no future economic benefit from its use or its sale is expected. Any gain or loss at the time of terminating the asset (calculated as the difference between the net income from the sale and the carrying value of the asset) is included in the income statement when the asset is written off.

3.3.8 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. The acquisition cost of an investment property includes its purchase price and any directly attributable expenditure. The cost of self-constructed investment property is its cost at the date when the construction or development is complete.

Subsequent to initial recognition, investment properties are measured at net cost of accumulated depreciation and loss accumulated impairment loses, if any.

Depreciation is calculated linearly over the asset's useful life, estimated between 20 and 60 years. Residual values and useful lives are reviewed and adjusted prospectively, at year-end, or when required.

Investment properties are written off, either at the time of disposal, or when it is removed permanently from use and no future economic benefit is expected.

The difference between the net disposal and the book value of the assets is recognized in income for the period, in which it was decommissioned.

Transfers to or from investment properties are made only when there is a change in use. In the case of a transfer from investment property to property, plant and equipment, the cost, taken into account in subsequent accounting, is the book value at the date of change use.

3.3.9 INTANGIBLE ASSETS

An intangible asset is an identifiable asset, non-monetary and without physical substance. Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is its fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses in value.

The useful lives of intangible assets are determined as finite or indefinite. Intangible assets with finite useful lives are amortized over their useful life, linearly, and evaluated to determine whether they had any impairment whenever there are indications that the intangible asset might have suffered such impairment. The amortization period and the amortization method, for an intangible asset with a finite useful life, is reviewed at least at the close of each period. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits of the asset, are accounted for at the change of the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization expenses of intangible assets with finite useful lives are recognized in the statement of comprehensive income. The useful life of an intangible assets with a finite life is between 3 and 100 years.

Intangible assets with indefinite useful lives are not amortized, but are tested annually to determine if they have suffered impairment either individually or at the level of the cash-generating unit. The assessment of indefinite life is reviewed annually to determine whether the assessment remains valid. If not, the change in useful life from indefinite to finite is made prospectively.

Gains or losses that arise when an intangible asset is written off are measured as the difference between the value obtained in the provision and the carrying value of the asset, and are recognized in the statement of comprehensive income in profit and loss.

Research and development costs

Research costs are expensed as they are incurred. The expenditures directly related to the development in an individual project are recognized as intangible assets when the Grupo Nutresa can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- Its intention to complete the asset and its capacity to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to reliably measure the expenditure during development.

In the statement of financial position, the asset development expenditure is stated at cost less accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future economic benefit. During the development period, the asset is subject to annual impairment tests to determine if loss of value exists.

Research costs and development costs not eligible for capitalization, are accounted as expenses in profit and loss.

3.3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, Grupo Nutresa assesses if there is any indication that an asset may be impaired in value. Grupo Nutresa estimates the recoverable amount of the asset or cash-generating unit, at the moment that an indication of impairment is detected, or annually (at December 31st) for goodwill, intangible assets with indefinite useful lives, and those not yet in use.

Grupo Nutresa has defined as a cash-generating unit, the entities legally constituted as dedicated to production, assigning to each of them the net assets of the entities legally constituted dedicated to services rendered to the productive units (in a traversal or individual manner). The impairment assessment is realized at the CGU level or group of CGUs that contain the asset to assess.

The recoverable value of an asset is the greater of the fair value less costs to sell, either an asset or a cash-generating unit, and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of other assets or groups of assets; in this case the asset must be grouped to a cash-generating unit.

When the book value of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is reduced to its recoverable amount.

In calculating the value in use, the estimated future cash flows, whether of an asset or a cash-generating unit, are discounted to their present value using a discount rate, which reflects market considerations of the value of money over time, as well as, the specific risks of the asset. An appropriate valuation model is used to determine the fair value minus the cost to sell.

The impairment losses of continuing operations are recognized in the statement of comprehensive income, in the profit and loss section in those expense categories that correspond to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are initially allocated to goodwill and, once exhausted, the impairment losses are proportionally attributed to other non-current assets of the cash-generating unit, based upon the book value of each asset.

The impairment for goodwill is determined by assessing the recoverable amount of each CGU (or group of cash-generating units) related to the goodwill. The impairment losses related to goodwill cannot be reversed in future periods.

For assets in general, excluding goodwill, at each reporting date, an assessment of whether there is any indication that impairment losses previously recognized value no longer exist or have decreased, is performed. If any such indication exists, Grupo Nutresa estimates the recoverable amount of the asset or cash-generating unit. An impairment loss, previously recognized, is reversed only if there was a change in the assumptions used to determine the recoverable value of an asset, since the last time that the last impairment loss was recognized. The reversal is limited so that the carrying value of the asset does not exceed its recoverable amount, nor does it exceed the carrying value that would have been determined, net of depreciation, if it had not recognized impairment loss for the asset in previous years. Such a reversal is recognized in the statement of comprehensive income in profit and loss.

3.3.11 TAXES

This heading includes the value of mandatory general-nature taxation in favor of the State, by way of private closeouts, that are based on the taxes of the fiscal year and responsibility of each company, according to the tax norms of national and territorial governing entities in each of the countries where Grupo Nutresa´s companies operate.

a) Income tax

(i) Current

Assets and liabilities for income tax for the period are measured by the values expected to be recovered or paid to the taxation authorities. The expense for income tax is recognized under current tax, in accordance with the tax clearance, between taxable income and accounting profit and loss, and is affected by the rate of income tax in the current year in accordance with the provisions of the tax rules of each country. Taxes and tax norms or laws used to compute these values are those that are approved at the end of the reporting period in the countries where Grupo Nutresa operates and generates taxable income.

(ii) Deferred

Deferred income tax is recognized using *the liability* method and is calculated on temporary differences between the carrying value of assets and liabilities in the statement of financial positions and book value. Deferred tax liabilities are generally recognized for all temporary tax differences imposed, and all of the deferred tax assets are recognized for: all temporary deductible differences, future compensation of tax credits, and unused tax losses, to the extent that it is likely there will be availability of future tax profit, against which, they can be attributed. Deferred taxes are not subject to financial discount.

Deferred asset and liability taxes are not recognized if a temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affected neither the accounting profit nor taxable profit and loss; and in the case of deferred tax liability, arising from the initial recognition of goodwill.

The deferred tax liabilities related to investments in subsidiaries, associates, and interests in joint ventures, are not recognized when the timing of the reversal of temporary differences can be controlled, and it is probable that such differences will not reverse in the near future, and the deferred tax assets related to investments in subsidiaries, associates, and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will reverse in the near future and it is likely the availability of future tax profit, against which these deductible differences, will be charged.

The book value of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable income will be available, in part or in totality, of the deferred tax asset, to be used. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable income will be recoverable.

Deferred assets and liabilities taxes are measured at the tax rates that are expected to be applicable in the period when the asset is realized or the liability is settled, based on tax rates and tax rules that were approved at the date of filing, or whose approval will be nearing completion by that date.

Deferred assets and liabilities taxes are offset if there is a legally enforceable right to do so, and are with the same taxation authority.

Deferred tax is recognized in profit and loss, except when relating to items recognized outside profit and loss, in which case will be presented in other comprehensive income or directly in equity.

The assets and current liabilities for income tax also are offset if related to the same taxation authority and are intended to be settled at net value, or the asset realized and liability settled simultaneously.

b) Income tax for equity CREE

The income tax for equity – CREE, applicable to Colombian Companies, is the assessment for taxpaying legal entities to contribute to the employee benefits, employment, and social investment.

The basis for determining the income tax for equity–CREE, cannot be less than 3% of the net fiscal equity on the last day of the immediately preceding fiscal year.

The income tax for equity-"CREE" applies a fee of 9% under the Law 1739 December 2014.

During the years 2015, 2016, 2017 and 2018, the Law 1739 of December 23, 2014, establishes a surcharge on income tax for equity - CREE, which is at the responsibility of the taxpayer of this tax and is applied to a taxable base in excess of $800 COP, at rates of 5%, 6%, 8%, and 9% per year, respectively.

The tax base of income tax for equity- CREE, is established by subtracting from the gross income likely to increase the fiscal equity, the returns, rebates and discounts, and those thus obtained, will be subtracted from those which correspond to the non-constituted income established in the Tax Code. Net income, thus obtained, total costs and applicable tax deductions, will be subtracted, and may be subtracted from the exempted income exhaustively fixed, according to tax regulations.

c) Tax on wealth

The tax burden of the "wealth tax" is originated, for Colombian Companies, from possession of the same to the January 1st of the years 2015, 2016, and 2017, by taxpayers. Therefore, those taxpayers with gross assets minus debts, whose value exceeds $1.000, should determine their tax under the conditions established in the tax regulations.

According to the provisions of Article 6 of Law 1739 of 2014, which adds article 297-2 of the tax statute, the accrual of wealth tax will take place on January 1st of the years 2015, 2016, and 2017, and will be allocated to capital reserves without affecting net income, in accordance with Article 10 of the same law.

3.3.12 EMPLOYEE BENEFITS

a) Short-term benefits

They are, (other than termination benefits), benefits expected to be settled wholly, before the end of the following twelve months, at the end of the annual period, of which the services provided by employees, is reported. Short-term benefits are recognized to the extent that the employee renders the service, to the expected value to be paid.

b) Other long-term benefits

Long-term employee benefits, (that differ from post-employment benefits and termination benefits) that do not expire within twelve (12) months after the end of the annual period in which the employees renders services, are remunerated, such as long-term benefits, the variable compensation system, and retroactive severance interest. The cost of long-term benefits is distributed over the time the employee starting date and the expected date of when the benefit is received. These benefits are projected to the payment date, and are discounted with the projected unit credit method.

c) Pension and other post-employment benefits

i) Defined contribution plans

Contributions to defined contribution plans are recognized as expenses in the statement of comprehensive income in profit and loss, on an accrual basis.

ii) Defined benefit plans

Defined benefit plans are plans for post-employment benefits in which Grupo Nutresa has a legal or constructive obligation for the payment of benefits. Subsidiary companies domiciled in Colombia, Ecuador, Mexico, and Peru, have actuarial liability as required by law.

The cost of this benefit is determined by the projected unit credit method. The liability is measured annually, by the present value of expected future payments required to settle the obligations arising from services rendered by employees in the current period and prior periods.

Updates of the liability for actuarial gains and losses are recognized in the statement of financial position, against retained earnings through other comprehensive income. These items will not be reclassified to current earnings in subsequent periods; the cost of past and present services, and net interest on the liability, is recognized in profit and loss, distributed among cost of sales and administrative expenses, sales and distribution, likewise as are gains and losses by reductions in benefits and non-routine settlements.

Interest on the liability is calculated by applying the discount rate on said liability.

Payments made to retirees are deducted from the amounts provisioned for this benefit.

d) Termination benefits

Termination benefits are provided for the period of employment termination, as a result of the Company's decision to terminate a contract of employment, before the normal retirement date; or the employee's decision to accept an offer of benefits in exchange for termination of an employment contract. Termination benefits are measured in accordance with the provisions of the laws and the agreements between Grupo Nutresa and the employee, at the time the decision to terminate the employment relationship with the employee, is officially released.

3.3.13 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

a) Provisions

Provisions are recognized when, as a result of a past event, Grupo Nutresa has a present legal or constructive obligation to a settlement, and requires an outflow of resources, are considered probable, and can be estimated with certainty.

In cases where Grupo Nutresa expects the provision to be reimbursed in whole, or in part, the reimbursement is recognized as a separate asset, only in cases where such reimbursement is virtually certain.

Provisions are measured at best estimate of the disbursement of the expenditure required to settle the present obligation. The expense relating to any provision is presented in the statement of comprehensive income, net result of all reimbursement. The increase in the provision, due to the passage of time, is recognized as interest expense.

b) Contingent liabilities

Possible obligations arising from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations arising from past events, that are not likely, but there exists a possibility that an outflow of resources including economic benefits is required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the statement of financial position and are instead revealed as contingent liabilitiest.

c) Contingent assets

Possible assets, arising out of past events and whose existence will be confirmed only by the occurrence, or possibly by the non-occurrence of one or more uncertain future events which are not entirely under the control Grupo Nutresa, are not recognized in the statement of financial position, and are however, disclosed as contingent assets when it is a probable occurrence. When the contingent assets is certain then it is recognized assets and income for that period.

3.3.14 REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be measured reliably.

The specific recognition criteria listed below must also be met for revenue to be recognized:

a) Sale of goods

The revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been substantially transferred to the buyer.

b) Services

Revenue from providing services is recognized when these services are rendered, or according to the degree of completion (or percentage of completion) of contracts.

c) Interest

For all financial instruments measured at amortized cost, interest income, or expense, is recognized with the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or those received through the expected life of the financial instrument, or in a shorter period, in the carrying value of the financial asset or financial liability.

d) Dividend income

This revenue is recognized when Grupo Nutresa's right to receive payment is established, which is generally when the shareholders approve the dividend, except when the dividend represents a recovery of investment costs. Dividend income is not recognized, when payment is made to allshareholders, in the same proportion in stocks of the issuer.

3.3.15 PRODUCTION EXPENSES

Indirect production costs that do not contribute to move inventories to their present location and condition, and that are not necessary for the production process, are recorded in production expenses.

3.3.16 GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that they will be received and all conditions linked to them will be safely met. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods in which related costs, intended for compensation, are recognized as expense. When the grant relates to an asset, it is recorded as deferred income and is recognized as profit or loss on a systematic basis over the estimated useful life of the asset.

3.3.17 FAIR VALUE

Fair value is the price that would be received in selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of all financial assets and liabilities is determined at the date of presentation of the financial statements, for recognition or disclosure in the Notes to the Financial Statements.

Grupo Nutresa uses valuation techniques which are appropriate under circumstances for which sufficient information is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date (level 1).
- Based on valuation techniques commonly used by market participants using variables other than the quoted prices that are observable for the asset or liability, either directly or indirectly (level 2).
- Based on internal discount cash flow techniques or other valuation models, using estimated variables by Grupo Nutresa for the unobservable asset or liability, in the absence of variables observed in the market (level 3).

Judgments include data such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Note 37 provides detailed information about the assets measured at fair value and the methodology of valuation used.

3.3.18 OPERATING SEGMENTS

An operating segment is a component of Grupo Nutresa that: engages in business activities from which it may earn income from ordinary activities and incur costs and expenses, from which it has financial information, and whose operating results are regularly reviewed by the maximum authority in making operating decisions for Grupo Nutresa, The Board of Grupo Nutresa, to decide about the allocation of resources to segments, as well as, assess performance.

The financial information of the operating segments is prepared under the same accounting policies used in the preparation of the consolidated financial statements of Grupo Nutresa.

For those operational segments that overreach the quantitative threshold of 10% of income, EBITDA, and operational income, as well as, the informational segments that are considered relevant for decision making by the Board of Directors; financial information is presented separately; the other segments are grouped in categories called "Other segments".

3.3.19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit and loss attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the period.

The average number of shares outstanding, for the periods ended September 30, 2015 and 2014, is 460.123.458.

Diluted earnings per share are calculated by adjusting, profit and loss attributable to ordinary equity holders, and the weighted average number of shares of dilutive potential ordinary shares.

3.3.20 RELATIVE IMPORTANCE OR MATERIALITY

Information is material or has relative importance, if it can, individually, or collectively, influence the economic decisions taken by users, based on the financial statements. Materiality depends on the size and nature of error or inaccuracy and prosecuted depending on the particular circumstances in which they are produced. The size or nature of the item, or a combination of both, could be the determining factor.

NOTE 4.
JUDGMENTS, ESTIMATES, AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

The preparation of Grupo Nutresa's financial statements requires that management must make judgments, accounting estimates, and assumptions that impact the amount of revenue and expenses, assets and liabilities, and related disclosures, as well as, the disclosure of contingent liabilities at the close of the reporting period. The Group bases its assumptions and estimates, considering all parameters available at the time of preparation of the consolidated financial statements. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the carrying amounts recorded in books of the assets or liabilities impacted.

In applying Grupo Nutresa's accounting policies, Management has made the following judgments and estimates, which have significant impact on the amounts recognized in these consolidated financial statements: classification of leases (Note 26), discontinued operations (Note 34), consolidation of companies over which the Group owns less than a majority of the voting rights (Note 3.1.1), income tax and CREE (Note 18), employee benefits (Note 23), impairment of non-financial assets (Note 16 and 17), useful life and residual value of property, plant and equipment and intangibles (Note 14, 15 and 17), recoverability of deferred tax assets (Note 18), classification of Venezuela as a hyperinflationary economy (Note 29).

NOTE 5.
BUSINESS COMBINATIONS

5.1 BUSINESS COMBINATIONS REALIZED DURING THE CURRENT PERIOD

The February 19, 2015 the share purchase agreement was finalized at $743.401 in which Grupo Nutresa acquired 100% of the outstanding shares of Aldage, INC., owners of Colombian Companies that make up Grupo El Corral. The operation was financed with domestic bank loans of $685.000 and Grupo resources.

Grupo El Coral is the leader of retail foods in Colombia, with a total of 355 POS in the segment "fast casual" of hamburgers, with the brand El Corral, and in "casual dining" with its restaurants El Corral Gourmet, Leños y Carbón and Leños Gourmet. In addition to operating these chains, Grupo El Coral, operates international leading brands like Papa John's (pizza), Yogen Fruz (frozen yogurt), Krispy Kreme (donuts), and Taco Bell (Mexican food).

Grupo El Corral includes the following companies:

Entity	Main Activity	Country of Constitution	Functional Currency	% Participation Grupo Nutresa
Aldage, Inc.	Administration of Investments	Panama	USD	100,00%
Gabon Capital Ltd.	Administration of Investments	BVI	USD	100,00%
Baton Rouge Holdings Ltd.	Administration of Investments	BVI	USD	100,00%
LyC Bay Enterprises Inc.	Administration of Investments	Panama	USD	100,00%
Sun Bay Enterprises Inc.	Administration of Investments	Panama	USD	100,00%
Ellenbrook Holdings Limited	Administration of Investments	BVI	USD	100,00%
Perlita Investments Ltd.	Administration of Investments	BVI	USD	100,00%
El Corral Investments Inc.	Administration of Investments	BVI	USD	100,00%
Gulla Properties Development LLC. (1)	Administration of Investments	USA	USD	-
Heanor Consulting LLC. (1)	Administration of Investments	USA	USD	-
Industria de Restaurantes Casuales Ltda. – IRCC	Food production and operation of retail food establishments	Colombia	COP	100,00%
LyC S.A.S.	Food production and operation of retail food establishments	Colombia	COP	100,00%
PJ Col S.A.S.	Food production and operation of retail food establishments	Colombia	COP	100,00%
Panero S.A.S.	Food production and operation of retail food establishments	Colombia	COP	100,00%
New Brands S.A.	Production of dairy and ice cream	Colombia	COP	100,00%
Schadel Ltda.	Production of dairy and its derivatives	Colombia	COP	99,88%
Tabelco S.A.S. (1)	Food production and operation of retail food establishments	Colombia	COP	-

Table 4

(1) At December 31, 2015, Grupo Nutresa possesses no participation, direct or indirect, over these companies; however, there does exist a private stakeholders' agreement, derived from the acquisition of Grupo El Corral, in which control over the relevant decision making, of these companies, is granted to Grupo Nutresa.

The breakdown of the book value at the acquisition date, of net assets acquired as part of the business combination and goodwill is as follows:

Current assets	61.248
Non-current assets	484.151
Identifiable assets	**545.399**
Current liabilities	56.308
Non-current liabilities	280.501
Assumed liabilities	**336.809**
Total net assets acquired	**208.590**
Consideration transferred	743.401
Goodwill	**534.811**

Table 5

The goodwill recognized as $534.811 is allocated to the Retail Foods Segment and is not deductible from income tax, under the current tax regulations in Colombia.

The Group has opted to measure the non-controlling interest in the acquired at the value of the proportionate share of the net assets; which, at the date of acquisition is $13.

Neither contingent consideration arrangements nor indemnification assets are identified.

Revenue from the ordinary activities and results of Grupo El Coral during the period are:

From 01/03/2015 until 31/12/2015	
Revenue	371.926
Profit and loss	22.897
From 01/01/2015 until 31/12/2015	
Revenue	436.860
Profit and loss	24.161

Table 6

5.2 BUSINESS COMBINATIONS OF PRIOR PERIODS

In March 2014, Grupo Nutresa S.A., through its subsidiary Compañía Nacional de Chocolates S.A.S., acquires 69,59% stake in the private equity "Cacao para el Futuro" - Compartmento A for $14.460, which added to a previously held equity interest of 13,82%, reaches 83,41% which gives Grupo Nutresa the control of the relevant activities of the Fund. The acquisition was made through the direct purchase to other investors.

This entity is a private investment fund managed by BTG Pactual S.A., stock brokers; its purpose is the management of private capital to boost the national cocoa production industry, access to new local sources of quality raw material and competitive prices, promote the transfer of knowledge and provide stable employment for rural cocoa families. The managing partner of the fund is Laurel SGP S.A.S., which specializes in structuring and managing private equity funds, and with experience in the development of cocoa crops.

Before the acquisition, Compañía Nacional de Chocolates S.A.S. accounted their investment in the "Fondo de Cacao", at fair value through profit or loss, which at the date of the acquisition was $3.567.

The Group has elected to measure the non-controlling interest in the acquired, at the value of the proportionate share in net assets; which amounts to the acquisition date for $4.212.

The values incorporated in the consolidated financial statements of Grupo Nutresa as part of the business combination are as follows:

Current assets	3.981
Non-current assets	21.460
Current liabilities	(51)
Total net assets acquired	**25.390**
Non-controlling Interest	4.212
Fair value of shares previously held	3.567
Consideration transferred	14.460
Gains on investments purchases	**3.151**

Table 7

The gains on the purchase of investments are presented in profit and loss, as other income and expenses.

NOTE 6.
OPERATING SEGMENTS

Grupo Nutresa`s operating segments reflect its structure and how the administration, in particular the Board of Directors, evaluates the financial information for decision-making in operational matters. For the administration, businesses are considered by combining geographic areas and types of products. The segments for which financial information are presented are as follows:

- **Cold Cuts:** Production and sale of processed meats (sausage, pepperoni, and bologna burgers), matured meat (ham, Spanish chorizo, salami), ready to meals, canned foods and mushrooms
- **Biscuits:** Production and marketing of sweet biscuits flavored lines, with crème filling and salted wafers like crackers
- **Chocolate:** Production and sale of chocolate bars, chocolate (bars and milk modifiers), chocolate candies, granola bars, and nuts
- **TMLUC:** Stands for Tresmontes Lucchetti, a business unit that produces and sales: instant cold drinks, pasta, coffee, snacks, edible oil, juice, soups, dessert, and tea
- **Coffee:** Production and marketing of roasted and ground coffee, instant coffee (powdered, granulated, and freeze-dried) and coffee extracts
- **Retail Foods:** Formats established for direct sale to consumers, are restaurants and Ice cream parlors, where hamburger products, prepared meats, Ice cream, and yogurt are offered
- **Ice Cream:** This segment includes desserts, water and milk-based Ice cream pops, cones, Ice cream by the liter, as well as, Ice cream cups and biscuits
- **Pasta:** Produced and marketed as short, long, egg with vegetables, butter, and instant pasta

The Board of Directors monitors the operating results of business units separately, for the purpose of making decisions about allocating resources and assessing financial performance. The financial performance of the segments is evaluated, on the basis of sales and EBITDA, which are measured uniformly with the consolidated financial statements. Financing operations, investment, and tax management are managed centrally, and therefore, are not allocated to operating segment.

The Management Reports and the ones generated by accountancy of the Company, use the same policies as described in the note of accounting criteria, and there are no differences between the total measurements of results, with respect to the accounting policies applied.

Transactions between segments correspond mainly to, sales of finished products, raw materials, and services. The sale price between segments is the cost of the product, plus a profit margin. These transactions are eliminated in the consolidation of financial statements.

Assets and liabilities are managed on a consolidated basis, and by the administration of each of the Grupo Nutresa Companies; no segment allocation is performed.

There are no individual customers whose transactions represent more than 10% of Grupo Nutresa's revenue.

6.1 INFORMATION ON FINANCIAL PERFORMANCE BY SEGMENT:

a) Ordinary income by segments

	External clients		Inter-segments		Total	
	2015	2014	2015	2014	2015	2014
Cold Cuts	1.908.524	1.744.593	623	911	1.909.147	1.745.504
Biscuits	1.566.841	1.245.748	14.475	13.579	1.581.316	1.259.327
Chocolate	1.268.153	1.068.390	13.836	13.958	1.281.989	1.082.348
Coffee	891.103	772.318	3.304	1.853	894.407	774.171
TMLUC	896.403	737.727			896.403	737.727
Ice Cream	443.737	422.069	752	262	444.489	422.331
Pasta	257.928	237.346	548	1.044	258.476	238.390
Retail food	542.296	115.466			542.296	115.466
Others	170.432	138.156			170.432	138.156
Total segments	**7.945.417**	**6.481.813**	**33.538**	**31.607**	**7.978.955**	**6.513.420**
Adjustments and eliminations					(33.538)	(31.607)
Consolidated					**7.945.417**	**6.481.813**

Table 8

b) EBITDA

	Operating Profit		Depreciation and Amortization		Unrealized Exchange Differences From Operating Assets And Liabilities		EBITDA	
	2015	2014	2015	2014	2015	2014	2015	2014
Cold Cuts	209.334	188.783	31.933	28.281	(9.046)	(5.922)	232.221	211.142
Biscuits	160.332	145.485	25.132	23.535	544	19	186.008	169.039
Chocolate	93.240	91.075	31.399	27.999	(424)	729	124.215	119.803
Coffee	133.847	129.206	20.269	19.128	1.329	(1.679)	155.445	146.655
TMLUC	63.110	62.377	30.438	18.305	502	1.419	94.050	82.101
Ice Cream	30.414	24.802	31.005	32.368	(277)	211	61.142	57.381
Pasta	18.972	15.460	7.112	6.902	(164)	(1)	25.920	22.361
Retail food	73.068	14.558	20.392	3.313	30	4	93.490	17.875
Others	368	4.357	2.523	4.907	172	80	3.063	9.344
Total segments	**782.685**	**676.103**	**200.203**	**164.738**	**(7.334)**	**(5.140)**	**975.554**	**835.701**

Table 9

6.2 INFORMATION BY GEOGRAPHICAL LOCATIONS

The breakdown of sales to external customers is herewith detailed by major geographical locations where the Group operates, and is as follows:

	2015	2014
Colombia	4.915.836	4.186.809
Central America	731.212	477.504
United States	649.077	457.505
Chile	575.927	492.421
Mexico	295.659	236.225
Venezuela	230.108	217.603
Peru	164.377	127.317
Ecuador	113.475	70.916
Dominican Republic and the Caribbean	126.914	88.973
Others	142.832	126.540
Total	**7.945.417**	**6.481.813**

Table 10

Sales information is carried out with consideration of the geographical location of end-user customer

6.3 INFORMATION BY TYPE OF PRODUCT

Given that some segments are also categorized by geographical location, sales to external customers are presented by product category as follows:

	2015	2014
Foods	4.374.350	3.418.254
Beverages	1.849.510	1.602.073
Candy and Snacks	1.301.546	1.085.629
Others	420.011	375.857
Total	**7.945.417**	**6.481.813**

Table 11

NOTE 7.
INVESTMENTS IN SUBSIDIARIES

The following details financial information of the major subsidiaries that represent 94% of the gross equity of Grupo Nutresa. This information was taken from the financial statements of the subsidiary companies at December 31st, certified and audited, subject to prescribed legal norms, in each country, where they operate, which are homologized in order to apply, in a uniform manner, the accounting policies and practices of the Parent and translated to the Colombian peso for the purposes of consolidation.

	2015					2014				
	Assets	Liabilities	Equity	Profit for the Period	Total Comprehensive Income for the Period	Assets	Liabilities	Equity	Profit for the period	Total comprehensive income for the period
Subsidiaries directly or indirectly 100% owned by Grupo Nutresa										
Grupo Nutresa S.A.	8.102.526	92.538	8.009.988	427.096	(207.093)	8.101.709	99.017	8.002.692	589.388	485.260
Nutresa Chile S.A.	1.459.528	56.952	1.402.576	(6.461)	(440)	1.302.656	49.717	1.252.940	6.011	(2.480)
American Franchising Corp. (AFC)	1.049.512	-	1.049.512	1.886	203.003	51.247	-	51.247	937	245
Compañía de Galletas Noel S. A. S.	2.007.222	851.757	1.155.465	111.873	149.036	1.452.476	506.916	945.560	130.916	(40.472)
Compañía Nacional de Chocolates S. A. S.	1.604.850	578.928	1.025.922	52.731	117.486	1.404.601	503.456	901.144	72.892	32.316
Compañía de Galletas Pozuelo DCR S.A.	848.362	94.630	753.732	38.201	5.056	604.363	67.592	536.771	25.149	4.351
Tresmontes S. A.	1.314.115	659.927	654.188	31.173	1.785	1.133.551	581.316	552.235	148.158	86.712
Lucchetti Chile S.A. (Newco)	711.510	126.504	585.006	6.518	584	632.487	118.766	513.721	55.594	69.453
Industria Colombiana de Café S.A.S.	1.378.407	734.435	643.972	53.078	44.361	1.016.141	439.312	576.829	96.887	17.713
Alimentos Cárnicos S.A.S.	1.750.430	984.475	765.955	72.079	98.493	1.632.929	991.110	641.820	170.199	55.112
Compañía Nacional de Chocolates del Perú S.A.	435.753	62.315	373.438	16.163	316	368.712	59.467	309.246	7.230	1.308
Meals Mercadeo de Alimentos de Colombia S.A.S.	753.315	489.984	263.331	14.302	2.360	529.669	263.133	266.537	11.573	(85)
Industria de Alimentos Zenú S. A. S.	368.019	159.096	208.923	19.429	(22)	412.183	221.060	191.124	2.055	(22.012)
Inmobiliaria Tresmontes Lucchetti S.A. (Newco)	239.293	32.776	206.517	2.720	209	208.830	27.853	180.977	12.188	31.731
Tresmontes Lucchetti S. A.	624.424	484.577	139.847	14.993	343	466.941	348.895	118.046	8.542	(11.137)
Productos Alimenticios Doria S. A. S.	324.534	190.991	133.543	12.502	1.953	191.299	71.307	119.991	11.112	97
Inmobiliaria and Rentas Tresmontes Lucchetti	114.706	-	114.706	-	-	101.967	-	101.967	-	-
Abimar Foods Inc.	258.379	135.981	122.398	15.931	2.373	147.310	68.212	79.098	15.044	2.887
Tresmontes Lucchetti México S. A. De C. V.	247.324	85.627	161.696	(21.505)	(1.008)	205.055	116.318	88.737	(958)	2.950
Tresmontes Lucchetti Agroindustrial S. A.	92.728	135	92.593	3.986	298	78.958	456	78.501	11.860	781
Other subsidiaries (1)	3.442.019	2.438.771	1.003.248	73.663	5.111	2.824.875	2.025.750	799.125	55.098	(40.504)
Subsidiaries with non-controlling interest										
Novaceites S.A.	68.712	21.555	47.157	2.425	84	61.814	22.124	39.690	3.916	553
La Recetta Soluciones Gastronómicas Integradas S.A.S.	49.837	48.147	1.689	(81)	-	43.833	42.057	1.777	370	-
Setas Colombianas S.A.	70.107	23.364	46.743	3.439	-	60.804	15.177	45.627	3.506	-
POPS One LLC	-	-	-	-	-	8	1	7	(312)	(63)
POPS Two LLC	-	-	-	-	-	26	1	25	(268)	(61)
Helados Bon	42.965	19.068	23.897	6.880	1.036	27.823	14.478	13.345	2.385	432
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	34.416	7.018	27.398	1.275	-	28.137	2.014	26.123	733	-

Table 12

(1) Other subsidiaries include equity of $1.007.404, for the following companies: Alimentos Cárnicos de Panamá S.A.., Industrias Alimenticias Hermo de Venezuela, Alimentos Cárnicos Zona Franca Santa Fe S.A.S., Compañía Nacional de Chocolates DCR. S.A., Nutresa S.A. de C.V., Serer S.A. de C.V., Pastas Comarrico S. A. S., Guate-Pops S.A., Heladera Guatemalteca S.A., Industrias Lácteas de Costa Rica S.A., Industrias Aliadas S.A.S., Tropical Coffee Company S. A. S., Molino Santa Marta S.A.S., Comercial Pozuelo Nicaragua S.A., Comercial Pozuelo Panamá S. A, Cordialsa Noel Venezuela S.A., Americana de Alimentos Ameral S.A., Cía. Americana de Helados S.A., Americana de Alimentos S.A. de C.V., Cordialsa Boricua Empaque, Inc., Comercial Nutresa S.A.S., Distribuidora POPS S.A., Corp. Distrib. de Alimentos S.A (Cordialsa), Fransouno S.A, Comercial Pozuelo Guatemala S.A., Helados H.D. S.A., Industrias Lácteas Nicaragua S.A., Novaventa S.A.S., Comer-

cial Pozuelo El Salvador S.A. de C.V., Cordialsa Usa, Inc., TMLUC Argentina S.A., Tresmontes Lucchetti Agroindustrial S.A., Comercializadora Tresmontes Lucchetti S.A. de C.V., Tresmontes Lucchetti Internacional S.A., TMLUC Perú S.A., Tresmontes Lucchetti Servicios S.A., Fideicomiso Grupo Nutresa, Inmobiliaria Nevada S.A., Nevada Guatemalteca S.A., Litoempaques S. A. S., Gestión Cargo Zona Franca S.A.S., Opperar Colombia S.A.S., Servicios Nutresa S.A.S., Promociones and Publicidad Las Américas S.A., TMLUC Servicios Industriales, S. A. de CV , Servicios Tresmontes Lucchetti S.A. de C.V.

NOTE 8.
CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31st includes the following:

	2015	2014	01/01/2014
Cash and banks	234.620	333.625	302.451
Short-term investments	51.444	58.238	113.416
Total	**286.064**	**391.863**	**415.867**

Table 13

Short-term collocations are realized for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and accrue interest at market rates of the respective short-term collocations. Balances with banks accrue interest at variable rates based on the return daily bank deposit rates. The average returns on cash and cash equivalents, in all currencies, is 2,7%.

These values have no restrictions over their availability.

At December 31, 2015, the Group had $2.100.000 available in committed unused credit lines.

NOTE 9.
TRADE AND OTHER RECEIVABLES

	2015	2014	01/01/2014
Customer	842.362	706.881	679.808
Accounts receivable from employees	17.114	18.692	12.045
Loans to third-parties (*)	-	5.397	221
Other accounts receivable	31.973	19.999	33.023
Impairment	(13.169)	(11.161)	(10.842)
Total current	**878.280**	**739.808**	**714.255**
Accounts receivable from employees	23.035	20.718	20.402
Loans to third-parties	2.248	928	359
Other accounts receivable	1.446	1.478	1.095
Total non-current	**26.729**	**23.124**	**21.856**
Total trade and other receivables	**905.009**	**762.932**	**736.111**

Table 14

(*) The 2014 balance corresponds primarily to a loan taken for Dan Kaffe Sdn. in the amount of $4.174, used in 2015 to capitalize the Group's participation in this subsidiary (See Note 19).

To ensure recovery of trade debts and other accounts receivable, "blank promissory notes" are constituted with letters of instruction, advances are solicited, bank guarantees and, in some cases, collateral is requested. For loans to employees, mortgages and pledges are constituted, and promissory notes are signed.

The reconciliation of recognized impairment on accounts receivable is as follows:

	2015	2014
Book value at January 1st	**11.161**	**10.842**
Impairment losses recognized during the period	12.454	7.253
Use during the period	(12.446)	(8.143)
Reversal of impairment losses for the period	(444)	(101)
Exchange differences	1.662	945
Other changes	782	365
Book value at December 31st	**13.169**	**11.161**

Table 15

Grupo Nutresa derecognizes the values of the impaired portfolio considered manifestly lost against the impairment of value recognized in an allowance accountand not directly, when there is evidence of inactive balances by commercial customers, with over 360 days past due to December 31st each year.

NOTE 10.
INVENTORIES

	2015	2014	01/01/2014
Raw materials	339.195	261.469	233.921
Works in progress	55.703	59.883	49.640
Finished products	374.369	313.877	250.470
Packing materials	104.778	84.425	74.540
Consumable materials and spare parts	75.184	56.802	57.769
Inventories in transit	87.826	69.849	37.869
Adjustments to the net realizable values	(4.086)	(4.453)	(6.054)
Total	**1.032.969**	**841.852**	**698.155**

Table 16

Net write-offs of inventory values are recognized as cost, during the period, in the amounted of $719 (2014 - $1.905) .

Write- down inventories are recognized as expenses, in the amount of $60.873, during the period 2015 (2014 - $47.215).

Inventory of finished products, in the amount of $374.743, was measured at the net realizable value.

NOTE 11.
BIOLOGICAL ASSETS

	2015	2014	01/01/2014
Forest plantation	8.913	6.594	4.968
Biological assets - cattle	24.636	19.626	10.713
Biological assets – pig	25.269	25.735	24.342
Total	**58.818**	**51.955**	**40.023**
Current portion	**53.119**	**47.770**	**37.449**
Non-current portion	**5.699**	**4.185**	**2.574**

Table 17

The forest plantations include: 170 hectares of cocoa plantations (2014 – 170 ha), located in the department of Santander in Colombia, aimed at promoting the development of cocoa farming through agro forestry systems (Cocoa - Timber) to the country's farmers, and also to supply the raw material consumption of the Group. Also included are 40.290 square meters of mushroom crops (2014 – 33.180 m2), located in Yarumal, Colombia, that are used by Setas de Colombia S.A. - in its production process; taking into account that no active market exists for these crops. Companies measure the biological assets under the cost model until the fair value of these can be reliably measured.

2015 biological assets include 22.394 cattle (2014 – 18.515 units) and 81.017 pigs (2014- 85.663 units) in Colombia and Panama, the production of this activity which is used as raw material for product development in the Cold Cuts Business.

Pigs and cattle, in Colombia, are measured at fair value, using as a reference, the market values published by the National Association of Pig Farmers and livestock auctions at fairs in each location. Pigs that are produced abroad (2015 - $5.125 to 2014 - $5.174) are measured upon initial recognition under the cost model, taking into account that there is no active market.

The gain or loss for the period due to changes in fair value minus the costs to sell of biological assets in 2015 is $5.311 (2014 - $3.691).

Non-current biological assets correspond to cocoa plantations which have an average life of 15 years.

NOTE 12.
OTHER ASSETS

"Other assets" are comprised of the following:

	2015	2014	01/01/2014
Other current assets			
Current taxes (1)	146.006	94.316	76.198
Prepaid expenses(2)	58.679	36.693	37.831
Financial derivative instruments (See Note 21.6)	16.077	8.343	828
Total other current assets	**220.762**	**139.352**	**114.857**
Other non-current assets			
Prepaid expenses	4.182	4.025	5.106
Other financial instruments measured at fair value (3)	34.324	27.235	-
Other non-current assets	2.139	1.088	-
Total other non-current assets	**40.645**	**32.348**	**5.106**
Total other assets	**261.407**	**171.700**	**119.963**

Table 18

(1) Current taxes include income tax advances, in the amount of $32.090 (2014 - $33.725), balances in favor of income tax in the amount of $88.343 (2014 - $36.293), and balances, in favor of, sales tax in the amount of $22.982 (2014 - $19.352).

(2) Prepaid expenses relating mainly to insurance, advertising, and contractors.

(3) Other financial instruments measured at fair value corresponding to the rights held by the private equity "Cacao para el futuro" - Compartment A, in cocoa plantations. See Note 37 for the information for the measurement of the fair value of this asset.

NOTE 13.
NON-CURRENT ASSETS HELD FOR SALE

Currently under construction, are seven distribution centers that form part of "build to suit" that will house the finished product for secondary distribution in Colombia, in the cities of Aguachica, Florence, Palermo, Valledupar, Pasto, Cartagena, and Monteria. This initiative is framed under the strategy of sustainable development in construction, and also ensures optimum comfort for human resources and the product. Grupo Nutresa realizes the design and construction of these buildings that will be sold to a real estate fund, once construction is complete in 2016, to be then taken into operating leases by Grupo Nutresa, thereby achieving a significant release of working capital.

To December 31, 2015, the balance of $71.679 includes acquired land in the amount of $21.985 and construction in progress in the amount of $49.694; these buildings are expected to be completed during 2016, for which the committed resources are in the amount of $74.064.

NOTE 14.
PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment occurring during the period is as follows:

	Land	Buildings	Production Equipment Machinery	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	Total
Cost	751.664	706.040	1.564.133	30.349	18.056	38.615	10.402	316.809	3.436.068
Depreciation and impairment	(200)	(57.541)	(363.350)	(13.222)	(11.888)	(22.812)	(3.720)	-	(472.733)
Balance at January 1, 2015	**751.464**	**648.499**	**1.200.783**	**17.127**	**6.168**	**15.803**	**6.682**	**316.809**	**2.963.335**
Acquisitions	-	9.612	20.239	1.973	3.511	729	12.492	346.408	394.964
Business combinations	1.868	16.521	44.188	1.046	2.455	3.218	63.390	1.001	133.687
Withdrawals	(2.401)	(2.336)	(3.365)	(432)	(106)	(168)	(171)	(79)	(9.058)
Depreciation	-	(31.091)	(144.295)	(2.935)	(3.638)	(4.232)	(8.231)	-	(194.422)
Impairment	-	(7)	(162)	-	7	-	-	-	(162)
Transfers	(273)	144.092	329.880	(10.141)	4.281	596	538	(519.382)	(50.409)
Adjustments in hyperinflationary economies	606	9.833	9.540	83	2	12	-	3.396	23.472
Currency translations	27.380	12.654	42.678	3.098	396	1.899	1.377	32.833	122.315
Cost	778.971	910.913	2.059.609	22.433	30.186	47.113	102.462	180.986	4.132.673
Depreciation and impairment	(327)	(103.136)	(560.123)	(12.614)	(17.110)	(29.256)	(26.385)	-	(748.951)
Balance at December 31, 2015	**778.644**	**807.777**	**1.499.486**	**9.819**	**13.076**	**17.857**	**76.077**	**180.986**	**3.383.722**
Cost	729.302	739.948	1.352.829	31.409	17.806	30.475	7.438	257.717	3.166.924
Depreciation and impairment	(200)	(44.283)	(237.148)	(2.730)	(9.378)	(16.638)	(13)	-	(310.390)
Balance at January 1, 2014	**729.102**	**695.665**	**1.115.681**	**28.679**	**8.428**	**13.837**	**7.425**	**257.717**	**2.856.534**
Acquisitions	1.560	236	5.334	1.211	1.733	2.067	-	346.649	358.790
Withdrawals	(10)	(926)	(8.406)	(772)	(211)	(250)	-	(3.071)	(13.646)
Depreciation	-	(13.972)	(128.984)	(5.475)	(2.288)	(4.371)	(2.826)	-	(157.916)
Impairment	-	-	(12.790)	-	-	-	-	-	(12.790)
Transfers	4.283	15.005	211.627	(5.212)	287	4.367	1.235	(257.029)	(25.437)
Adjustments in hyperinflationary economies	435	11.793	9.820	39	54	98	-	552	22.791
Currency translations	16.094	(59.302)	8.501	(1.343)	(1.835)	55	848	(28.009)	(64.991)
Cost	751.664	706.040	1.564.133	30.349	18.056	38.615	10.402	316.809	3.436.068
Depreciation and impairment	(200)	(57.541)	(363.350)	(13.222)	(11.888)	(22.812)	(3.720)	-	(472.733)
Balance at December 31, 2014	**751.464**	**648.499**	**1.200.783**	**17.127**	**6.168**	**15.803**	**6.682**	**316.809**	**2.963.335**

Table 19

During 2014, impairment losses were recognized in the amount of $12.790 and were associated to assets disused, according to the changes in the production process. Impairment losses for the period impacted the production expenses in profit and loss, and assigned to the segments of Cold Cuts $5.549, Biscuits $3.628, Coffee $1.835, Chocolate $1.092, and Pasta $686. The impairment losses were determined using the income approach (value in use). During 2015, impairment losses were recognized in the amount of $162 (2014 - $12.790).

NOTE 15.
INVESTMENT PROPERTIES

The movement of investment properties is detailed, during 2015 and 2014, as follows:

	Land	Buildings	Total
Cost	80.483	15.992	96.475
Depreciation and impairment	-	(195)	(195)
Balance at January 1, 2015	**80.483**	**15.797**	**96.280**
Withdrawals	(461)	(880)	(1.341)
Depreciation	-	(581)	(581)
Transfers	(11.686)	-	(11.686)
Adjustments in hyperinflationary economies	-	7.090	7.090
Impact of differences of currency translation	-	(7.369)	(7.369)
Cost	68.336	14.777	83.113
Depreciation and impairment	-	(720)	(720)
Balance at December 31, 2015	**68.336**	**14.057**	**82.393**
Balance at January 1, 2014 (deemed cost)	**68.796**	**4.977**	**73.773**
Depreciation	-	(195)	(195)
Transfers	11.687	8.689	20.376
Adjustments in hyperinflationary economies	-	2.326	2.326
Cost	80.483	15.992	96.475
Depreciation and impairment	-	(195)	(195)
Balance at December 31, 2014	**80.483**	**15.797**	**96.280**

Table 20

At December 31, 2015, there were no materials commitments for acquisition or construction of the investment properties.

The fair value of investment properties at December 31, 2015 amounted to $103.538 and was determined by an independent appraiser using an income and market approach. This means that the valuation are based upon quoted prices in active markets, adjusted for differences in nature, location and/or condition of each particular property, or through financial discount of the future cash flows obtained from the leasing of properties.

NOTE 16.
GOODWILL

The movement of the carrying value of goodwill assigned to each one of the segments of the Group is as follows:

2015					
Reportable Segment	**CGU**	**Balance At January 1st**	**Additions**	**Exchange Differences**	**Balance at December 31st**
Retail Foods	Grupo El Corral (1)	-	534.811	-	534.811
	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	Industrias Aliadas	4.313	-	-	4.313
Cold Cuts	Setas de Colombia	906	-	-	906
Chocolate	Nutresa de México	172.248	-	10.394	182.642
Biscuits	Abimar Foods	96.546	-	-	96.546
	Galletas Pozuelo	27.950	-	9.045	36.995
TMLUC	Tresmontes Lucchetti	849.085	-	106.081	955.166
		1.373.072	**534.811**	**125.520**	**2.033.403**

Table 21

2014					
Reportable Segment	**CGU**	**Balance at January 1st**	**Additions**	**Exchange Differences**	**Balance at December 31st**
RetailFoods	Grupo Pops	170.494	-	-	170.494
	Helados Bon	51.530	-	-	51.530
Coffee	Industrias Aliadas	4.313	-	-	4.313
Cold Cuts	Setas de Colombia	906	-	-	906
Chocolate	Nutresa de México	162.900	-	9.348	172.248
Biscuits	Abimar Foods	96.546	-	-	96.546
	Galletas Pozuelo	24.232	-	3.718	27.950
TMLUC (2)	Tresmontes Lucchetti	791.418	183	57.484	849.085
		1.302.339	**183**	**70.550**	**1.373.072**

Table 22

(1) In 2015, the addition corresponds to the business combination for the acquisition of Grupo El Corral (See Note 5).
(2) In 2014, the increase corresponds to an adjustment of the consideration paid in the acquisition of GrupoTMLUC in the amount of $46.328.297CLP ($183), for the recovery of accounts receivable, under the terms of the acquisition.

16.1 ASSESSMENT OF IMPAIRMENT OF GOODWILL

Goodwill is not subject to amortization. The Group reviews the existence of impairment, annually, by comparing the carrying value of net assets allocated to the Cash Generating Unit (CGU), with their value in use. During the current period, as well as, in the previous, no impairment loss was recognized.

For each CGU or group of CGU, the recoverable amount is higher than its book amount. Cash flows have been projected for a period of 10 years, which consists of five years of explicit plans and an additional 5 years where a stabilization period is projected, with a decresing convergence equivalent to the anticipated nominal economic comportment and the perpetual long-term growth, according to the requirements of the applicable norms, giving more consistency to the normal evolution of the businesses and projections. These flows have been established throughout the experience of the Group.

The operating income included within the future cash flows correspond to the income of the businesses that conform to the CGU or group of CGU's, and the projected comportment considered the expected evolution of the market and the growth strategies approved by the Direction, for the following years, determinant at the moment that the evolution of the gross profit margin is defined, which includes a study of the cost factors based upon the efficiencies projected by the Administration.

Grupo Nutresa uses a specific growth rate that is similar to the average rate of long-term growth for the industry and is between 1.5% and 2% and is indexed to the inflation of the country where is each CGU is assessed; all flows have been discounted according to the average rate of the Group and varies according to the variables determining each CGU, according to the *WACC "weighted average cost of capital" methodology*. The average discount rate used is in an range established between 8,6% and 11,9%.

Grupo Nutresa considers that there is no reasonable change possible, in the previous key assumption indicators listed above,used in the assesstment of goodwill impairment, that could imply that the carrying value of a CGU exceeds its recoverable amount.

Goodwill from the acquisition of Grupo El Corral was not assessed for impairment to December 2015, due to the fact that the allocation of the purchase price was finalized at a date much earlier than the close of year-end date and there has not been any change could affect the recoverable value.

NOTE 17.
OTHER INTANGIBLE ASSETS

	Brands	Software and Licenses	Concessions and Franchises	Others	Total
Cost	801.740	31.325	27	59	833.151
Amortization and impairment	(50.569)	(15.742)	(11)	-	(66.322)
Balance at January 1, 2015	**751.171**	**15.583**	**16**	**59**	**766.829**
Acquisitions	117	7.659	512	**2.920**	**11.208**
Business combinations (See Note 5)	269.545	953	53.367	**-**	**323.865**
Amortization	(4.029)	(6.214)	(122)	(47)	(10.412)
Transfers	1.193	(2.075)	8	640	(234)
Impact of currency translation	87.816	871	6	8	88.701
Cost	1.160.527	41.242	54.351	3.627	1.259.747
Amortization and impairment	(54.714)	(24.465)	(564)	(47)	(79.790)
Balance at December 31, 2015	**1.105.813**	**16.777**	**53.787**	**3.580**	**1.179.957**
Cost	766.097	25.570	24	55	791.746
Amortization and impairment	(54.897)	(7.712)	(5)	-	(62.614)
Balance at January 1, 2014 (deemed cost)	**711.200**	**17.858**	**19**	**55**	**729.132**
Acquisitions	449	1.427	-	59	1.935
Withdrawals	-	(1)	-	(5.981)	(5.982)
Amortization	(2.611)	(6.775)	(3)	-	(9.389)
Transfers	268	2.498	(2)	5.922	8.686
Impact of currency translation	41.865	576	2	4	42.447
Cost	801.740	**31.325**	**27**	59	833.151
Amortization and impairment	(50.569)	(15.742)	(11)	-	(66.322)
Balance at December 31, 2014	**751.171**	**15.583**	**16**	**59**	**766.829**

Table 23

17.1 BRANDS

This corresponds to the brands acquired through business combinations or transactions with third parties at December 31st, 2015.

The following table shows the allocation of brands to each business segment and the classification by useful life at December 31st, 2015:

Reportable Segment	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Foods	-	268.992	268.992
Cold Cuts	1.398	-	1.398
Chocolate	-	17.442	17.442
Biscuits	-	198.864	198.864
Ice Cream	290.356	-	290.356
TMLUC	-	328.761	328.761
Total	**291.754**	**814.059**	**1.105.813**

Table 24

Brands with a finite useful life are amortized with a useful life of 99 years.

Brands with a net book value of $814.059 are considered to have indefinite useful lives due to the fact that a consistent basis it is not determined, in reference to the flows that are expected to generate each one of the brands; these assets are not amortized and are assessed for impairment, annually.

17.1.1 IMPAIRMENT OF VALUE OF INTANGIBLE ASSETS WITH UNDEFINED USEFUL LIVES

Brands that have an indefinite useful life are subject annually to an impairment test using the projection of future cash flows to determine value- in-use; this assessment takes into account variables such as the discount rate, the rate of long-term growth, among other variables, similar to those used in assessing impairment of goodwill (See Note 16.1). During 2015 and 2014, no impairment losses of brands, were recognized.

In relationship to those intangible assets with finite useful lives, Grupo Nutresa considers that there are no situations that can impact the projections of expected results in the remaining years of the useful lives and, in its opinion, at December 31st of 2015 and 2014, there exists no indications of impairment of intangible assets, with finite useful lives.

17.2 OTHERS

During 2015, costs for intangibles, generated internally, were capitalized in the amount of $2.221, associated with development projects of new products.

During 2015, research and development costs were recognized in the amount of $40.508 (2014 –$35.314).

NOTE 18.
INCOME TAXES AND PAYABLE TAXES

18.1 APPLICABLE REGULATIONS

a) Colombia:

Taxable income is taxed at a rate of 25%, paid by taxpayers except for taxpayers under express provision which are handled at special rates and at 10% income from windfall.

A 9% fee is applicable to the income tax for equity "CREE", according to the Law 1739 of December 2014. For the years 2015, 2016, 2017, and 2018, Law 1739 of December 23, 2014 establishes a surcharge on income tax for equity - CREE, which is at the responsibility of the taxpayer at rates of 5%, 6%, 8%, and 9% per year, respectively.

b) Chile:

Chile, the law implemented separate systems for "capital income" and "income from work". The first are taxed at the First Category Tax which mainly affects businesses. This tax has a fixed 20% for 2014 and 21% for 2015, based on tax rates which are calculated using aggregates or decreases, as mandated by law. These taxes paid is attributable to the "Global Complementary", which records the income of all natural persons and residents of the country; or "The Additional", which records taxes on income from Chilean sources, for all natural and legal persons residing outside the country, as appropriate.

c) Mexico:

During fiscal year 2014, the income tax rate in Mexico was 30%; applied on taxable income for the year. Additionally, for workers the taxable income rate is 10%.

d) Costa Rica:

Income tax is calculated based on actual income for the year and estimates during the year. The provision for income taxes includes, besides taxable income, includes a taxable impact on temporary differences between accounting and items used for the calculation of income tax. The value of such tax differences are recognized in an account of deferred income tax. The rate of income tax is 30%.

e) Panama:

The income tax is based on actual net income. The income tax rate is 25%.

f) Ecuador:

According to the Taxation Act, companies incorporated in Ecuador have tax incentives applicable for investments that are executed in the country, which consists of a progressive reduction of percentage points in income tax and are subject to a tax rate of 22%.

18.2 INCOME TAX AND TAX PAYABLE

The current payable tax balance at December 31st is as follows:

	2015	2014	01/01/2014
Income tax and complimentary	61.273	50.881	55.353
Tax for equity - CREE	11.002	12.831	25.190
Tax on wealth	-	-	18.988
Sales tax, payable	65.662	58.268	55.399
Withholding taxes, payable	27.105	21.966	17.345
Other taxes	7.281	6.271	3.631
Total (*)	**172.323**	**150.217**	**175.906**

Table 25

(*) Proceeds from the business combination of Grupo El Corral, at December 31, 2015, are included in the consolidated financial statements under Current tax liabilities for these companies in the amount of $16.324.

The Group and its legal advisors apply their professional criterion in determining the provision for income tax and tax for equity CREE. There are many transactions and calculations for which the final tax determination is uncertain during the course of ordinary business. The Company recognizes liabilities for situations observed in preliminary tax audits based on estimates, if any, of additional tax payment. When the final tax outcome of these situations is different from the amounts that were initially recorded, these differences are charged to current income tax and deferred tax assets and liabilities, in the period in which these are determined.

18.3 INCOME TAX EXPENSES

The current income tax expenses are as follows:

	2015	2014
Income tax	134.013	113.145
Taxes for equity - CREE	33.017	32.502
CREE surcharges (1)	16.531	-
Total	**183.561**	**145.647**
Deferred taxes (2)	(16.421)	(170.500)
Total tax expenses	**167.140**	**(24.853)**

Table 26

(1) In 2015, a surcharge tax for equity is recognized for Colombia - CREE corresponding to 5% of taxable income.

(2) In 2014, in some companies Chile (Tresmontes S.A., Lucchetti Chile S.A., Inmobiliaria Tresmontes Lucchetti and Nutresa de Chile), goodwill tax was generated, in the amount of a tax CLP 45.230.485 ($176.687 COP), arising under applicable tax rules in this country for the restructuring process executed in 2014 by the Grupo TMLUC, in order to simplify its corporate structure.

18.4 DEFERRED INCOME TAX

The following represents deferred asset and liabilities taxes:

	2015	2014	01/01/2014
Deferred tax assets			
Goodwill tax, TMLUC	184.055	162.494	-
Employee benefits	58.096	60.497	51.011
Accounts payable	6.991	1.878	929
Investments	88	118	201
Tax losses	71.464	53.078	2.021
Tax credits	3.237	1.981	2.180
Accounts receivable	2.872	447	1.129
Other assets	28.658	17.290	64.923
Total deferred tax assets	**355.461**	**297.783**	**122.394**
Deferred tax liabilities			
Property, plant and equipment	347.350	320.200	323.496
Intangibles	221.600	97.344	33.224
Investments	5.315	3.033	1.340
Inventories	877	1.397	597
Accounts payable	1.374	1.195	27
Other liabilities	63.294	48.544	91.462
Total deferred tax liabilities	**639.810**	**471.713**	**450.146**
Deferred tax liabilities, net	**284.349**	**173.930**	**327.752**

Table 27

The deferred tax movements during the period are as follows:

	2015	2014
Initial balance liability, net	173.930	327.752
Deferred income tax expenses recognized in profit and loss	(16.421)	(170.500)
Income tax relating to components of other comprehensive income	(2.791)	(2.884)
Increase from business combinations	121.059	-
Other impact	4.311	-
Impact of changes from foreign exchange rates	4.261	19.562
Ending balance liability, net	**284.349**	**173.930**

Table 28

18.5 EFFECTIVE TAX RATE

The effective tax rate differs from the theoretical rate, due to the impact produced by applying the tax rules. Within tax regulations, there are benefits such as non-taxable income (e.g. dividends, research incentives, etc.); there are, also, restricted tax deductions, such as in the case of financial transactions tax, a deductible applicable only in Colombia, 50% non-taxable, provisions, costs and expenses from previous years, fines, penalties, etc. In some countries like Colombia and Peru, the possibility of signing a contract with the state legal stability, allows for more tranquility and tax burden surprises are avoided; these contracts allow a greater deduction of expenses for investment in productive fixed assets, investments in science and technology, grants, tax depreciation of goodwill; different methods of depreciation and amortization are applied according to set accounting standards. All these special situations create differences in the effective tax rate, with respect to the theoretical rate, in each country.

Below is reconciliation, of both the applicable tax rate and the effective tax rates:

	2015		2014	
	Value	%	Value	%
Accounting profit	**604.294**		**576.677**	
Tax expenses at applicable tax rates	**211.986**	**35,08%**	**184.824**	**32,05%**
Un-taxed income	(28.567)	(4,73)%	(29.303)	(5,08)%
Non-deductible expenses	60.504	10,01%	83.889	14,55%
Taxable income	15.682	2,60%	9.060	1,57%
Tax deductions	(68.658)	(11,36)%	(82.905)	(14,38)%
Other tax impact	(23.807)	(3,94)%	(13.731)	(2,38)%
Effective tax expenses	**167.140**	**27,66%**	**151.834**	**26,33%**
Goodwill tax, Chile	-		(176.687)	
Total tax expenses	**167.140**		**(24.853)**	

Table 29

For comparison purposes, in reconciling the applicable tax rate and the effective tax rate, income recognized in the results for the amount of $176.687, is separated, from deferred taxes generated by the goodwill tax of the corporate restructuring of Nutresa Chile, in 2014.

The expenses due to applicable tax rate, is calculated using the weighted average tax rates applicable in each country where Grupo Nutresa operates.

The untaxed income relates mainly to the impact of dividend income from investments portfolio and equity method; tax deductions, primarily related to the tax amortization of goodwill, and deduction in productive fixed assets.

18.6 EXCESS PRESUMPTIVE INCOME TAX AND TAX LOSSES

At December 31, 2015, the tax losses of the subsidiary companies in Colombia amounted to $339.567 (2014 - $4.937). According to tax rules, tax losses have no expiration date.

The excess presumptive income and ordinary income of subsidiary companies in Colombia, pending compensation, increased to $11.932 (2014 - $6.966). According to current tax regulations, excess presumptive income and ordinary income can be offset with net ordinary income, within five years, and adjusted for tax purposes. Excess presumptive income that is recognized in deferred tax assets, and which corresponds to Mexico, does not expire.

Expiration date	Excess presumptive income
Without expiration date	5.085
2019	1.184
2020	5.663
	11.932

Table 30

18.7 TAX ON WEALTH

According to the provisions of Article 6 of Law 1739 of 2014, which adds Article 297-2 of the tax statute, the accrual of tax on wealth will take place on January 1st of the years 2015, 2016, and 2017, and will be charged to capital reserves without affecting net income, in accordance with Article 10 of the same law. For 2015, $24.949 is recognized as charges to the reserves at the disposal of the highest corporate body.

For 2016, this will be recognized in equity, in the amount of $21.864.

NOTE 19.
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures to December 31st of 2015 and 2014 are as follows:

		2015				2014				01/01/2014
	Country	% Participation	Book Value	Share of Income For The Period	Share of Other Comprehensive Income	% Participation	Book Value	Share of Income For The Period	Share of Comprehensive Income	Book Value
Associates										
Bimbo de Colombia S.A.	Colombia	40%	75.505	6.225	1.304	40%	67.976	5.961	-	62.015
Dan Kaffe Sdn. Bhd.	Malaysia	44%	23.886	(58)	2.848	37%	10.762	(1.523)	1.520	12.852
Estrella Andina S.A.S.	Colombia	30%	6.484	(855)	-	30%	2.841	(1.102)	-	966
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Colombia	-	-	-	-	-	-	35	-	3.477
Joint ventures										
Oriental Coffee Alliance Sdn. Bhd.	Malaysia	50%	3.146	(384)	1.787	50%	1.744	(149)	-	-
Total associates and joint ventures			**109.021**	**4.928**	**5.939**		**83.323**	**3.222**	**1.520**	**79.310**

Table 31

Bimbo de Colombia S.A. is a company domiciled in Tenjo, Colombia, dedicated primarily to the manufacturing of baked goods.

Dan Kaffe Sdn. Bhd. is a company dedicated to the production of frozen coffee extract and dry instant coffee. It is a strategic partner for the coffee business due to their high production standards, ideal location, and growth potential, as it allows for combination of the world-class Colcafé soluble coffee experience, and with deep knowledge of the Japanese partner of the Asian market, the flavor, ingredients, and advanced technologies, provisioning capabilities of pending raw materials, and widespread commercial network, throughout the region.

Estrella Andina S.A.S. is a simplified joint stock company, engaged in the marketing of ready-made meals in cafeterias.

Oriental Coffee Alliance Sdn. Bhd. is a company dedicated to the sale of Dan Kaffe Malaysia (DKM) products, as well as, some Colcafé products and also part of the Group, in Asia. This partnership with the Mitsubishi Corporation, allows Grupo Nutresa advance their initially set objectives, with the acquisition of DKM, to expand its role in the global coffee industry, diversify production and the origin of its soluble coffee, and break into the rapid growth market of coffee in Asia.

	2015	2014
Opening balance at January 1st	**83.323**	**79.310**
Participation in comprehensive income	10.867	4.742
Capitalization and acquisitions (1)	14.831	2.784
Changes in the control situation (2)	-	(3.513)
Balance at December 31st	**109.021**	**83.323**

Table 32

(1) In 2014, Oriental Coffee Allliance was constituted,with a capitalization of $1.893; a capitalization was realized for Estrella Andina S.A.S. in the amount of $2.977, without changes in shareholding, there was also a withdrawal from the sale of shares by Dan Kaffe Sdn in the amount of $2.086. This sale of shares generated income of $3.263.

In 2015, the participation of Dan Kaffe Sdn. increased through the capitalization of accounts receivable, in the amount of $10.333. This operation does not generate changes in the situation of control over the company. In addition, Estrella Andina is capitalized in the amount of $4.498, without changes in shareholding.

(2) Corresponds to the private equity "Cacao para el Futuro", over which, to January 1, 2014, it had a share of 13,82% and was classified as an associate; in April 2014, an acquisition was realized of an additional 69,59%, with which, Grupo Nutresa obtains control. The information of the business combination is included in Note 5.

During 2015, no dividends were received from these investments.

The following is a summary of financial information of associated companies and joint ventures:

	2015					2014				
	Assets	Liabilities	Equity	Profit and Loss	Total Comprehensive Income for the Period	Assets	Liabilities	Equity	Profit and loss	Total comprehensive income for the period
Associates										
Bimbo de Colombia S.A.	409.084	221.261	187.823	(15.564)	3.130	316.604	141.345	175.260	(18.466)	129
Dan Kaffe Sdn. Bhd.	71.754	18.089	53.665	(148)	-	60.095	28.764	31.330	(2.725)	-
Estrella Andina S.A.S.	23.130	1.439	21.691	(2.849)	-	14.958	5.487	9.471	(3.673)	(110)
Joint ventures										
Oriental Coffee Alliance Sdn. Bhd.	3.477	150	3.327	(1.228)	-	4.054	53	4.000	(334)	-

Table 33

NOTE 20.
OTHER NON-CURRENT FINANCIAL ASSETS

Grupo Nutresa classified portfolio investments that are not held for trading as financial instruments measured at fair value through other comprehensive income.

The results for the period include income from dividends on these instruments and are recognized, by Nutresa, on the date that the right to receive future payments established which is the date of declaration of dividends by the issuing company. The Other comprehensive income includes changes in the fair value of these financial instruments.

The breakdown of financial instruments at December 31st is as follows:

Book Value	Number of Shares Held	Participation as % in Total Ordinary Shares	2015	2014	01/01/2014
Grupo de Inversiones Suramericana S.A.	59.387.803	12,66%	2.120.145	2.375.512	2.001.369
Grupo Argos S.A.	79.804.628	12,36%	1.292.835	1.635.995	1.551.402
Other related parties			5.169	4.955	5.240
			3.418.149	**4.016.462**	**3.558.011**

Table 34

	2015		2014	
	Dividend Income	Income/Loss on Fair Value Measurement	Dividend Income	Income/Loss from Fair Value Measurement
Grupo de Inversiones Suramericana S.A.	25.062	(255.367)	23.161	374.143
Grupo Argos S.A.	21.388	(343.160)	19.792	84.593
Other related parties	566	(755)	442	-
	47.016	**(599.282)**	**43.395**	**458.736**

Table 35

At December 31, 2015, there were pledges for 26.000.000 shares of Grupo de Inversiones Suramericana S.A. in favor of financial entities in Colombia, as collateral for obligations contracted by Grupo Nutresa and its subsidiaries.

NOTE 21.
FINANCIAL LIABILITIES

21.1 FINANCIAL LIABILITIES AT AMORTIZED COST

Financial liabilities held by Grupo Nutresa are classified as measurements using *the amortized cost method an*d based on the Group's business model. Book values at the end of the reporting date are as follows:

	2015	2014	01/01/2014
Loans	2.537.306	1.617.489	1.403.018
Bonds	510.924	496.293	581.677
Leases	18.712	9.531	10.963
Gross debt	**3.066.942**	**2.123.313**	**1.995.658**
Accrued interest and others	27.322	20.964	21.414
Total	**3.094.264**	**2.144.277**	**2.017.072**
Current	1.059.660	455.480	418.135
Non current	**2.034.604**	**1.688.797**	**1.598.937**

Table 36

Financial obligations, mainly loans, taken out by Colombian companies in dollars, incorporates adjustments to the amortized cost, in the amount of $7.896, as a result of the measurement at fair value of hedging exchange rates, as described in Note 21.6.

For the acquisition of Grupo El Corral, financial obligations of $685.000 were acquired with terms between 1 and 3 years and average interest rates of 5,15% based on DTF and IBR. Interest expenses generated from these transactions during 2015 were $37.612.

21.2 BONDS

Grupo Nutresa generated issuance of two bonds:

- In July 2008, Compañía Nacional de Chocolates de Perú S.A. issued corporate bonds with Grupo Nutresa serving as guarantor. The issuance was executed in the amount of $118.520.000 Peruvian Sols, with a maturity date of 10 years (2018), at a fixed interest 8,84% E.A., paid annually in arrears, with repayment at maturity. In 2015, expenses attributable to interest in the amounts of $9.009 (2014 – $7.475) were recorded. The balance of this obligation in pesos at December 2015 is $109.465 (2014 - $94.834)
- In August 2009, an issue of corporate bonds took place in Colombia, through Fideicomiso Grupo Nutresa, which is managed by Alianza Fiduciaria S.A.. The emission has a balance at December 2015, including accrued interest in the amount of $406.396, and has the following characteristics:

Maturity	Interest Rate	2015	2014	01/01/2014
2014	IPC + 4,19%	-	-	99.293
2016	IPC + 4,96%	133.436	133.063	132.821
2019	IPC + 4,33%	137.148	136.764	136.516
2021	IPC + 5,75%	135.812	135.431	135.186
	Total	**406.396**	**405.258**	**503.816**

Table 37

In 2015, there were interest expenses in the amount of $38.223 (2014 – $35.187).

21.3 MATURITY

Period	2015	2014	01/01/2014
1 year (including payable interest)	1.059.660	455.480	418.135
2 to 5 years	1.385.167	814.841	562.779
More than 5 years	649.437	873.956	1.036.158
Total	**3.094.264**	**2.144.277**	**2.017.072**

Table 38

21.4 BALANCE BY CURRENCY

	2015		2014		01/01/2014	
Currency	Original Currency	COP	Original Currency	COP	Original Currency	COP
COP	2.565.286	2.565.286	1.657.953	1.657.953	1.613.178	1.613.178
CLP	67.678.319.984	300.145	68.700.879.047	270.893	60.869.938.854	223.568
USD	27.377.015	86.223	29.944.245	71.640	28.415.944	54.753
PEN	118.520.000	109.465	118.520.000	94.834	118.520.000	81.677
MXN	-	-	156.896.048	25.475	62.215.176	9.175
VEF	367.326.632	5.823	24.994.150	1.196	27.300.486	8.349
ARS		-	4.728.128	1.322	15.625.649	4.619
GTQ		-		-	1.374.914	339
Total		**3.066.942**		**2.123.313**		**1.995.658**

Table 39

Currency balances are presented after currency hedging.

21.5 INTEREST RATES

Changes in interest rates may affect the interest expense for financial liabilities that are tied to a variable interest rate. For the Company, the interest rate risk is primarily attributable to operational debt; which includes debt securities, the issuance of bank loans, and leases. These are susceptible to changes in base rates, (CPI - IBR- DTF - TAB [Chile] - LIBOR - TIIE [Mexico]), that are used to determine the applicable rate on bonds and loans.

The following table shows the structure of the financial risk due to exchange rates:

	2015	2014	01/01/2014
Variable interest rate debt	2.620.381	2.007.695	1.881.677
Fixed interest rate debt	446.561	115.618	113.981
Total	**3.066.942**	**2.123.313**	**1.995.658**
Average rate	7,50%	6,79%	6,63%

Table 40

21.6 DERIVATIVES AND FINANCIAL HEDGING INSTRUMENTS

Grupo Nutresa, at certain times, resorts to borrowing in dollars in order to secure more competitive interest rates in the market, and uses derivatives to mitigate the risk of the exchange rate in these operations. These derivatives are designated as accounting hedges, which implies that the fair value measurement of the derivative instrument is recognized as an adjustment to the amortized cost of the designated hedged financial obligation. The debt in USD with coverage at December 31, 2015 amounts to USD $40.000.000; at December 31, 2014, there were no financial obligations in USD from Colombian companies, subject to financial hedges.

In addition, Grupo Nutresa uses financial derivatives to manage and cover the cash flow positions against the US dollar, in the different geographies where it operates; these derivatives are not designated as hedge accounting, are measured at fair value, and are included in the statement of financial position under the category of "Other current assets" and "Other current liabilities", respectively.

The following details the assets and liabilities by financial derivative instruments:

	2015		2014		01/01/2014	
	Asset	Liability	Asset	Liability	Asset	Liability
Hedges						
Fair value of exchange rates on financial obligations	10.997	(3.101)	-	-	-	-
Non-designated derivatives	**10.997**	**(3.101)**	**-**	**-**	**-**	**-**
Non-designated derivatives						
Forwards and options on currencies	13.101	(10.589)	7.310	(3.877)	779	(102)
Forwards and options on commodities	2.976	(2.862)	1.033	(2.631)	49	(91)
Total non-designated derivatives	**16.077**	**(13.451)**	**8.343**	**(6.508)**	**828**	**(193)**
Net value of financial derivatives	**10.522**	**-**	**1.835**	**-**	**635**	

Table 41

The valuation of non-assigned financial derivative instruments, generated income in profit and loss in the amount of $14.948 (2014 - $554), recorded as part of the exchange different of non-financial assets and liabilities.

NOTE 22.
TRADE AND OTHER PAYABLES

Trade and other payables at December 31st are listed below:

	2015	2014	01/01/2014
Suppliers	419.665	312.129	294.430
Cost and expenses payable	304.269	259.540	220.859
Dividends payable	59.308	55.199	50.821
Payroll deductions and contributions	42.352	29.749	27.356
Total	**825.594**	**656.617**	**593.466**
Current	825.435	656.458	593.299
Non-current	159	159	167

Table 42

Trade and other payables, normally have to be paid on an average in the following 29 days, and do not accrue interest.

NOTE 23.
EMPLOYEE BENEFITS LIABILITIES

The balance of liabilities due to employee benefits at December 31st of 2015 and 2014 is as follows:

	2015	2014	01/01/2014
Short-term benefits	157.552	134.105	134.490
Post-Employment benefits			
Defined benefits plans	115.374	119.167	120.539
Other long-term benefits	99.235	93.315	86.771
Total liabilities for employee benefits	**372.161**	**346.587**	**341.800**
Current	160.628	137.300	136.892
Non-current	211.533	209.287	204.908

Table 43

23.1 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

23.1.1 APPLICABLE REGULATIONS:

Colombia: Grupo Nutresa has 288 beneficiaries of the defined benefit plans for payment of pensions according to legal regulations (Modelo de regimen solidario de prima media con prestacion definida) (TR. Solidarity regimen of average bonus with defined benefits). There exists no current active employee who has access to this benefit. The retroactive severance for employees is paid-out to 683 employees and governed under previous labor Law 50 of 1990.

Ecuador: Plan unfunded defined benefit (employer retirement, compensation for unfair dismissal, eviction bonus). The obligation is strictly for the employer. The Company provisions countable reserves without contributing to any fund. All employees (186) that work for the Company participate in the actuarial calculation.

Chile: Only indemnifities that are entitled and which are established in the collective and individual contracts are recorded. These are due to death, voluntary resignation due to a serious and personal illness, and personnel that are entitled to all events.

23.1.2 RECONCILIATION OF MOVEMENT

A reconciliation of the movements of the defined benefit plans is as follows:

	Pensions		Retroactive Severance		Other Defined Benefits Plans		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Value of current obligation at January 1st	**47.456**	**47.937**	**21.483**	**26.743**	**50.228**	**45.859**	**119.167**	**120.539**
(+) Cost of service	2.189	1.210	707	1.171	191	561	3.087	2.942
(+) Interest expenses	2.893	2.211	1.210	1.690	2.785	2.003	6.888	5.904
(+/-) Actuarial gains or losses	(551)	(682)	(3.122)	(3.504)	(3.054)	13.296	(6.727)	9.110
(-) Payments	(5.697)	(3.408)	(4.612)	(4.617)	(367)	(11.729)	(10.676)	(19.754)
(+/-) Exchange rate differences	3.143	188	-	-	492	238	3.635	426
Current value of obligations at December 31st	**49.433**	**47.456**	**15.666**	**21.483**	**50.275**	**50.228**	**115.374**	**119.167**

Table 44

Actuarial gains and losses are recognized in the income statement under other comprehensive income.

The Group made contributions to defined contribution plans for pensions for the period in the amount of $61.935 (2014 - $50.000); and severance compensation for the period in the amount of $28.127 (2014 - $22.031).

The undiscounted estimated for payments over the next five years, are as follows:

Year of expiration	Future value
2016	6.069
2017	6.205
2018	18.203
2019	18.743
2020	7.641
More than 5 years	403.591
Total	**460.452**

Table 45

The weighted average duration of the Group's obligations for the pension plan is 24 years. The weighted average duration of the Group's obligations for severance plans is 7 years. The other benefit plans have duration of 40 years maximum.

23.2 OTHER LONG-TERM BENEFITS

Long-term benefits include primarly Seniority Premiums and variable long-terms compensation bonuses. The following is the reconciliation of movements of other long-term employee benefits.

	Seniority Premium		Other Long-term Benefits		Total	
	2015	2014	2015	2014	2015	2014
Present value of obligations at January 1st	**62.342**	**62.200**	**30.973**	**24.571**	**93.315**	**86.771**
(+) Cost of service	6.895	6.141	15.378	15.977	22.273	22.118
(+/-) Interest income or (expense)	3.841	5.241	1.856	1.536	5.697	6.777
(+/-) Gains or losses	(5.207)	(5.379)	(689)	(1.523)	(5.896)	(6.902)
(-) Payments	(5.766)	(5.945)	(11.093)	(9.369)	(16.859)	(15.314)
(+) Businness combinations	646	-	-	-	646	-
(+/-) Exchange rate differences	114	84	(55)	(219)	59	(135)
Present value of obligation at December 31st	**62.865**	**62.342**	**36.370**	**30.973**	**99.235**	**93.315**

Table 46

23.3 EXPENSES FOR EMPLOYEE BENEFITS

	2015	2014
Long-term benefits	1.198.896	978.118
Post-employment benefits		
Defined contribution plans	90.063	72.031
Defined benefit plans	3.087	2.942
Other long-term employee benefits	16.378	15.216
Termination benefits	11.735	10.266
Total	**1.320.159**	**1.078.573**

Table 47

23.4 ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used in the actuarial measurement of the defined and long-term plans are:

	2015	2014
Discount rates	6,31%-8,81%	6,31%
Salary increase rates	3%-6,7%	4,38%
Employee turn-over rates	2,54%	2,54%

Table 48

The interest rate used to discount is determined using a reference in the market yields at the date of balance sheet, corresponding to emission of corporate bonds or high quality corporate obligations. The salary increase rate was determined with a based upon the variable macroeconomics of each country.

NOTE 24.
PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

	2015	2014	01/01/2014
Legal contingencies	1.875	1.431	675
Return of goods	1.155	986	1.809
Onerous contracts	1.385	-	-
Total Provisions	**4.415**	**2.417**	**2.484**

Table 49

Legal contingencies: Grupo Nutresa has labor and administrative disputes, which are currently pending before administrative and judicial entities, in the respective countries in which it operates. Taking into account the reports of the Legal Counsel, the Management considers said litigations will not significantly impact the financial condition or solvency of the Group, inclusive, in the event of an adverse outcome of any litigation. There are no such relevant judicial proceedings that should be disclosed in the financial statement at December 31st of 2015 and 2014.

Returned goods: A provision is recognized for the return of goods of holiday seasoned products, made by customers in the following period, mainly in the Biscuit Business.

Onerous contracts: At the time of the acquisition of Grupo El Corral, a provision is recognized, for the amount of $1.385 for lease contracts on property, which is not currently involved in any commercial activity and therefore generates no income. The provision was calculated by projecting payable rent within 36 months.

Contingent assets and liabilities

No contingent assets and liabilities are identified that are quantitatively or qualitatively material, and should be disclosed in the financial statements to December 31st of 2015 and 2014.

NOTE 25.
OTHER LIABILITIES

	2015	2014	01/01/2014
Derivative financial instruments (See Note 21.6)	13.451	6.508	193
Pre-payments and advances received(*)	8.443	4.147	2.985
Other	4.747	3.230	2.232
	26.641	13.885	5.410

Table 50

(*) The observable increase for pre-paymentsand advances, received between 2014 and 2015, are mainly due to change in negotiations with Bimbo de Colombia S.A. with relationship to the sales of raw materials.

NOTE 26.
LEASES

26.1 GRUPO NUTRESA AS LESSEE

The Group leases mainly computer equipment , vehicles, buildings for storage, offices, and commercial stores; these contracts have been evaluated on the basis of the terms and conditions of the agreements, the lease term , the economic life of the asset, among others, to assess the substantial transfer of risks and benefits, of the ownership of these assets.

26.1.1 FINANCIAL LEASES

The amount of property, plant and equipment in financial leases totaled $21.391 at December 31, 2015 (2014 - $12.275). The financial liabilities for these leases amounted to $18.712 (2014 - $9.531)

Future minimum payments for leases, under these contracts, and the present value of the minimum payments are as follows:

	2015
Up to 1 year	5.242
2 to 5 years	11.850
More than 5 years	4.317
Total of payments	**21.409**
Minus finance charges	(2.697)
Present value	**18.712**

Table 51

The Group maintains 106 financial leases and leases with option to buy, related to various components of property, plant and equipment. Each leasing contract has particular clauses, for each particular contract, which sets rates, ranging from DTF + 2,23%, and average length is between 5 and 98 years.

26.1.2 OPERATING LEASES

The group has entered into operating leases on land, building, production equipment machinery, transportation equipment and computer equipment, which have average terms of 8 years.

To December 31, 2015 operating lease expenses were $229.342 (2014 - $148.765), mainly generated from property leases, which were used for the normal operation of the company.

The minimum payments for operating leases, under "non-cancellable" contract, at December 31st are as follows:

	2015
Up to 1 year	102.473
From 2 to 5 years	497.174
More than 5 years	859.192
Total of payments	**1.458.839**

Table 52

26.2 GRUPO NUTRESA AS LESSOR

Grupo Nutresa has 13 properties under operating leases, (primarily buildings) with a book value of $16.489 at December of 2015, upon which income of $1.611 (2014 - $1.639), with a duration period between 1 to 10 years.

The total amount of future minimum non-cancelable operating lease payments at December 31st, are as follows:

	2015
Up to 1 year	1.063
From 2 to 5 years	4.834
More than 5 years	8.697
Total of payments	**14.594**

Table 53

NOTE 27.
EQUITY

27.1 SUBSCRIBED AND PAID SHARES

As of December 31st of 2015 and 2014, the balance of capital of the Parent Company was $2.301, representing a total of 460.123.458 fully paid and subscribed shares. There were no changes to the make-up of the capital, during neither the period nor the comparative period.

There is a paid-in capital of shares for $546.831, from the issuance of shares made in previous periods.

27.2 RESERVES

Of the accounts that make up the equity, reserves at December 31st of 2015 and 2014 are as follows:

	2015	2014	01/01/2014
Legal reserves	75.010	74.721	73.953
Hyperinflationary reserves (Note 29)	329.130	279.827	236.773
Other reserves	1.543.280	1.402.869	1.218.417
Total Reserves	**1.947.419**	**1.757.417**	**1.529.143**

Table 54

Legal reserves: In accordance with Colombian Commercial Law, 10% of the net income each year should be appropriated as a legal reserve, until the balance is equivalent to at least 50% of the subscribed capital. The reserve is not distributable before the liquidation of the Company, but must be used to absorb losses. The excess over the minimum required by law is freely available to the Shareholders.

Other reserves: Corresponds to voluntary reserves, substantially unrestricted by the Shareholders..

27.3 DISTRIBUTION OF DIVIDENDS

The ordinary Shareholders at the meeting, held on March 27, 2015, decreed ordinary share dividends of $38.5, per-share and per-month ($462 annually per share), over 460.123.458 outstanding shares, during the months between April 2015 and March 2016, inclusive, for a total of $212.577 (2014 - $198.773).

During 2015, dividends were paid in the amount of $208.480 (2014 - $194.488).

27.4 NON-CONTROLLING INTEREST

Equity of non controlling interest at December 31st of 2015 and 2014 is as follows:

Subsidiary	Country of Origin	% Non-controlling interest 2015	% Non-controlling interest 2014	2015 Non-controlling Interest in Equity	2015 Gains Or (Losses) Attributable to Non-controlling Interest	2014 Non-controlling Interest in Equity	2014 Gains or (losses) Attributable to Non-controlling Interest	01/01/2014 Non-controlling Interest in Equity
Novaceites S.A.	Chile	50,00%	50,00%	24.897	1.211	22.080	1.746	17.033
La Recetta Soluciones Gastronómicas Integradas S.A.S.	Colombia	30,00%	30,00%	375	(24)	397	(24)	422
Setas Colombianas S.A.	Colombia	0,52%	0,52%	260	18	231	16	324
POPS One LLC	USA	0,00%	2,00%	-	-	-	(5)	5
POPS Two LLC	USA	0,00%	2,00%	-	-	-	(5)	5
Helados Bon	Dominican Republic	18,82%	18,82%	4.308	1.310	2.876	441	1.720
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Colombia	16,59%	16,59%	4.528	211	4.334	121	-
Schadel Ltda	Colombia	0,12%	-	9	1	-	-	-
Others				(18)	(60)	-	-	-
Total				**34.359**	**2.667**	**29.918**	**2.290**	**19.509**

Table 55

During 2015, Setas de Colombia S.A. distributed dividends in the amount of $2.050 (2014 - $5.126), of which $11 was paid to non-controlling interests.

NOTE 28.
OTHER COMPREHENSIVE INCOME, ACCUMULATED

Below is a breakdown of each of the components of accumulated other comprehensive results, in the consolidated financial statements:

	2015	2014	01/01/2014
Actuarial gains/losses (28.1)	(7.895)	(12.325)	(11.814)
Financial Instruments (28.2)	3.237.753	3.831.947	3.373.338
Associates and joint ventures (28.3)	6.705	766	(754)
Exchange translation reserves (28.4)	338.513	(14.351)	-
Total other comprehensive income, accumulated	**3.575.076**	**3.806.037**	**3.360.770**
Non-controlling interest	(5.598)	(3.676)	-
Total OCI attributed to controlling interest	**3.569.478**	**3.802.361**	**3.360.770**

During the period, no reclassification of gains/losses previously recognized in other comprehensive income to profit and loss, was realized.

The following is a breakdown of each component of comprehensive income reconciliation, of the opening and closing balances at December 31st of 2015 and 2014:

28.1 GAINS (LOSSES) ON RE-MEASUREMENT OF DEFINED BENEFIT PLANS

The component of new measurements of defined benefit plans represents the accumulative value of the actuarial gains and losses, mainly due to pensions, retroactive severance, and other retirement benefits in Colombia and Chile. The net value of the new measurements are transferred to retained earnings and not reclassified to the income statement.

	2015	2014
Book value at January 1st	**(12.325)**	**(11.814)**
Gains/losses from re-measurement	6.727	(9.110)
Other movements	-	5.588
Income tax	(2.297)	3.011
Book value at December 31st	**(7.895)**	**(12.325)**

Table 57

28.2 FINANCIAL INSTRUMENTS – EQUITY INVESTMENTS MEASURED AT FAIR VALUE THROUGH EQUITY

The component of other comprehensive income from equity investments measured at fair value through profit and loss represents the accumulated values of the gains or losses valuation to fair value minus the values transferred to retained earnings when these investments are sold. Changes of fair value are not reclassified to the income statement.

	2015	2014
Book value at January 1st	**3.831.947**	**3.373.338**
Profit/loss measurements for the period	(599.282)	458.736
Associated income tax	5.088	(127)
Book value at December 31st	**3.237.753**	**3.831.947**

Table 58

See Note 20 for detailed information on these investments.

28.3 ASSOCIATES AND JOINT VENTURES – INTEREST IN OTHER ACCUMULATED COMPREHENSIVE INCOME

The component of other comprehensive income of investments in associates and joint ventures represents the accumulated value of gains or losses from participation in other comprehensive income of the investee. These retained earnings will be transferred to profit and loss in the cases dictated by the accounting standards.

	2015	2014
Book value to January 1st	**766**	**(754)**
Gains and losses for the period	5.939	1.520
Book value to December 31st	**6.705**	**766**

Table 59

28.4 RESERVES FOR TRANSLATION OF FOREIGN OPERATIONS

Grupo Nutresa's consolidated financial statements include foreign subsidiaries, located mainly in Chile, Costa Rica, the United States, Mexico, Peru, Venezuela, Panama, and other Latin American countries that represent 37,21% to 31,19% of total consolidated assets in 2015 and 2014, respectively; the financial statements of these subsidiaries are translated into Colombian pesos, in accordance with the accounting policies of Grupo Nutresa. The impact of exchange rates on the translation of assets, liabilities, and results of foreign companies in other comprehensive income is as follows:

	2015	2014
Chile	179.973	81.604
Costa Rica	139.107	62.039
United States	28.453	15.183
Mexico	13.709	10.467
Peru	43.730	39.841
Venezuela	(57.854)	(230.880)
Panama	(4.822)	(515)
Other	10.568	7.910
Impact of exchange for the period	**352.864**	**(14.351)**
Reserves for exchange at the opening balance	(14.351)	-
Reserves for exchange at the closing balance	**338.513**	**(14.351)**

Table 60

The translation of financial statements in the preparation of the consolidated financial statements does not generate a tax impact.

The accumulated translation differences are reclassified to current earnings, partially or totally, when the operation is available abroad.

Impact from translation of Venezuela

Exchange Agreement 33 of February 2015, applicable to Industria de Alimentos Hermo de Venezuela S.A. and Cordialsa Noel de Venezuela S.A., created the Marginal Currency Systems Administration (SIMADI). This system establishes that the exchange rates for purchase and sale of foreign currency shall be established by the parties, involved in the transaction. During 2015, the subsidiaries of the company obtained a foreign exchange settlement, through this mechanism. At the end of 2015, through SIMADI the exchange rate stood at 198,6986 Bolivars per US Dollar (2014 - $49,9883 Bolivars per US Dollar).

The main impact on the consolidated financial statements of Grupo Nutresa at December 31, 2015, due to the movement to use this type of exchange is as follows:

- A reduction in net equity in "differences from translation" in the amount of $57.854 (2014 - $230.880) (See Note 28.4), as a result of the impact of the translation to Colombian Pesos at the new exchange rate partially offset by the impact on equity of inflation adjustment for the period $49.303 (2014 - $43.054).
- The results of Grupo Nutresa in Venezuela have been converted to the new exchange rate, implying a decrease in EBITDA of $90.817 (2014 - $121.557) and the profit for the year of approximately $12.086 (2014- $110.184).

NOTE 29.
HYPERINFLATIONARY ECONOMIES

Venezuela is considered a hyperinflationary country as of 2009, by Grupo Nutresa, and from that year, the financial statements of Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Venezuela S.A. are restated in terms of the measurement of current unit, at the closing date for period. Losses on the net monetary position was $32.160 for 2015 (2014 - $12.771); reserves for the revaluation at December 31, 2015 in the amount of $329.130 (2014 - $279.827, 01/01/2014 - $236.773).

Inflation rates used to prepare the information for 2015 are 190,6% (2014 – 68,5%). The inflation rate for 2014 is consistent with the national consumer price index (CPI), published by the *Central Bank of Venezuela* (BCV). The percentage used in 2015 consists of a 108,7% published by the BCV until September, and a projection for the months of October, November, and December, using the procedure 2, as suggested by the Federation of Associated Public Accountants of Venezuela (FCCPV), taking the average of the last three months known as the value for the first month unpublished, and so on until the completion of the twelve indices of the year.

NOTE 30.
EXPENDITURE BY NATURE

Below is a detailed breakdown of expenditures by nature, for the period:

	2015	2014
Inventory consumption and other expenses	3.463.889	2.739.274
Employee benefits (23.3)	1.320.159	1.078.573
Other services (1)	938.027	789.789
Other expenses	434.003	360.959
Leases	229.342	148.765
Transport services	242.605	224.287
Depreciation and amortization (2)	200.203	164.738
Advertising material	126.897	118.543
Fees	100.266	76.355
Taxes other than income tax	64.091	46.917
Insurance	28.760	24.673
Impairment of assets	12.682	18.618
Total (3)	**7.160.924**	**5.791.491**

Table 61

(1) Other services include primarily advertising and media $178.297 (2014 - $148.866), energy $77.399 (2014 - $58.930), cleaning services $48.914 (2014 - $41.217), construction services $44.422 (2014 - $39.702), gas services $39.530 (2014 - $31.641), restaurants for $38.941 (2014 - $34.791), among others.

(2) Expenses for depreciation and amortization impacted the profit and loss for the period, as follows:

	2015	2014
Cost of sales	124.014	98.579
Administration expenses	12.880	16.924
Sales and distribution expenses	60.879	46.015
Production expenses	2.430	3.220
Total	**200.203**	**164.738**

Table 62

(3) In 2015, total expenses of the Group increased by $322.086, due to the incorporation of Grupo El Corral to the consolidated financial statements; this increase is primarily due to the consumption of inventory and other costs ($118.682), employee benefits ($75.110), leasing ($41.999), other services ($33.138).

NOTE 31.
OTHER OPERATING INCOME (EXPENSES)

The following is a breakdown of other operating income (expenses) for the period 2015 and 2014, are as follows:

	2015	2014
Donations	(11.242)	(10.247)
Income (expenses) from indemnities (1)	(105)	(8.287)
Disposal and removal of property, plant and equipment and intangibles	1.631	(3.059)
Fines, penalties , litigation and legal processes	(1.968)	(5.321)
Government grants (2)	3.880	-
Sponsorships (3)	2.754	-
Incidentals	1.276	1.844
Other income and expenses	(653)	(555)
	(4.427)	**(25.625)**

Table 63

(1) In 2014, indemnities were recognized for dealers due to cancellation of the contracts, as part of the restructuring process for the TMLUC business in the amount of $7.192.

(2) During 2015, $3.880 was recognized under "Other operating income", primarily in Abimar Foods Inc., from government subsidies received from the Development Corporation Of Abilene (DCOA) , an organization that provides financial assistance to private companies to facilitate maintenance and expansion of employment or attract more investment that will in turn contribute to further economic development in Abilene. This loan is associated with the acquisition of a new production line of crackers, which initiated operations in June of 2015. As an incentive to purchase the building, DCOA granted a loan USD $2.500.000 for two years without interest. In addition, in March 2015, following pre-certification for the investment and compliance of other requirements necessary to receive said subsidies, debt forgiveness in the amount of USD $1.500.000 ($3.880), was received.

(3) With the addition of Grupo El Corral in 2015, revenues from sponsorships for $2.754 are recognized; this type of income is part of the development of consumer food business

NOTE 32.
FINANCIAL INCOME AND EXPENSES

32.1 FINANCIAL INCOME

The balance at December 31st of 2015 and 2014 included:

	2015	2014
Interest income on short-term investments	7.892	10.628
Valuation of other financial instruments	1.434	744
Others	502	500
	9.828	**11.872**

Table 64

Income from the valuation of other financial instruments corresponds to the valuation of the rights held by the private equity "Cacao para el Futuro".

32.2 FINANCIAL EXPENSES

The financial expenses recognized in the income statement at December 31st of 2015 and 2014, are as follows:

	2015	2014
Loans interest	148.416	92.975
Bonds interest	47.232	42.700
Interest from financial leases	733	753
Other interest	11.034	11.910
Total interest expenses	**207.415**	**148.338**
Other financial expenses	27.481	22.310
Total financial expenses	**234.896**	**170.648**

Table 65

The increase in interest expenses from period to period is mainly due to the interest generated during 2015, for financing the acquisition of Grupo El Corral and the increase in benchmark rates (CPI, IBR, DTF, among others).

NOTE 33.
EXCHANGE RATE VARIATION IMPACT

33.1 MAIN CURRENCIES AND EXCHANGE RATES

Herewith is an evolution of exchange rates at close, to Colombian Pesos from foreign currencies, corresponding to the functional currency of Grupo Nutresa´s subsidiaries, which have a significant impact on the consolidated financial statements:

		2015	2014	01/01/2014
Panamanian Balboas	PAB	3.149,47	2.392,46	1.926,83
Costa Rican Colons	CRC	5,78	4,38	3,79
Nicaraguan Cordobas	NIO	112,77	89,96	76,06
Peruvian Nuevo Sole s	PEN	923,60	800,16	689,14
US Dollars	USD	3.149,47	2.392,46	1.926,83
Mexican Pesos	MXN	181,63	162,38	147,48
Guatemalan Quetzals	GTQ	412,65	314,94	245,73
Venezuelan Bolivars	VEF	15,85	47,86	305,85
Dominican Pesos	DOP	69,14	53,93	45,03
Chilean Pesos	CLP	4,43	3,95	3,67
Argentinean Pesos	ARS	242,72	279,75	295,61

Table 66

33.2 DIFFERENCES IN EXCHANGE RATES FOR FOREIGN CURRENCY TRANSACTIONS

The differences in exchange rates of assets and liabilities, recognized in profit and losses are as follows:

	2015	2014
Realized	(4.715)	6.266
Unrealized	7.334	5.140
Operating exchange differences	**2.619**	**11.406**
Non-operating exchange differences	**27.181**	**18.479**
Total impact on income of exchange differences	**29.800**	**29.885**

Table 67

Note 21.6 discloses information related to hedging transactions that have an impact on profit/loss from exchange differences.

NOTE 34.
DISCONTINUED OPERATIONS

2015: Under the project of Tresmontes Lucchetti for a manufacturing plant in Jalisco-Mexico, the instant iced beverages production lines was transferred from the Tresmontes S.A. in Chile, to the new complex Tresmontes Lucchetti Mexico. This transfer resulted in costs attributable to severance for personnel, production, logistics, exportation, and administration associated with these production lines and provisions for northern markets.

All expenses incurred in the restructuring in Tresmontes S.A. were recognized in the consolidated financial statements, as part of discontinued operations, in the second quarter of 2015.

This restructuring of the production is intended to diversify risk, production efficiency, and afford provisions in a timely manner, to fulfill the needs of the North American and Caribbean markets.

2014: The Administration of Tresmontes Lucchetti, through analysis of the performance of the business and future prospects, as well as, alternative scenarios for the course of the operations, decided to end both manufacturing and commercial operations in Argentina and Peru. The closure of operations in Argentina was carried out between March and June of 2014, while in Peru, it was conducted between April and December of the same year; this closure generated layoff of personnel, collection and payment of assets and liabilities of the company, sale of fixed assets, and payment of liabilities.

	2015	2014
Income	-	3.808
Costs	(161)	(2.587)
Expenses	(6.151)	(11.774)
Operational losses	**(6.312)**	**(10.553)**
Financial expenses	(23)	(1.195)
Losses before taxes	**(6.335)**	**(11.748)**
Income tax	-	(266)
Net loss after taxes	**(6.335)**	**(12.014)**

Table 68

NOTE 35.
EARNINGS PER SHARE

The amount of basic earnings per share is calculated by dividing net profit for the year attributable to holders of ordinary equity of the Parent, by the weighted average number of ordinary outstanding shares during the year.

Below is the information about earnings and number of shares used in the computations of basic earnings per share:

	2015	2014
Net income attributable to holders of ordinary equity of the Parent	**428.152**	**587.226**
Continuing operations	437.154	601.530
Discontinued operations	(6.335)	(12.014)
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	**930,77**	**1.276,58**

Table 69

There are no equity instruments with potential dilutive impact on earnings per share.

NOTE 36.
FINANCIAL RISKS: OBJECTIVE AND POLICIES

The activities of the Parent Company and its subsidiaries are exposed to various financial risks: market risk (including foreign exchange risk, interest rate risk and commodities price risk), counterparty credit risk, and liquidity risk. The Risk Management Policy of the Company is focused on the risks that impede or jeopardize the achievement of its financial objectives seeking to minimize potential adverse effects on financial profitability. The Company uses financial derivatives to hedge some of the risks described above likewise has a risk committee that defines and controls the policies relating to market risks (raw material prices, exchange rate, interest rate), and counterparty credit.

36.1 EXCHANGE RATE RISK

The Company operates internationally and therefore is exposed to the risk of exchange rate operations with foreign currencies, especially the U.S. dollar. The exchange rate risk arises mainly from commercial operations and liabilities, where in some cases, derivatives are used to mitigate it. The existing basic standards allow free negotiation of foreign currency through banks and other financial institutions at freely determined exchange rates. However, most foreign currency transactions still require official approval.

The impact of the translation of the financial statements of subsidiaries, whose functional currency is different from the Colombian peso, is presented in Note 28. The Company and its subsidiaries held the following assets and liabilities in foreign currencies accounted for the equivalent in Colombian pesos to December 31st.

	2015		2014	
	USD	$	USD	$
Current assets	428.791.075	1.350.464	572.187.510	1.368.936
Non-current assets	954.708.792	3.006.827	1.047.746.500	2.506.692
Total assets	**1.383.499.867**	**4.357.291**	**1.619.934.010**	**3.875.628**
Current liabilities	(252.361.533)	(794.805)	(215.496.520)	(515.567)
Non-current liabilities	(136.412.189)	(429.626)	(217.205.913)	(519.656)
Total liabilities	**(388.773.722)**	**(1.224.431)**	**(432.702.433)**	**(1.035.223)**
Net assets	994.726.145	3.132.860	1.187.231.577	2.840.405

Table 70

The Group also maintains obligations in foreign currencies which are exposed to exchange rate risks (the balances of financial obligations in other currencies are detailed in Note 21.4).

To evaluate the sensitivity of balances of financial obligations related to exchange rates, all of the obligations, to December 31, 2015, in currencies other than the Colombian pesos and that do not have cash flow hedges, are evaluated. A 10% increase in exchange rates, in reference to the dollars, generates an increase of $8.097 over the book value.

36.2 EXCHANGE RATE RISK

Changes in interest rates affect the interest expense on financial liabilities tied to a variable interest rate; like they can modify the fair value of financial liabilities that have a fixed interest rate. For the Company, the interest rate risk comes mainly from debt operations, including debt securities, bank lending, and leasing. These financings are exposed to the risk of interest rate, mainly due to changes in base rates (mostly IPC - IBR - DTF - TAB [Chile] and to a lesser extent, LIBOR - TIIE [Mexico]) that are used to determine the applicable interest rates on bonds and loans. The Company uses derivative financial instruments to cover part of the debt service. Information on the structure of financial risk tied to fixed interest rate and variable interest rate, and the corresponding hedging transactions are detailed in Note 21.

To provide an idea of the sensitivity of financial expenses to interest rates, an increase of +100bp has been supposed, a scenario in which the interest expense of the Group would increase by $27.858.

36.3 COUNTERPARTY CREDIT RISK

Liquid assets are invested primarily in savings accounts; collective funds and short-term CDT comply with the risk policy of the Company, in both amount and issuer. In addition, the Company evaluates credit risk of counterparties for the financial institutions with which it is related.

36.4 LIQUIDITY RISK

The Parent Company and its subsidiaries are able to finance their liquidity requirements and capital resources, through various sources, including:

- Cash generated from operations
- Lines of short and long-term credits
- Debt emissions for medium and long-term
- Issuance of treasury shares

NOTE 37.
FAIR VALUE MEASUREMENT

The following table shows the fair value hierarchy measurement of assets and liabilities of the Group:

Type of Asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets whose fair value is disclosed in the notes to the financial statements				
Investment properties (1)	-	103.538	-	103.538
Assets measured at fair value	**3.412.980**	**89.626**	**5.169**	**3.507.775**
*** Recurrent**	**3.412.980**	**89.626**	**-**	**3.502.606**
-Investments in quoted shares (2) (Note 20)	3.412.980	-	-	3.412.980
-Other financial assets (3) (Note 12)	-	34.324	-	34.324
-Financial derivatives (4) (Note 21.6)	-	10.522	-	10.522
-Biological assets (5) (Note 11)	-	44.780	-	44.780
***Non- recurrent**	**-**	**-**	**5.169**	**5.169**
-Investments in non-quoted shares (3) (Note 20)	-	-	5.169	5.169
Total	**3.412.980**	**193.164**	**5.169**	**3.600.791**

Table 71

(1) The fair value of investment property was determined by an independent appraiser using the income approach and market. This means that valuations are based on quoted prices in active markets, adjusted for differences in the nature, location and / or condition of the particular property; in addition to the properties for which no active market was found, the method of discounted cash flows was used, using the future cash flows derived from the leasing of real estate.

(2) The fair value of shares traded and that are classified as high trading volume is determined based on the price quoted on the Colombian Stock Exchange; this measurement is in the Hierarchy 1, established by IFRS 13 for measuring fair value. This category includes investments held by Grupo Nutresa in Grupo de Inversiones Suramericana S.A. and Grupo Argos S.A. This measurement is done monthly.
Investments in other companies classified in this category are measured at fair value on a non-recurrent basis, only when a market value is available. The Company considers omission of recurrent measurement of these investments is immaterial for the presentation of Grupo Nutresa's financial statements.
There have been no changes in the fair value hierarchy for the measurement of these investments, nor have there been changes in the valuation techniques used.

(3) Corresponds to the rights held for "Fondo de Capital Privado – Cacao para el futuro", valued according to the regulations of the fund, using the methodology approved by the Financial Superintendence of Colombia. The valuation uses variables like the price of cocoa at $6,4 pesos/ton, an average productivity of 1.800 – 1.900 tons per hectare, cost of the debt of DTF + 3,6%, and a expected redemption term of 18 years.

(4) All financial derivatives are measured at fair value on a monthly basis, according *to the valuation method* of Black Scholes. These items are classified in Level 2, of the fair value hierarchy.

(5) Corresponds to the inventory of pigs and cattle in Colombia, which are measured at fair value, using as a reference the market value published by the National Association of Pig Farmers and livestock auctions at fairs in each location.

NOTE 38.
DISCLOSURE OF RELATED PARTIES

The following table shows related parties' transactions, at the year-end:

	2015							
Company	**Receivables Balance**	**Payables Balance**	**Purchases of goods and services**	**Sales of goods and services**	**Dividends income**	**Dividends paid**	**Interests income**	**Interests expenses**
Associates and joint ventures								
Bimbo de Colombia S.A.	543	658	2	39.130	–	–	–	–
Dan Kaffe (Malaysia) Sdn. Bhd.	56	8	17	(350)	–	–	46	–
Oriental Coffee Alliance (OCA)	–	–	24	–	–	–	–	–
Estrella Andina S.A.S.	–	–	–	–	–	–	–	–
Entities with significant influence over the entity								
Grupo Suramericana	13.799	7.896	60.283	26.489	25.062	73.750	–	–
Other related parties								
Grupo Bancolombia	535	891.982	48.492	2.202	–	–	59	57.259
Grupo Argos	5.448	–	–	1.084	21.388	17.383	–	–
Fundación Nutresa	40	–	5.400	–	–	–	–	–
Corporación Vidarium	164	24	2.735	–	–	–	–	–
Members, Board of Directors	–	103	459	–	–	–	–	–

Table 72

	2014							
Company	**Receivables Balance**	**Payables Balance**	**Purchases of goods and services**	**Sales of goods and services**	**Dividends income**	**Dividends paid**	**Interests income**	**Interests expenses**
Associates and joint ventures								
Bimbo de Colombia S.A.	3.304	677	12	34.033	–	–	–	–
Dan Kaffe (Malaysia) Sdn. Bhd.	6.332	–	25	1.172	–	–	–	–
Oriental Coffee Alliance (OCA)	–	5	5	–	–	–	–	–
Estrella Andina S.A.S.	–	–	–	–	–	–	–	–
Entities with significant influence over the entity								
Grupo Suramericana	12.048	9.160	56.335	23.254	23.161	68.444	–	–
Other related parties								
Grupo Bancolombia	455	776.602	43.495	2.070	–	–	923	49.040
Grupo Argos	5.215	–	–	1.106	19.792	16.178	–	–
Fundación Nutresa	142	–	5.385	–	–	–	–	–
Corporación Vidarium	294	2	2.522	3	–	–	–	–
Members, Board of Directors	–	10	418	–	–	–	–	–

Table 73

Purchases and sales were executed in equivalent conditions than those of the market. Outstanding balances are expected to be settled under normal conditions; these balances have not been granted, nor received guarantees. No expense has been recognized in the current or prior periods, regarding uncollectable debts or doubtful accounts related amounts owed by related parties.

During the period payments in the amount of $103.674 (2014 – $88.599) for 166 key personnel (2014 – 151 employees) were made.

NOTE 39.
EVENTS AFTER THE REPORTING PERIOD

These consolidated financial statements were authorized for issue by the Board of Grupo Nutresa on February 26, 2016 and will be subject to approval by March 18, 2016 at the Shareholders' Meeting.

In January 2016, a liability in the amount of $21.864 was recorded, corresponding to the yearly tax on wealth of Colombian companies; in accordance with the accounting policies adopted by the Group and the current regulations in Colombia, the impact was registered under the equity, under freely available reserves.

Otherwise, no significant events after the close of the financial statements and until the date of approval that may significantly affect the financial position of Grupo Nutresa reflected in the financial statements ended December 31, 2015.

NOTE 40.
TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - IFRS

The consolidated financial statements, for the year ended in December 31st of 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS), approved in Colombia through Decree 2784 of 2012, its regulations and other accounting standards mandated by the Financial Superintendence of Colombia, as described in accounting policies. Grupo Nutresa applied IFRS 1 to recognize the transition of its financial statements from local standards to IFRS, preparing its opening balance sheet at January 1, 2014.

40.1 TRANSITION POLICIES AND PROCEDURES

40.1.1 OPTIONAL EXCEPTIONS TO THE RETROSPECTIVE APPLICATION OF IFRS:

Herewith, are the main limited exemptions contained in IFRS 1 for its process of transition:

Cost attributed to property, plant and equipment and investment properties: the Company used as deemed cost the carrying value, recognized at December 31, 2013, under COLGAAP, for assets that had value to that cut in local companies; for other assets, the fair value option was used

Business combinations: IFRS 3 has been applied retrospectively to business combinations completed after June 2013. The use of this exception implies that for the other business combinations, the goodwill value corresponds to the value recognized under the previous accounting principles; these, goodwill amounts were subjected to evaluation of impairment and corresponding losses were charged to retained earnings.

Accumulated translation differences: accumulated translation differences for all foreign operations are deemed to be zero at the date of transition to IFRS.

Designation of previously recognized financial instruments: equity instruments were classified as "measured at fair value", with changes in equity based on existing circumstances at the date of transition to IFRSs.

Measurement of assets and liabilities of subsidiaries, associates and joint ventures: for foreign companies that had adopted IFRS before the transition date of the Parent Company, assets and liabilities are incorporated into the consolidated financial statements as the book value set in the financial statements of the subsidiary, after making the necessary approvals needed for the uniform application of accounting policies, established by Grupo Nutresa.

Other exceptions: the measurement of financial instruments at fair value upon initial recognition is applied prospectively; like the decline of financial assets and liabilities, capitalization of borrowing costs for qualifying assets, and the measurement of government grants.

40.1.2 USE OF ESTIMATES

Accounting estimates made by Grupo Nutresa to January 1, 2013 and December 31, 2014, reflect the existing conditions at the transition date and comparative period, and are consistent with estimates made for the same date under COLGAAP (after which the necessary adjustments, are made to reflect any differences in accounting policies), items that significantly differ are:

- Pensions, termination, and other long-term employee benefits
- Fair value of property, plant and equipment and investment property
- Fair value of financial instruments and derivatives

40.2 RECONCILIATION

The following reconciliation provides a quantification of the impact of transition to IFRS, during 2014:

40.2.1 RECONCILIATION OF GRUPO NUTRESA'S EQUITY AT JANUARY 1, 2014

		COLGAAP	Adjustments and reclassifications	IFRS	Notes 40.2.4
Assets	Cash and cash equivalents	415.478	389	**415.867**	
	Accounts receivable	857.299	(121.188)	**736.111**	(a) (b)
	Inventories	725.323	(27.168)	**698.155**	(a) (c)
	Biological assets	-	40.023	**40.023**	(c)
	Financial instruments	357.830	3.200.181	**3.558.011**	(d)
	Investments in associated and joint ventures	-	79.310	**79.310**	(d)
	Property, plant and equipment	1.456.074	1.400.460	**2.856.534**	(a) (e) (f)
	Investment properties	-	73.773	**73.773**	(e)
	Intangibles and goodwill	2.038.332	(6.861)	**2.031.471**	(g) (h)
	Deferred tax assets	39.814	82.580	**122.394**	(i)
	Pre-paid expenses and other assets	77.911	42.052	**119.963**	(a) (d)
	Valuation surplus	4.612.437	(4.612.437)	-	(d) (f)
Total Assets		**10.580.498**	**151.114**	**10.731.612**	
Liabilities	Financial obligations	1.996.737	20.335	**2.017.072**	(j)
	Trade and other payables	638.873	(45.407)	**593.466**	(h) (j) (k)
	Tax charges	159.523	16.383	**175.906**	(k)
	Employee benefits liabilities	138.378	203.422	**341.800**	(l)
	Estimated liabilities and provisions	54.184	(51.700)	**2.484**	(l) (m)
	Deferred tax liabilities	159.573	290.573	**450.146**	(i)
	Other	3.159	2.251	**5.410**	
Total Liabilities		**3.150.427**	**435.857**	**3.586.284**	
Non-controlling interest		19.209	300	**19.509**	
SHAREHOLDER EQUITY		**7.410.862**	**(285.043)**	**7.125.819**	

Table 74

40.2.2 CONCILIATION OF GRUPO NUTRESA'S NET INCOME FOR THE PERIOD BETWEEN JANUARY 1ST AND DECEMBER 31ST 2014

	December 2014 COLGAAP	Adjustments and reclassifications	December 2014 IFRS	Notes 40.2.4
Operating revenue	6.469.752	20.061	6.481.813	(n) (o)
Cost of goods sold	(3.591.978)	(26.739)	(3.618.717)	(f) (n)
Gross profit	**2.869.774**	**(6.678)**	**2.863.096**	
Administrative expenses	(408.021)	79.653	(328.368)	(f) (n)
Sales expenses	(1.703.834)	(5.481)	(1.709.315)	(f) (h) (n) (o)
Production expenses	(119.579)	(15.512)	(135.091)	(f) (n)
Exchange rate differences in operating assets and liabilities	-	11.406	11.406	
Other operating expenses, net	-	(25.625)	(25.625)	
Operating income	**638.340**	**37.763**	**676.103**	
Financial income	12.633	(761)	11.872	
Financial expenses	(157.945)	(12.703)	(170.648)	
Exchange difference on non-operating assets and liabilities	25.572	(7.093)	18.479	
Loss on net monetary position	(9.122)	(3.649)	(12.771)	(n)
Share of profit of associates and joint ventures	-	3.222	3.222	(d)
Dividend portfolio	53.017	(9.622)	43.395	(b)
Other income (expense), net	(18.827)	25.852	7.025	(p)
Income before income tax and non-controlling interest	**543.668**	**33.009**	**576.677**	
Current income tax	(152.103)	3.246	(148.857)	
Deferred income tax	(11.583)	185.293	173.710	(i)
Profit after tax from continuous operations	**379.982**	**221.548**	**601.530**	
Discontinued operations after income tax	-	(12.014)	(12.014)	
Net profit for the year	**379.982**	**209.534**	**589.516**	
Non-controlling interest	(2.411)	121	(2.290)	
Profit attributable to shareholders	**377.571**	**209.655**	**587.226**	

Table 75

40.2.3 RECONCILIATION OF EQUITY OF GRUPO NUTRESA AT DECEMBER 31, 2014

		Notes 40.2.4
COLGAAP equity value at December 31, 2014	8.198.774	
IFRS equity value at December 31, 2014	**8.001.755**	
Variation	**(197.019)**	
Employee benefits liabilities	(156.548)	(l)
Appraised surplus of property, plant and equipment	(111.749)	(f)
Valuation adjustments of property, plant and equipment	50.476	(f)
Goodwill	35.265	(h)
Deferred taxes	(8.837)	(i)
Investments in associates	(6.716)	(d)
Other adjustments	1.090	
Total impact	**(197.019)**	

Table 76

40.2.4 EXPLANATORY NOTES

(a) $15.769 was reclassified from debtors to advances of property, plant and equipment, $5.708 to advances from inventories, $22.502 to advances for costs and expenses (other assets), and $76.627 to assets for current taxes.

(b) Receivable dividends of the investment portfolio, in the amount of $9.622, are recognized as receivables in the opening statement of financial position.

During the transition period, in March 2015, income and accounts receivable from total declared dividends, in portfolio investments, are recognized as such under IFRS. These were recognized under COLGAAP according to payment periods determined by the issuer.

(c) Under IFRS, $27.795 is presented separately in livestock inventories and is classified as biological assets. Also included in this group of accounts, are contractor participation accounts which are recorded as intangibles under COLGAAP, and with a corresponding valuation of $10.623.

(d) Financial instruments include equity investments, over which there is neither control nor significant influence. Primarily, these investments are in Grupo de Inversiones Suramericana S.A. ($2.001.369) and Grupo Argos S.A. ($1.551.402). These are measured in the opening balance sheet at fair value, which signifies that a valuation of $3.290.708 is incorporated into the book value of the financial instruments.

In addition to this, items over which Grupo Nutresa has significant influence over are classified as investments in associates. The Company applied the *equity method* in the opening statement of financial position, and recognized $79.310 as deemed cost; primarily including Bimbo de Colombia S.A., Dan Kaffe Malaysia Sdn., and Estrella Andina S.A.S. The application of the equity method on these investments during the transition period generated revenue of $3.222, which has a net impact on equity, at end of year of $(6.716).

(e) Property classified as investment property was transferred from property, plant and equipment in accordance with the accounting policies established by Grupo Nutresa, and was measured using the revalued amount under COLGAAP in the amount of $73.773, as the deemed cost.

(f) The company took book values revalued under COLGAAP, as deemed costs, for those assets that had been updated in 2013 with technical appraisals, which implicated the inclusion of the carrying value of property, plant and equipment, a valuation in the amount of $1.318.569; for other assets, the fair value option was used and those new appraised values increased the book value by $27.199.

In the case of the foreign companies that reported under IFRS before the Parent Company, book value was taken as deemed cost, the carrying value of the assets of each subsidiary in its financial statements, under IFRS, at the date of transition of the Parent Company; subsequently, there was an increase in the value of the consolidated assets in the amount of $91.221. These adjustments represented a higher value of depreciation expenses in the amount of $17.464.

The impact from the measurement of property, plant and equipment, under IFRS, on Grupo Nutresa's equity is $50.476, at the end of the transition year.

In addition to this, in December of 2014 under COLGAAP, an update of the appraisal surplus was performed, resulting in an increase of $111.749; this equity adjustment is not recorded under IFRS in accordance with the policies adopted by the Group.

(g) For intangibles, other than goodwill, the carrying value under COLGAAP was used as deemed cost.

(h) The Company restated the business combination Tresmontes Lucchetti, acquired in 2013. This restatement had no impact on Grupo Nutresa's consolidated equity, but generated reclassifications between the accounts balance sheets:

Other intangibles	197.824
Goodwill	(175.312)
Property, plant and equipment	6.627
Accounts payable	10.590
Deferred tax liabilities	(36.324)
Other	(3.405)

Table 77

Impairment tests were also performed on goodwill from business combinations not restated, and were recorded with a retained earnings charge of $43.392 for this item. The reversal of the depreciation of goodwill under COLGAAP was homologated for foreign subsidiaries that apply IFRS and resulted in an increase of the value of intangibles in the amount of $17.326.

During the transition period, a reduction in expenditure was generated in the amount of $78.657, due to the non-amortization of goodwill under IFRS. All this generated an accumulative impact of Shareholders' equity, at year-end of transition in the amount of $35.265.

(i) In accordance with COLGAAP, recognition of deferred tax is done, by considering only those temporary differences that arise between the accounting results and fiscal results. Under IFRS, the method used is the called the *"liability method"* and it considers all temporary differences between the accounting and tax bases of assets and liabilities. The net impact on of Grupo Nutresa's opening balance sheet is $207.993 ($82.580 deferred tax assets and a future income tax liability of $290.573).

The difference in methodology for estimation and recognition of deferred taxes and IFRS adjustments realized to profit and loss for the period generated a lower deferred tax expense in the transition year of $8.606. In addition to this, in 2014, goodwill for tax was generated in some of the companies in Chile (Tresmontes Lucchetti Chile S.A., Inmobiliaria Tresmontes Luccetti, and Nutresa de Chile) in the amount of CLP $45.230.485 ($176.687 COP), caused by tax rules applicable in this country, for the advance of the restructuring process TMLUC, with the goal of simplifying its corporate structure. This item is not recognized in the consolidated financial statements under COLGAAP, because it originated in cash accounts rather than results. According to the fiscal projections made by management, the deferred tax assets will be realized over the next 10 years, generating a decrease in net income and therefore a lower amount of tax payable.

The net impact of deferred taxes, under IFRS, in the equity of the Company, at the end of the transition year, is a decrease of $8.837.

(j) The adjustment relates to the measurement at amortized cost of financial obligations, involved including in the balance of obligation, the accrued payable interest, in the amount of $14.415.

(k) Accounts payable were transferred to current payable taxes in the amount of $17.346.

(l) Grupo Nutresa calculated pension liabilities in accordance with the Method IAS 19. In addition, using actuarial calculation, long-term benefits were also recognized using the method of projected unit credit. The company recognized 100% of the profits and losses in its first financial statements under IFRS, under retained earnings. The value of the adjustments made was $151.731.
During 2014, an increase in expenditure was generated, due to employee benefits, in the amount of $4.832, which represents a decrease of equity, after the transition year, in the amount of $156.584.

(m) Provisions transferred in the amounts $51.256 of employee benefits and $2.206 of provisions for costs and expenses, under COLGAAP, are under IFRS not classified as such.

(n) Until December 31, 2013, under COLGAAP, the results of operations of subsidiaries abroad were converted at the accumulated average exchange rate for the period; from the implementation of the International Standards, the Company implemented an accounting policy for translating the results of the period, of foreign companies, to the monthly average of the exchange rate. This change in the translation process generated an impact on net income for 2014, detailed as follows:

	2014
Operating income	57.931
Cost of sales	(45.698)
Gross profit	**12.233**
Administration, sales and production expenses	(16.008)
Monetary corrections	(3.649)
Impact on net income	**(7.424)**

Table 78

(o) In accordance with the definitions of income under IAS 18, these amounts were reclassified to a lower value of operating income in the amount of $42.570 for the year 2014, corresponding to discounts and rebates granted to customers, distributors, and export costs, which under COLGAAP, were recognized under sales expenses. .

(p) As part of the changes in the presentation of the financial statements under IFRS, gains or losses in net monetary correction in the amount of $9.122 are separated from other non-operating income and expenses under COLGAAP for 2014. In addition, under IFRS, results from the sale and write-down of property, plant and equipment and donations, are recognized as other operating income and expenses, generating a loss of $5.683. The results of discontinued operations that under COLGAAP were registered as other income and expenses are presented separately in the amount of $11.001.

40.3 ACCUMULATED RESULTS IN THE PROCESS OF FIRST-TIME ADOPTION IFRS

The process of First-time adoption of IFRS generated accumulated earnings of $1.306.538, in the opening balance corresponding to the following: a decrease due to equity impact from the First-time Adoption in the amount of $285.043, as well as, a net increase due to reclassification of other equity items in the amount of $1.591.581, (translation impact of companies abroad and valuation of property, plant and equipment, and other assets).

In addition, during the transition period, profits of $209.655 were accumulated, representing the difference between the net income attributable to controlling interest for the annual period of 2014 which were $587.226, and the values appropriated by the Shareholders on COLGAAP earnings from the same period; and other adjustments are realized to these accounts in the amount of $1.890 from the corporate restructuring processes developed during that period.

These accumulated $1.542.303 profits are not subject to dividend distribution and will be carried to "Other reserves", once the Shareholders of Grupo Nutresa approve the transfer.