

# First semester 2014 Results



**Grupo Nutresa** continues with excellent performance in the first half of the year, supported in higher sales and very positive levels of profitability.

- Sales in Colombia grew by 7.7% over the first half of last year, amounting to COP 1,972.4 billion.
- International sales represented 34.3% of Grupo Nutresa's total sales, closing at USD 526 million, an increase of 24.8%.
- Total sales were COP 3,002.4 billion, representing a growth of 14.9%.
- The EBITDA grew by 11.1% and was COP 417.7 billion, representing a margin on sales of 13.9%.
- As of the second quarter, *Grupo Nutresa* has consolidated its operating results in Venezuela at the rate indicated by *SICAD II*<sup>1</sup>.
- *Grupo Nutresa* continues to evolve in the consumer market for food outside the home with the opening of the first Starbucks store in Colombia.

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**Medellín, July 31, 2014.** *Grupo Nutresa S. A. (NUTRESA : BVC)* and its affiliates disclose its consolidated financial results as of June 30, 2014.

## Continued positive growth in Colombia with a sustained margin of profitability

*Grupo Nutresa* has ended the first half of 2014 with total sales for COP 3,002.4 billion, representing a growth of 14.9%, including acquisitions, with innovation sales equivalent to 15.8% of total sales.<sup>2</sup>

Sales in Colombia totaled COP 1,972.4 billion and grew by 7.7%. This performance is mainly due to two aspects. First, the good performance of the Colombian economy has boosted household consumption, a situation that *Grupo Nutresa* sees with a positive, long-term outlook. Second, the coverage in Colombia with a distribution network for frozen, refrigerated and canned products, through which a large, differentiated offer of leading brands reaches the different channels served by *Grupo Nutresa*.

International sales represented 34.3% of *Grupo Nutresa*'s total sales, closing at USD 526 million, an increase of 24.8%. This increase includes the sales of *Tresmontes Lucchetti* (TMLUC) for USD 192.5 million and the effect of consolidating operations in Venezuela at a rate established by *SICAD II*.

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<sup>1</sup> *SICAD II* = Sistema Cambiario Alternativo de Divisas (Alternative Currency Exchange System)

<sup>2</sup> The percentage of innovation sales does not consider TMLUC sales.



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In terms of profitability, the EBITDA margin of 13.9% sustained throughout the first semester of 2014 is highlighted. The EBITDA was COP 417.7 billion, 11.1% higher than the first half of 2013. This sustained margin level is primarily supported in *Grupo Nutresa's* hedging policy, which has mitigated the pressure on margins due to higher prices in certain raw materials, as well as the improvement in the mix of products sold.

The operating profit during the first half of the year increased by 3.4%, reaching COP 307.9 billion, with an operating margin of 10.3%, similar to that presented in the first quarter of this year of 10.4%.

The consolidated net profit for the first semester ended at COP 168.4 billion, representing a decrease of 4.5% compared to the same period last year; this is mainly explained by the greater financial expense generated by the debt to acquire *Tresmontes Lucchetti* (TMLUC) and non-recurring costs related to this operation.

## Consolidation of results in Venezuela

As of March, Venezuela established an alternative scheme to access currencies, denominated *SICAD II*, which was adopted by *Grupo Nutresa* in harmony with good financial-reporting practices. Based on this decision to consolidate the 2014 results of *Grupo Nutresa's* operations in Venezuela, the June 30 *SICAD II* rate of 49.97 Bolivars per Dollar was used, instead of the *Cencoex* (*Centro de Comercio Exterior*, Foreign Trade Center) rate of 6.3 Bolivars per Dollar that had been applied.

## The opening of the first Starbucks store in Colombia

As the first step in the partnership among Starbucks, Alsea and *Grupo Nutresa* for the installation and operation of Starbucks stores in Colombia, the chain's first store was opened, located in the *Parque de la 93*, in Bogotá. It offers consumers a unique, differentiated experience around coffee. *Grupo Nutresa*, thus, continues to evolve in the market for food consumption outside the home.



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## CONSOLIDATED STATEMENT OF INCOME AS OF JUNE 30, 2014

<i>Figures in COP\$ MM</i>	jun-14	%	jun-13	%	% var.
<b>Total operating revenues</b>	<b>3,002,391</b>	<b>100.0%</b>	<b>2,612,576</b>	<b>100.0%</b>	<b>14.9%</b>
Cost of goods sold	-1,647,744	-54.9%	-1,433,381	-54.9%	15.0%
<b>Gross income</b>	<b>1,354,647</b>	<b>45.1%</b>	<b>1,179,195</b>	<b>45.1%</b>	<b>14.9%</b>
Administrative expenses	-198,165	-6.6%	-138,812	-5.3%	42.8%
Sales expenses	-797,291	-26.6%	-681,105	-26.1%	17.1%
Production expenses	-51,312	-1.7%	-61,435	-2.4%	-16.5%
<b>Total operating expenses</b>	<b>-1,046,768</b>	<b>-34.9%</b>	<b>-881,352</b>	<b>-33.7%</b>	<b>18.8%</b>
<b>Operating income</b>	<b>307,879</b>	<b>10.3%</b>	<b>297,843</b>	<b>11.4%</b>	<b>3.4%</b>
Financial revenues	10,075	0.3%	5,145	0.2%	95.8%
Financial expenses	-77,266	-2.6%	-34,121	-1.3%	126.4%
Foreign currency exposure	5,037	0.2%	2,282	0.1%	120.7%
Other revenues (expenditures), net	-15,579	-0.5%	-23,057	-0.9%	-32.4%
Dividends (non-food)	20,583	0.7%	18,727	0.7%	9.9%
Non-recurring capital gains	-	-	107	0.0%	N.C.
<b>Non-operating, net</b>	<b>-57,150</b>	<b>-1.9%</b>	<b>-30,917</b>	<b>-1.2%</b>	<b>84.8%</b>
<b>Income before tax</b>	<b>250,729</b>	<b>8.4%</b>	<b>266,926</b>	<b>10.2%</b>	<b>-6.1%</b>
Income tax	-80,650	-2.7%	-90,747	-3.5%	-11.1%
Minority interest	-1,652	-0.1%	226	0.0%	-831.0%
<b>Net Income</b>	<b>168,427</b>	<b>5.6%</b>	<b>176,405</b>	<b>6.8%</b>	<b>-4.5%</b>
<b>Consolidated EBITDA</b>	<b>417,685</b>	<b>13.9%</b>	<b>375,824</b>	<b>14.4%</b>	<b>11.1%</b>

Unaudited information



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## CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2014

<i>Figures in COP\$ MM</i>	<i>jun-14</i>	<i>jun-13</i>	<i>% var.</i>
<b>ASSETS</b>			
Cash and temporary investments	224,898	313,031	-28.2%
Investments	377,411	357,100	5.7%
Receivables	871,888	709,725	22.8%
Inventories	806,820	629,949	28.1%
Property, plant and equipment	1,352,509	1,171,045	15.5%
Intangibles	1,902,487	1,027,805	85.1%
Deferred assets	86,392	56,987	51.6%
Other assets	19,791	6,728	194.2%
Appreciation	5,216,883	4,679,552	11.5%
<b>Total Assets</b>	<b>10,859,079</b>	<b>8,951,922</b>	<b>21.3%</b>
<b>LIABILITIES</b>			
Financial liabilities	2,005,211	682,715	193.7%
Suppliers	201,252	170,685	17.9%
Accounts payable	376,963	300,091	25.6%
Taxes, duties and tariffs	68,781	97,757	-29.6%
Labor liabilities	50,970	56,009	-9.0%
Estimated liabilities and provisions	261,277	237,495	10.0%
Deferred liabilities	228,427	149,022	53.3%
Other liabilities	440	2,354	-81.3%
<b>Total Liabilities</b>	<b>3,193,321</b>	<b>1,696,128</b>	<b>88.3%</b>
<b>Minority interest</b>	<b>19,512</b>	<b>3,799</b>	<b>413.6%</b>
<b>EQUITY</b>	<b>7,646,246</b>	<b>7,251,995</b>	<b>5.4%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,859,079</b>	<b>8,951,922</b>	<b>21.3%</b>

Unaudited information

Communication issued by the Office of the *Grupo Nutresa S. A.* CEO  
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