Notes for the
Consolidated financial statements

For the period between January 1st and December 31st of 2017 and 2016

(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 THE 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:

Table 2

Entity	Main Activity	Functional Currency[1]	% Participation 2017	% Participation 2016
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	99,50	99,48
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	Provision of logistics services	COP	-	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 S.A.S. (2)	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00
LYC S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00
PJ COL S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00

Panero S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	-	100,00
New Brands S.A.	Production of dairy and ice cream	COP	100,00	100,00
Schadel Ltda.	Production of foods and operation of food establishments providing to the consumer	COP	99,88	99,88
Tabelco S.A.S.	Production of foods and operation of food establishments providing to the consumer	COP	100,00	100,00
CHILE				
Tresmontes Lucchetti S.A.	Provision of specialized business services	CLP	100,00	100,00
Nutresa Chile S.A.	Management of financial and investment services	CLP	100,00	100,00
Tresmontes Lucchetti Agroindustrial S.A.	Agricultural and industrial production	CLP	100,00	100,00
Tresmontes Lucchetti Servicios S.A.	Management of financial and investment services	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 and investment services	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 oils	CLP	50,00	50,00
Inmobiliaria y Rentas Tresmontes Lucchetti	Management of financial and investment services	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
Cía. Americana de Helados S.A.	Production and sales of ice cream	CRC	100,00	100,00
Servicios Nutresa CR S.A.	Specialized business services provider	CRC	100,00	100,00
GUATEMALA				
Comercial Pozuelo Guatemala S.A.	Distribution and sales of food products	QTZ	100,00	100,00
Distribuidora POPS S.A.	Sales of ice cream	QTZ	100,00	100,00
MÉXICO				
Nutresa S.A. de C.V.	Production and sales of food products	MXN	100,00	100,00
Serer S.A. de C.V.	Personnel 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.	Specialized business services provider	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	Specialized business services provider	MXN	100,00	100,00
PANAMÁ				
Promociones y Publicidad Las Américas S.A.	Management of financial and investment services	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 and investment services	USD	100,00	100,00
Aldage, Inc.	Management of financial and investment services	USD	100,00	100,00
LYC Bay Enterprise INC.	Management of financial and investment services	USD	100,00	100,00
Sun Bay Enterprise INC.	Management of financial and investment services	USD	100,00	100,00
El Corral Capital INC. (3)	Management of financial resources and franchises	USD	100,00	100,00
THE UNITED STATES OF AMERICA				
Abimar Foods Inc.	Production and sales of food products	USD	100,00	100,00
Cordialsa USA, Inc.	Sales of food products	USD	100,00	100,00

Entity	Main Activity	Country	Functional Currency	% participation	
				2017	2016
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	Perú	PEN	100,00	100,00
TMLUC Perú S.A.	Production and sales of foods	Perú	PEN	100,00	100,00
Helados Bon S.A.	Production and sales of ice cream, beverages, and dairy, et al.	República Dominicana	DOP	81,18	81,18
Compañía de Galletas Pozuelo de República Dominicana S.R.L.	Management of financial and investment services	República Dominicana	DOP	100,00	100,00
Gabon Capital LTD.	Management of financial and investment services	BVI	USD	100,00	100,00
Baton Rouge Holdings LTD.	Management of financial and investment services	BVI	USD	-	100,00
Perlita Investments LTD.	Management of financial and investment services	BVI	USD	100,00	100,00

(1) See Note 20.1, for descriptions of abbreviations for each currency and the primary impact on Grupo Nutresa's Financial Statements.
(2) As of June 2017, the company, IRCC Ltda., changed its corporate type to "Sociedad Anónima Simplificada (S.A.S.)".
(3) As of September of 2017, El Corral Investment INC., changed its corporate name to El Corral Capital INC, and its main domicile from BVI to Panama.

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

2017: In April of 2017, the liquidation from the split of Alimentos Cárnicos Zona Franca Santa Fe S.A.S., was carried out. The assets, held by that company, were received by Alimentos Cárnicos S.A.S. and Meals Mercadeo de Alimentos de Colombia S.A.S. In the Third Quarter, the liquidation of the company, Baton Rouge Holdings Ltd., was realized, and in December, the liquidation of Panero S.A.S. was realized.

2016: On March 1st, there was a merger between Guatemalteca Refrigerator S.A., Nevada Guatemalteca S.A., Guate-Pops S.A. and Distribuidora POPS S.A., thus leaving the latter in effect, in Guatemala. In April, there was a liquidation of the companies Heanor Consulting LLC, Gulla Properties Development, and Ellenbrook Holdings Limited, which operated as an investment vehicle for companies acquired of Grupo El Corral.

The Companies, Cordialsa Noel Venezuela S.A. and Industrias Alimenticias Hermo de Venezuela, over which Grupo Nutresa has a 100% interest, were considered as subsidiaries, until September 30, 2016, at which time, they were classified as financial instruments, according to the analysis of the situation control, carried out by the Company, and disclosed in the Annual Financial Statements for 2016. The Comprehensive Income Statement, the Change in Equity Statement, and the Cash Flows Statement of 2016, presented for comparison purposes, include the financial information of these companies for the period between January 1st and September 30th, of that year.

During the 2017 and 2016 periods, no business combinations were realized.

NOTE 2.
Basis of preparation

The Consolidated Financial Statements of Grupo Nutresa for the period from January 1st to December 31, 2017, have been prepared in accordance with the Accounting and Financial Information Standards accepted in Colombia, based on the International Financial Reporting Standards (IFRS), together with its interpretations, conceptual framework, the foundation for conclusions, and the application guidelines authorized and issued by the International Accounting Standards Board (IASB), until 2015, and other legal provisions defined by the Financial Superintendence of Colombia.

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 book value of recognized assets and liabilities, that have been designated as hedged items, in fair value hedges, and 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, as well as, other currencies [E.g. USD, Euros, Pounds Sterling, et al.], 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, 2017, 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 transactions between companies, as well as, the unrealized profits or losses, were 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 exercising 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 the Directive of Novaceites S.A., 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.

Companies in which Grupo Nutresa holds the majority of the voting rights, but does not have the control:

The Group considers that it does not exercise control over the relevant activities of Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A., despite having a 100% interest. The changing conditions of the Venezuelan market, including regulation of the foreign exchange market and limited access to the purchase of foreign exchange, through official systems, combined with other governmental controls, such as price controls and profitability, importation, and labor laws, among others, limits the ability of the Company to maintain a normal level of production, reduces the ability of the Administration to make and execute operational decisions, restricts the possibility of access to the liquidity, resulting from these operations, and the realization of these benefits to its investors, in other Countries, through dividend payments. The Management, of Grupo Nutresa, considers that this situation will be maintained, in the foreseeable future, and therefore, a loss of control is established on said investment, according to the postulates established in IFRS 10, reasons that served to support, that as of October 1, 2016, these investments were classified as financial instruments measured at fair value.

In the initial recognition, the Company assessed the investments at fair value and recognized the changes in the new measurement, in the results for the period. Subsequently, the Company will recognize changes in the fair value of these investments, over which it has no intention to sell, charged to "other comprehensive income".

In the accumulated, at September 30, 2016, the balances served as the basis for the classification of these investments as a financial instrument. The results of the operation in Venezuela represented 2.93% of consolidated net sales and 2.96% of EBITDA. Below is a summary of the same:

	January - September 2016
Total operating income	187.828
GROSS PROFIT	**49.447**
Administration, sales, and production expenses	(24.984)
Other operational income (expenses), net	12.279
OPERATING INCOME	**36.742**
Net loss	**(2.819)**
EBITDA	**23.745**

Table 3

This accounting classification does not compromise the productive and commercial operation of Grupo Nutresa in Venezuela, its team of collaborators, nor its relationships with customers and suppliers.

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 non-controlling interest 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, and 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 Statements, 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 corresponds to Grupo Nutresa, of gains and losses, obtained from the measurement at fair value, at the date of acquisition, is incorporated into the Financial Statements, and unrealized 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 Comprehensive Income Statement, in the results section for the period, net of taxes and non-controlling interest of 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 book value of the investment.

Grupo Nutresa analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment, in the profit and loss.

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 book value 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 accounting policies and procedures of the Parent Company. Grupo Nutresa applies the following significant accounting policies in preparing its 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 expenses are recognized in profit and loss and goodwill, as an asset, in the Statement of Financial Position of the Consolidated.

The consideration, transferred in the acquisition, is measured as the fair value of assets transferred, liabilities incurred or assumed, and equity instruments, issued by Grupo Nutresa, including any contingent consideration, to obtain control of 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 profit and loss or "other comprehensive income", accordingly. In the 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 corresponding 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 book value of the operation, when the gain or loss of the disposal of the operation is determined. Goodwill written-off is determined based upon the percentage of the operation sold, which is the difference between the book value of the operation sold and the book value of the cash-generating unit.

3.3.2 TRANSLATION OF BALANCES AND TRANSACTIONS, IN FOREIGN CURRENCIES

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 translated 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 official exchange rates, from the date of the original transaction.

All exchange differences arising from operating assets and liabilities are recognized in the Income Statement, as part of operating income or 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 they are recognized in profit and loss.

Foreign subsidiaries

For the presentation of Grupo Nutresa's Consolidated Financial Statements, the financial situation, 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.

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 amount of "other comprehensive income" that relates to the foreign operation is recognized in the results of the period.

Restated Financial Statements in hyperinflationary economies

The Financial Statements of subsidiaries, whose functional currency is corresponding to that of a hyperinflationary economy, including comparative information, is restated in terms of the current measured unit, at the date of closing of the reporting period, before being translated into pesos for consolidation. Gains or losses on the net monetary position are included in profit or loss.

These Financial Statements include the effect of the restatement of the Financial Statements in hyperinflationary economies, until September 30, 2016, for companies domiciled in Venezuela, on which date, said investments were classified as a financial instrument.

Main currencies and exchange rates

Below, is the evolution of the closing exchange rates to Colombian Pesos, of the foreign currencies that correspond to the functional currency of the subsidiaries of Grupo Nutresa, and that have a significant impact on the Consolidated Financial Statements:

		December 2017	December 2016
Panamanian Balboa	PAB	2.984,00	3.000,71
Costa Rican Colon	CRC	5,21	5,34
Nicaraguan Cordoba	NIO	96,91	102,33
Peruvian Sol	PEN	919,57	893,07
U.S. Dollar	USD	2.984,00	3.000,71
Mexican Peso	MXN	151,76	145,53
Guatemalan Quetzal	GTQ	406,28	398,92
Dominican Peso	DOP	61,78	64,25
Chilean Peso	CLP	4,85	4,48
Argentine Peso	ARS	158,94	189,32

Table 4

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 determined 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 annual accounting period.

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 (minus) 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 value of outstanding capital. 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.

Accounts receivable from customers are the amounts owed for products sold, or services rendered, in the ordinary course of business, and that are initially recognized at their fair value, are realized with credit conditions of less than one year and without interest, and therefore, the existence of implicit financing is not considered.

(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 or losses in the fair value measurement in "other comprehensive income". Upon disposal of investments at fair value, through "other comprehensive income", the accumulated value of the OCI is transferred directly to retained earnings and is not reclassified to profit and loss, in that period. Cash dividends received from these investments are recognized in the profit and loss of that period.

The fair values of quoted investments are based on the valid quoted prices. If the market for a financial instrument is not active (or the instrument is not quoted on a stock exchange), the Company establishes its fair value using valuation techniques. These techniques include the use of the values observed in recent transactions, realized under the terms of free competition, the reference to other instruments that are substantially similar, analyses of discounted cash flows, and option models, making maximum use of market information and giving the lesser degree of confidence possible, in internal information specific to the entity.

(iii) *Impairment of financial assets at amortized cost*

Financial assets measured at amortized cost are assessed 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 impacted.

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 book value of the asset and the present value of estimated future cash flows, discounted at the original effective rate of the financial asset. The book value of the asset is reduced, and the amount of the loss is recognized in profit and loss, for the period.

(iv) *Derecognition*

A financial asset, or a part of it, is derecognized 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 settled, 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 book value is recognized in the Comprehensive Income Statement.

(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 are classified as such, for obligations that are obtained by resources, be it from credit institutions or other financial institutions, in the country or abroad.

(vi) *Off-setting financial instruments*

Financial assets and financial liabilities are offset so that the net value is reported on the Statement of Financial Position of the Consolidated, 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 obligations. 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.

3.3.5 INVENTORIES

Assets held for sale in the ordinary course of business, or in the process of production for such a 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 lesser of, acquisition or manufacturing cost, or the net realizable value. Cost is determined using the Average Cost Method. The net realizable value is the estimated selling price of inventory in the ordinary course of operations, less the applicable variable sales expenses. When the net realizable value is below the book value, the value of the impairment is recognized, as an adjustment in the Income Statement, decreasing the value of the inventory.

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 realize 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, it is measured at cost and the existence of impairment indicators permanently assesse.

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 impairment losses, 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 it, accordingly. Likewise, when major maintenance is performed, its cost is recognized as a replacement of the book 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 begins 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 5

(*) Some of the machinery related to production is depreciated using the Hours Produced Method, according to the most appropriate manner, 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 at each year-end, and are adjusted prospectively, if required. The factors that can influence the adjustment are: changes in the use of the asset, unexpected significant wear, technological advances, changes in market prices, et al.

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 derecognizing the asset, (calculated as the difference between the net income from the sale and the book value of the asset), is included in the Income Statement when the asset is written-off.

At each accounting close, Grupo Nutresa evaluates its assets, to identify indicators, both external and internal, of reductions of its recoverable values. If there is evidence of impairment, property, plant and equipment are tested, to assess whether their book values are fully recoverable. In accordance with IAS 36 "Impairment of Assets", losses due to a reduction in the recoverable value are recognized for the amount at which the book value of the asset (or group of assets) exceeds its recoverable value (the greater between its fair value minus the disposal costs and their value in use), and is recognized in the Income Statement, as impairment of other assets.

When the book value exceeds the recoverable value, the book value is adjusted to its recoverable value, modifying the future depreciation, in accordance with its new remaining useful life.

Plantations in development: are live Plants that are used in the elaboration or supply of agricultural products, are expected to produce for more than one period, and have a remote probability of being sold as agricultural products, except for incidental sales of thinning and pruning.

3.3.8 INVESTMENT PROPERTIES

The land and buildings, owned by Grupo Nutresa, are recognized as investment properties, in order to obtain an income or goodwill, rather being maintained for use or sale, in the ordinary course of operations.

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 losses, if any.

Depreciation is calculated linearly over the asset's useful lives, 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 derecognized.

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 of use.

3.3.9 INTANGIBLE ASSETS

An intangible asset is an identificable 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 accounted for 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 are assessed 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 are treated as changes in accounting estimates. Amortization expenses of intangible assets with finite useful lives are recognized in the Comprehensive Income Statement. The useful life of an intangible asset 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 disposal, and the book value of the asset is recognized 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, assets arising from development expenditures are 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, CASH GENERATING UNITS, AND GOODWILL

Grupo Nutresa assesses if there is any indication that an asset, or cash generating unit may be impaired in value, and 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 uses its judgment in the determination of the Cash Generating Units (CGU), for the purposes of impairment testing, and has defined as CGUs, those legally constituted entities, dedicated to production, assigning each one of those net assets of the legally constituted entities, dedicated to the provision of services to the producing units (in a transversal or individual way). The assessment of the impairment is realized, at the level of the CGU, or Group of CGUs, that contains the asset to be assessed.

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 or the fair value, 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. For the application of fair value, disposal costs will be discounted.

The impairment losses of continuing operations are recognized in the Comprehensive Income Statement, in profit and loss, 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 (at the close of each period), an assessment of whether there is any indication that impairment losses previously recognized value no longer exists 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 book value of the asset does not exceed its recoverable amount, nor does it exceed the book 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 Comprehensive Income Statement 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. The current assets and liabilities, for income tax, are also 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.

(ii) *Deferred*

Deferred income tax is recognized using the liability method, and is calculated on temporary differences between the taxable bases of assets and liabilities in 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, it impacted 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 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 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. Deferred tax liabilities, related to goodwill, are recognized only to the extent that it is probable that the temporary differences will be reversed in the future.

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 profit will be available for use, in part or in totality, or a part of the asset, from said tax. Unrecognized deferred tax assets are reassessed at each reporting date, and are recognized to the extent that it is probable that future taxable profit income is likely to allow for their recovery.

Assets and liabilities from deferred 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 income tax rates and norms, that were approved at the date of filing, or whose approval will be nearing completion, by that date.

Deferred tax is recognized in profit and loss, except when relating to items not recognized in profit and loss, in which case will be presented in "other comprehensive income" or directly in equity.

b) Income tax for equity - CREE

The income tax for equity – CREE, applicable to Colombian Companies, is the tax with which taxpayers, legal entities, and assimilated filers of income taxes, contribute to employee benefits, creation of employment, and social investment. The applicable rate was 9% with a surcharge of 5% and 6% for the years 2015 and 2016, respectively.

With the issuance of Law 1819 of December 29, 2016, the income tax for equity – CREE, and the temporary surtax for 2017 and 2018 is waived; and the new income tax rates are determined.

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, and additionally, 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 may 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-terms benefits

They are, (other than termination benefits), benefits expected to be settled in its totality, 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 employee 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 measured between 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) Pensions and other post-employment benefits

(i) *Defined contribution plans*

Contributions to defined contribution plans are recognized as expenses in the Comprehensive Income Statement, 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 implicit obligation, of 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 profit and loss, 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 LEASES

When determining the classification of an agreement, or conclusion of a contract as a lease, it is based on the essence of the nature of the same, at the date of its conclusion, assessing whether compliance with the agreement rests on the use of a specific asset or if the right to use the asset is conferred on the group, even if this right is not explicit in the agreement.

Leases are classified as financial or operating leases. They will be classified as finance leases, provided that the terms of the lease substantially transfer the risks and rewards, inherent in the ownership of the asset, and the asset is recorded at its fair value, at the inception of the lease or, if less, at the present value of the minimum lease payments; The present obligation of minimum payments and the purchase option will be recognized in the Statement of Financial Position, as a financial lease obligation. The lease payments are distributed between the financial expense and the reduction of the obligation, and the expense will be recognized immediately in the results unless they are attributable to the assets, according to the costs per loan.

Operating leases will be classified as such, those in which the risks and benefits inherent in the ownership of the asset, are not transferred by the lessor, and their payments will be recognized as a linear expense over the lease term.

3.3.14 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 Comprehensive Income Statement, net of all reimbursement. The increase in the provision, due to the passage of time, is recognized as financial 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 liabilities.

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 said contingent is certain, the asset and the associated income, are recognized for that period.

3.3.15 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

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 net book value of the financial asset or financial liability.

d) Dividend income

This income 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 all Shareholders, in the same proportion of stocks from the issuer.

3.3.16 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 as production expenses.

3.3.17 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 that are 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.

3.3.18 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 independent market participants, at the measurement date.

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 impact the reported fair value of financial instruments.

3.3.19 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".

3.3.20 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit or loss, for the period that is attributable to holders of ordinary shares, by the weighted average number of ordinary shares, outstanding.

The average number of shares outstanding, for the periods ended December 31, 2017 and 2016, is 460.123.458.

To calculate diluted earnings per share, profit for the period, attributable to holders of ordinary shares, and the weighted average number of shares outstanding, for all the inherent dilutive potential ordinary shares, is adjusted.

3.3.21 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 is 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.

3.4 CHANGES IN ACCOUNTING POLICIES

The IASB made amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture to distinguish the producing plants from other biological assets. The production plants are used only to grow products during their productive life and it is observed that they are similar to an element of the machinery, which is why they are now presented in IAS 16. However, the agricultural products that grow in the production plants will remain within the scope of IAS 41 and will continue to be measured at fair value less costs to sell.

The Group has applied this amendment to the Financial Statements as of December 31, 2017 and 2016, which involved the reclassification of $9.129 (2016: 7.433) of biological assets to property, plant and equipment, in the "Plantations under development" category, corresponding to the cocoa plantations, which have a productive cycle of approximately 25 years with two crops per year.

Prior to the classification, the plantations were measured at historical cost, in such a way that the accumulated cost as of December 31, 2017 and 2016 are reclassified to property, plant and equipment, and will be the basis for future amortization.

The application of this amendment had no impact on the equity or the comprehensive income of Grupo Nutresa, in 2017.

See details of the accounting policy in Note 16.

3.5 NEW ACCOUNTING PRONOUNCEMENTS ON INTERNATIONAL FINANCIAL REPORTING STANDARDS: NEW STANDARDS, MODIFICATIONS AND INTERPRETATIONS INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA, WHOSE APPLICATION MUST BE ASSESSED BEYOND JANUARY 1, 2018, OR THAT CAN BE APPLIED IN ADVANCE

The Decrees 2496 of December, 2015, 2131 of December, 2016 and 2170 of December, 2017, introduced to the technical framework norms of financial information, new standards, modifications, or amendments or impacts by the IASB to the International Financial Reporting Standards between the year (s) 2014 and 2016, to evaluate its application in financial years beginning later than January 1, 2018, although its application could be made in advance.

IFRS 9 "Financial Instruments"

The full version of this IFRS was published in July 2016; it addresses the classification, measurement, derecognition of financial assets and liabilities, and introduces new rules for hedge accounting and a new impairment model for financial assets.

IFRS 9 maintains, although it simplifies, the varied valuation model and establishes three main categories of valuation for financial assets: amortized cost, fair value with changes in other comprehensive income, and fair value with changes in results. The basis of classification depends on the business model of the entity and the characteristics of the contractual cash flows of the financial asset. Investments in net equity instruments are required to be measured at fair value through profit or loss, with the irrevocable option at the initial presentation of changes in fair value in other non-recyclable comprehensive income. There is now a new model of expected credit losses that replaces the impairment loss model, incurred in IAS 39. For financial liabilities, there were no changes in classification and valuation. IFRS 9 simplifies the requirements for the effectiveness of the hedge. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this line by requiring an economic relationship between the hedged item and the hedging instrument, and that the hedged ratio is the same, as the entity actually uses for its risk management. Contemporaneous documentation is still necessary, but it is different from the one prepared under IAS 39. The standard goes into effect for the accounting periods, beginning on or after January 1, 2018.

Since the First Adoption of IFRS, on January 1, 2014, Grupo Nutresa has maintained the classification and measurement of financial assets and liabilities under the categories proposed by IFRS 9. In addition, the Company confirmed that its current hedging relationships will continue as hedges, after the adoption of the new IFRS 9.

The new impairment model requires the recognition of provisions for impairments, based on the expected credit losses, instead of only the credit losses incurred, as is the case of IAS 39. In the case of Grupo Nutresa, this applies mainly to customer accounts payable. Based on the evaluations realized to date, no significant impact is expected, in the estimation of portfolio impairment under the new expected loss model.

IFRS 15 "Income from client contracts"

Issued in May 2016, a new standard is applicable to all contracts with customers, except for leases, financial instruments, and insurance contracts. The objective of the standard is to provide a single and comprehensive model of revenue recognition for all contracts with customers and to improve comparability within industries, between industries, and between capital markets. The new standard is based on the principle of transfer of control of a good or service to a client, in order to establish the recognition of income. Its application is effective as of January 1, 2018.

The Company has completed an initial review of the potential impact of the adoption of IFRS 15, in its Financial Statements, and has identified that there will be no significant impact on the timing and amount of recognition of the Company's revenues.

IFRS 16 "Leases"

The International Accounting Standards Board (IASB) issued IFRS 16, with an effective date of application as of January 1, 2019. IFRS 16 replaces existing guidelines for the accounting of leases, including IAS 17 leases, IFRIC 4 determination of whether an arrangement contains a lease, SIC 15 incentives in operating leases and SIC 27 the evaluation of the substance of transactions that involve the legal form of a lease.

IFRS 16 introduces a single accounting model for the recognition of lease agreements in the Statement of Financial Position for lessees. A lessee recognizes an asset by right of use, representing the right to use the leased asset, and a lease liability, representing its obligation to make the lease payments. There are optional exemptions for short-term leases or leases of very low-value assets. The accounting treatment of lease agreements for lessors remains similar to current accounting standards in which the lessor classifies leases, as financial or operating leases.

The Company has initiated a potential evaluation of the qualitative and quantitative impacts, in its Financial

Statements. Until now the most significant impact identified is the recognition of assets and liabilities of its operating lease agreements, especially of real estate, used in the operation of the business. In addition, the nature of the expenses, corresponding to operating lease contracts as lessee, will change with IFRS 16, from lease expenses, to charges for depreciation of rights of use of the asset and financial expenses, in lease liabilities. To date, the Company is evaluating the impact of the adoption of this new standard.

NOTE 4
Judgments, estimates, and significant accounting assumptions

The preparation of Grupo Nutresa's Consolidated 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 book amounts 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:

- Assessment of the existence of impairment indicators, for assets, goodwill, and asset valuation, to determine the existence of impairment losses (financial and non-financial assets) (Note 18.1)
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees. (Note 23.5)
- Useful life and residual values of property, plant and equipment and intangibles. (Note 16 and 19)
- Suppositions used to calculate the fair value of financial instruments. (Note 15 and 37)
- Determination of the existence of financial or operating leases, based on the transfer of risks and benefits of the leased assets. (Note 26)
- Recoverability of deferred tax assets. (Note 20.4)
- Determination of control, significant influence, or joint control over an investment.

NOTE 5.
Income statement for the fourth quarter

The following is the Income Statement and an analysis of its line items for the period between October 1 and December 31, 2017.

	Notes	October-December 2017	October-December 2016
Continuing operations			
OPERATING REVENUE	B	**2.304.195**	**2.257.345**
Cost of goods sold	c	(1.286.481)	(1.286.878)
Gross profit		**1.017.714**	**970.467**
Administrative expenses	c	(106.797)	(107.211)
Sales expenses	c	(706.711)	(659.603)
Production expenses	c	(37.668)	(40.685)
Exchange differences on operating assets and liabilities		(1.075)	(1.065)
Other operating income, net	d	3.560	4.708
OPERATING PROFIT		**169.023**	**166.611**
Financial income		3.661	3.274
Financial expenses	e	(67.764)	(85.987)
Portfolio dividends		65	51
Exchange differences on non-operating assets and liabilities		(5.867)	26
Share of profit of associates and joint ventures		5.853	3.949
Other income, net		(23)	28.492
Income before tax and non-controlling interest		104.948	116.416
Current income tax	f	(25.079)	(37.143)
Deferred income tax	f	17.240	5.954
Profit after taxes from continuous operations		**97.109**	**85.227**
Discontinued operations, after income tax		105	(1.652)
NET PROFIT FOR THE PERIOD		**97.214**	**83.575**
Profit for the period attributable to:			

Controlling interest		95.949	82.657
Non-controlling interest		1.265	918
NET PROFIT FOR THE PERIOD		**97.214**	**83.575**
EBITDA	**A**	**243.961**	**228.625**

Table 6

a) Ebitda

	Cuarto trimestre	
	2017	**2016**
OPERATING EARNINGS	**169.023**	**166.611**
Depreciation and amortization	74.722	61.678
Unrealized exchange differences from operating assets and liabilities	216	336
EBITDA	**243.961**	**228.625**

Table 7

- EBITDA, by operation segments

	Fourth Quarter							
	Operating earnings		**Depreciation and amortization**		**Unrealized exchange differences from operating assets and liabilities**		**EBITDA**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Cold Cuts	41.729	40.039	9.822	9.288	93	(168)	51.644	49.159
Biscuits	46.127	43.417	10.057	7.402	122	(11)	56.306	50.808
Chocolate	43.468	28.436	9.737	8.694	130	(162)	53.335	36.968
TMLUC	16.029	11.015	10.931	10.574	54	(134)	27.014	21.455
Coffee	13.538	21.884	5.676	5.666	(78)	397	19.136	27.947
Retail Food	4.304	16.969	17.400	9.182	19	46	21.723	26.197
Ice Cream	2.961	3.455	7.804	7.863	(50)	(154)	10.715	11.164
Pasta	3.511	3.395	1.889	1.929	(72)	501	5.328	5.825
Others	(2.644)	(1.999)	1.406	1.080	(2)	21	(1.240)	(898)
Total segments	**169.023**	**166.611**	**74.722**	**61.678**	**216**	**336**	**243.961**	**228.625**

Table 8

b) Income from ordinary activities

- Income from ordinary activities, by segments

	Fourth Quarter					
	External clients		**Inter-segments**		**Total**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Cold Cuts	508.883	514.081	8.277	6.321	517.160	520.402
Biscuits	474.290	465.161	2.948	2.779	477.238	467.940
Chocolate	400.914	384.160	6.029	4.622	406.943	388.782
TMLUC	241.321	241.718	758	296	242.079	242.014
Coffee	242.018	251.723	9.028	6.164	251.046	257.887
Retail Food	187.094	171.002	-	-	187.094	171.002
Ice Cream	106.865	101.743	1.082	949	107.947	102.692
Pasta	72.971	73.275	105	12	73.076	73.287
Others	69.839	54.482	-	-	69.839	54.482
TOTAL SEGMENTS	**2.304.195**	**2.257.345**	**28.227**	**21.143**	**2.332.422**	**2.278.488**
Adjustments and eliminations					(28.227)	(21.143)
Consolidated	**2.304.195**	**2.257.345**	**28.227**	**21.143**	**2.304.195**	**2.257.345**

Table 9

- Income from ordinary activities, by geographical locations

	Fourth Quarter	
	2017	**2016**
Colombia	1.449.366	1.439.465
Central America	227.151	213.189
United States	170.722	179.501
Chile	187.653	182.852
Mexico	73.796	72.389
Peru	66.780	59.719
Dominican Republic and the Caribbean	41.877	36.806
Ecuador	34.897	32.931
Venezuela	-	708
Others	51.953	39.785
Total	**2.304.195**	**2.257.345**

Table 10

- Income from ordinary activities, by type of product

	Fourth Quarter	
	2017	**2016**
Foods	1.303.582	1.266.769
Beverages	493.912	511.290
Candy and Snacks	380.998	349.708
Others	125.703	129.578
Total	**2.304.195**	**2.257.345**

Table 11

c) Expenditure by nature

	Fourth Quarter	
	2017	**2016**
Inventory consumption and other costs	976.514	995.264
Employee benefits	391.154	348.619
Other services (1)	202.052	209.273
Other expenses (2)	119.494	127.867
Transport services	88.852	79.565
Depreciation and amortization	74.722	61.678
Leases	53.701	39.451
Seasonal services	62.138	76.207
Energy and gas	37.213	35.312
Advertising material	38.461	33.980
Maintenance	31.385	29.713
Fees	29.758	29.665
Taxes other than income tax	20.302	16.985
Insurance	8.765	8.646
Impairment of assets	3.146	2.152
Total	**2.137.657**	**2.094.377**

Table 12

(1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, public services, commercial plan of action, software, and storage.

(2) The other expenses include spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, supplies and buildings, stationery and office supplies, cleaning and laboratory supplies, and legal expenses.

d) Other operating income (expenses), net

	Fourth Quarter	
	2017	**2016**
Indemnities and recuperations (1)	2.684	10.527
Disposal and removal of property, plant and equipment and intangibles	2.152	(940)
Donations	(1.008)	(6.613)
Government grants	897	902
Fines, penalties, litigation, and legal processes (2)	(2.677)	1.063
Other income and expenses	1.512	(231)
Total	**3.560**	**4.708**

Table 13

(1) In 2016, included is primarily income from the recognition of compensation for the loss that occurred, in a production plant in Bogotá.
(2) In 2016, included are the reversals of provisions for litigation, resulting from the probability of occurrence analyzes, realized at the end of the year.

e) Financial expenses

	Fourth Quarter	
	2017	**2016**
Loans interest	43.356	62.039
Bonds interest	8.598	11.421
Interest from financial leases	32	121
TOTAL INTEREST EXPENSES	**51.986**	**73.581**
Employee benefits	7.543	4.380
Other financial expenses	8.235	8.026
Total financial expenses	**67.764**	**85.987**

Table 14

f) Income tax expenses

	Fourth Quarter	
	2017	**2016**
Income tax	24.452	27.019
Income tax surcharges	627	-
Income tax for equity - CREE	-	6.059
CREE surcharge	-	4.065
TOTAL	**25.079**	**37.143**
Deferred taxes	(17.240)	(5.954)
Total tax expenses	**7.839**	**31.189**

Table 15

The income tax expenses, in the Fourth Quarter, is impacted mainly by the recognition, in the current taxes, that tax associated with the income obtained by the controlled entities from abroad, and that must be taxed in the name of the Parent Company, in accordance with the tax reform in Colombia, and because of the change in the tax rate in the United States, that impacts the deferred tax. Note 20 includes more detailed information, regarding regulatory changes and the impact on the tax expense.

NOTE 6.
Operating segments

Grupo Nutresa`s operating segments reflect its structure and how Management, in particular, the Board of Directors, evaluates the financial information for decision-making in operational matters. For the administration, businesses are assessed by combi-ning 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, ham, and bologna burgers), matured meat (Serrano ham, Spanish chorizo, and salami), ready to eat meals, canned foods, and mushrooms.
- Biscuits: Production and marketing of sweet biscuits flavored lines, with crème filled wafers, and salted crackers, wafer-like crackers, and snacks.
- 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 sells: instant cold drinks, pasta, coffee, snacks, edible oil, juices, soups, desserts, and teas.
- 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, like 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 with ice cream.
- Pasta: Produced and sold in Colombia, as short, long, egg, with vegetables, with butter, and instant pasta.

The Board of Directors monitors the operating results of the Business Units separately, for the purposes, of making decisions about allocating resources and assessing financial performance. The financial performance of the segments is evaluated, on the basis of operating revenues and EBITDA generated, which are measured uniformly with the Consolidated Financial Statements. Financing operations, investment, and tax management are managed centrally, and are therefore, 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, in totality, 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 sales price between segments corresponds to the cost of the product, plus a profit margin. These transactions are eliminated in the Consolidated Financial Statements.

Operating assets and liabilities are managed by the administration of each of the Grupo Nutresa Companies. Operating assets and liabilities are managed by the Administration of each of the Grupo Nutresa Companies, and are evaluated by each business segment, to evaluate the return on investment and the allocation of resources to each segment. Financial assets and liabilities are managed centrally and are not assigned to operating segments.

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

6.1 OPERATING REVENUE

a) Income from ordinary activities, by segments

	External clients		Inter-segments		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Cold Cuts	1.824.182	1.991.966	25.668	16.939	1.849.850	2.008.905
Biscuits	1.768.435	1.737.656	11.505	14.659	1.779.940	1.752.315
Chocolate	1.463.734	1.420.720	22.180	20.784	1.485.914	1.441.504
TMLUC	978.246	980.900	2.223	1.266	980.469	982.166
Coffee	1.001.950	956.445	10.068	7.187	1.012.018	963.632
Retail Food	696.955	657.034	-	-	696.955	657.034
Ice Cream	423.460	436.396	2.712	2.042	426.172	438.438
Pasta	293.596	286.731	421	268	294.017	286.999
Others	245.046	208.792	-	-	245.046	208.792
TOTAL SEGMENTS	**8.695.604**	**8.676.640**	**74.777**	**63.145**	**8.770.381**	**8.739.785**
Adjustments and eliminations					(74.777)	(63.145)
Consolidated					**8.695.604**	**8.676.640**

Table 16

b) Information by geographical locations

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

	2017	2016
Colombia	5.495.394	5.362.653
Central America	827.060	828.011
United States	708.453	707.255
Chile	706.723	709.093
Mexico	310.562	295.616
Peru	198.208	180.463
Dominican Republic and the Caribbean	156.773	145.384
Ecuador	124.890	121.140
Venezuela	334	188.536
Others	167.207	138.489
Total	**8.695.604**	**8.676.640**

Table 17

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

c) 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:

	2017	2016
Foods	4.724.057	4.728.118
Beverages	2.053.646	2.020.927
Candy and Snacks	1.470.386	1.390.596
Others	447.515	536.999
Total	**8.695.604**	**8.676.640**

Table 18

6.2 EBITDA

	Fourth Quarter							
	Operating Profit		Depreciation and Amortization		Unrealized Exchange Differences from Operating Assets and Liabilities		EBITDA	
	2017	2016	2017	2016	2017	2016	2017	2016
Cold Cuts	172.199	220.376	37.260	35.963	24	(12.865)	209.483	243.474
Biscuits	185.035	182.661	35.241	29.104	97	(1.046)	220.373	210.719
Chocolate	169.132	112.469	36.969	34.189	377	(33)	206.478	146.625
TMLUC	87.989	60.003	38.489	36.058	377	111	126.855	96.172
Coffee	97.817	132.338	23.105	21.401	(154)	1.299	120.768	155.038
Retail Foods	32.760	64.815	53.441	29.380	(1)	1	86.200	94.196
Ice Cream	11.445	23.015	30.822	30.671	70	(283)	42.337	53.403
Pasta	21.282	18.635	7.657	7.460	122	(36)	29.061	26.059
Others	(3.134)	659	5.016	3.866	742	(1.258)	2.624	3.267
Total segments	**774.525**	**814.971**	**268.000**	**228.092**	**1.654**	**(14.110)**	**1.044.179**	**1.028.953**

Table 19

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 Individual 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.

	2017					2016				
	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.	9.106.859	96.209	9.010.650	430.279	386.085	8.543.254	103.221	8.440.033	399.098	260.195
Nutresa Chile S.A.	1.593.797	62.256	1.531.541	(1.936)	(141)	1.467.723	55.097	1.412.626	508	(31)
Compañía de Galletas Noel S. A. S.	2.104.680	844.884	1.259.796	122.749	16.967	2.045.660	880.477	1.165.183	99.128	(63.543)
Compañía Nacional de Chocolates S.A.S.	1.680.375	544.653	1.135.722	103.404	31.026	1.621.352	595.814	1.025.538	58.332	(46.393)
American Franchising Corp. (AFC)	993.409	-	993.409	(23)	-	999.897	6	999.891	(17)	-
Alimentos Cárnicos S.A.S.	1.984.270	1.088.887	895.383	67.357	71.034	1.886.086	1.130.322	755.764	61.005	(4.608)
Tresmontes S. A.	1.267.098	518.850	748.248	15.306	1.373	1.171.679	497.826	673.853	15.592	(391)
Compañía de Galletas Pozuelo DCR S.A.	746.902	92.584	654.318	34.395	417	720.246	85.335	634.911	(56.484)	(3.319)
Lucchetti Chile S.A. (Newco)	716.414	69.960	646.454	614	122	656.474	61.699	594.775	5.989	(212)
Industria Colombiana de Café S.A.S.	1.336.268	773.567	562.701	21.382	25.612	1.350.441	731.123	619.318	39.909	(14.275)
Compañía Nacional de Chocolates del Perú S.A.	454.011	65.519	388.492	12.546	10	428.651	63.547	365.104	3.783	232
Abimar Foods Inc.	298.767	66.681	232.086	18.790	2.783	292.741	160.786	131.955	16.586	(1.218)
Inmobiliaria Tresmontes Lucchetti S.A. (Newco)	253.838	22.725	231.113	1.942	142	233.649	22.689	210.960	3.061	(28)
Meals Mercadeo de Alimentos de Colombia S.A.S.	673.403	458.108	215.295	(14.190)	(260)	779.130	551.423	227.707	4.774	(2.551)
Industria de Alimentos Zenú S. A. S.	339.259	133.827	205.432	16.227	340	350.471	141.653	208.818	23.528	(20.486)
Tresmontes Lucchetti S. A.	578.069	383.260	194.809	20.976	1.624	538.607	379.983	158.624	18.343	(521)
Novaventa S. A. S.	227.444	83.048	144.396	28.177	28	182.521	66.068	116.453	21397	-
Productos Alimenticios Doria S. A. S.	322.205	185.819	136.386	9.563	(391)	307.682	180.184	127.498	6.840	(1.452)
Tresmontes Lucchetti México S. A. De C. V.	195.144	65.668	129.476	7.933	(113)	178.190	61.523	116.667	(14.232)	1.337
Inmobiliaria y Rentas Tresmontes Lucchetti	129.792	548	129.244	3.739	124	115.489	-	115.489	-	-
Other companies(1)	2.766.309	1.784.229	982.080	37.050	(167)	2.726.853	1.842.241	884.612	28.536	(45.967)
Subsidiaries with non-controlling interest										
Novaceites S.A.	75.708	15.938	59.770	3.647	238	63.801	12.325	51.476	4.010	(13)
Setas Colombianas S.A.	65.751	14.711	51.040	3.897	-	65.958	16.127	49.831	5.051	-
Helados Bon	51.734	16.532	35.202	11.280	(349)	44.026	15.039	28.987	9.629	(553)
La Recetta Soluciones Gastronómicas Integradas S.A.S.	54.783	52.969	1.814	151	(9)	44.196	42.527	1.669	(25)	9
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	46.469	17.617	28.852	734	-	40.132	12.014	28.118	720	-

Table 20

1) Other subsidiaries include equity of $982.080 (2016: $884.612) for the following companies: Alimentos Cárnicos de Panamá S.A., Compañía Nacional de Chocolates DCR. S.A., Nutresa S.A. de C.V., Serer S.A. de C.V., Pastas Comarrico S. A. S., 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., Cía. Americana de Helados S.A., Americana de Alimentos S.A. de C.V., Comercial Nutresa S.A.S., Distribuidora POPS S.A., Corp. Distrib. de Alimentos S.A (Cordialsa), Comercial Pozuelo Guatemala S.A., Industrias Lácteas Nicaragua S.A., Comercial Pozuelo El Salvador S.A. de C.V., Cordialsa Usa, Inc., TMLUC Argentina S.A., Comercializadora Tresmontes Lucchetti S.A. de C.V., TMLUC Perú S.A., Tresmontes Lucchetti Servicios S.A., Fideicomiso Grupo Nutresa, Gestión Cargo Zona Franca S.A.S., Opperar Colombia S.A.S., Servicios Nutresa S.A.S., Promociones y Publicidad Las Américas S.A., TMLUC Servicios Industriales, S. A. de CV , Servicios Tresmontes Lucchetti S.A. de C.V., Aldage Inc., Litoempaques S.A.S., Servicios Nutresa Costa Rica S.A., Tresmontes Lucchetti Agroindustrial S. A., PJ COL S. A. S., LYC S. A. S., Schadel Ltda., New Brands S. A., IRCC S. A. S., Tabelco S. A. S., LYC Bay Enterprise INC., Sun Bay Enterprise INC., Gabon Capital LTD., Baton Rouge Holdings LTD., Perlita Investments LTD., El Corral Capital INC (Previously, El Corral Investments INC.).

NOTE 8.
Cash and cash equivalents

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

	2017	2016
Cash and banks	307.520	149.987
Short-term investments	128.123	69.335
Total	**435.643**	**219.322**

Table 21

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 3,6% (2016 - 4,1%).

At the end of December, $39.438 (2016: $34.588) was allocated as deposits, to support derivative contracts, as collateral or adjustments for margin call. On all other values, there are no restrictions for availability.

At December 31, 2017, the Group had $3.200.000 (2016: $2.500.000) available in committed unused credit lines.

NOTE 9.
Trade and other receivables

Trade and other receivables are detailed as follows:

	2017	2016
Customers	916.102	811.653
Accounts receivable from employees	41.087	39.201
Accounts receivable from related parties (Note 38)	18.010	17.515
Loans to third-parties	1.664	2.298
Dividends receivable (See Note 38)	6.185	12.496
Other accounts receivable	10.268	38.621
Impairment	(9.239)	(9.092)
Total trade and other receivables	**984.077**	**912.692**
Current portion	**957.568**	**889.197**
Non-current portion	**26.509**	**23.495**

Table 22

At December 31st, accounts receivable from customers have the following stratifications:

	2017	2016
Not overdue	657.786	610.866
Up to 90 days	234.759	178.150
Between 91 and 180 days	10.830	9.556
Between 181 and 365 days	9.767	8.116
More than 365 days	2.960	4.965
Total	**916.102**	**811.653**

Table 23

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.

According to the Company's assessment of historical information and portfolio analyses, as of December 31, 2017 and 2016, there is no objective evidence that overdue balances receivable present material risks of impairment that imply adjustments to the impairment recorded in the Financial Statements on those dates.

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

	2017	2016
BOOK VALUE AT JANUARY 1ST	**9.092**	**13.169**
Impairment losses recognized during the period	13.477	11.082
Use during the period	(13.318)	(14.340)
Reversal of impairment losses for the period	(11)	(529)
Exchange differences	(1)	(377)
Other changes	-	87
Book value at December 31st	**9.239**	**9.092**

Table 24

Grupo Nutresa derecognizes, against the impaired value, in a corrective account, the values of the impaired portfolio considered manifestly lost, when there is evidence of inactive balances from, commercial customers, with over 360 days accounts, past due, to December 31st of each year. Grupo Nutresa recognizes the totality of losses due to impairment through a corrective account and not directly.

The book amount of accounts receivable from customers, is denominated in the following currencies:

	2017	2016
Colombian Pesos	414.274	381.628
US Dollars	214.023	158.975
Other currencies	287.805	271.050
Total	**916.102**	**811.653**

Table 25

NOTA 10.
Inventories

The balance of inventories, at December 31st included:

	2017	2016
Raw materials	283.142	304.804
Works in progress	65.170	55.754
Finished products	374.351	369.609
Packing materials	100.794	98.802
Consumable materials and spare parts	84.850	77.168
Inventories in transit	77.161	127.783
Adjustments to the net realizable values	(2.652)	(5.503)
Total	**982.816**	**1.028.417**

Table 26

The cost of the inventories, recognized as cost of the merchandise sold, during the period with respect to the continuous operations of the Consolidated Income Statement, corresponds to $4.445.093 (2016: $4.674.748).

Write- down inventories are recognized as expenses, in the amount of $61.825, during the period 2017 (2016: $65.478); these penalties are within the normal range expected by the Group, according to, the production process, and associated with factors of the type of product, such as expiration dates, rotation, and handling of food.

The impairment of inventories is determined based on an analysis of the conditions and the rotation of inventories. The estimate is recorded, against the results of the year, in the amount of $22 (2016: $944).

As of December 31st of 2017 and 2016, there are no inventories committed as collateral for liabilities. The Group expects to realize its inventories, in less than 12 months.

NOTA 11.
Biological assets

The biological assets, as of December 31st are as follows:

	2017	2016
Biological assets - cattle	45.131	42.763
Biological assets – pig	32.592	29.414
Forest plantation	3.795	3.500
Total	**81.518**	**75.677**

Table 27

The following are the amounts and principal locations of the biological assets:

	Quantities		Location
	2017	2016	
Biological assets – cattle (1)	30.282 Units	30.400 Units .	Antioquia, Cordoba, Cesar, Santander, Sucre y Caldas - Colombia
Biological assets – pig (1)	86.408 Units	73.251 Units .	Antioquia and Caldas - Colombia
	11.826 Units	12.418 Units .	Provincia de Oeste - Panama
Crops			
Mushroom crops (2)	40.290 mts^2	40.290 mts^2	Yarumal - Colombia

Table 28

(1) Pork livestock farming in Colombia is carried out own farms, farms in participation, and leased farms; its production is used as raw material for the development of business products of 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; this measurement is at the Level 2 of the fair value hierarchy, of IFRS 13. At December 31, 2017, the price per average kilo of the pig livestock used in the valuation is $5.700 (2016: $6.009); for cattle a price per average kilo of $3.879 (2016- $4.034) was used.
The value of pigs that are produced in Panama, in December 2017, is $4.973 (2016: $4.709), are measured upon initial recognition under the cost model, taking into account, that there is no active market in said country.

(2) Mushroom crops are used by Setas Colombianas S.A., in its production process, located in Yarumal, Colombia. Are measured under the cost model, considering that there no active market exists, for these crops. Mushroom crops are used by Setas Colombianas S.A. in its production process, located in Yarumal - Colombia. It is measured under the cost model, taking into account that there is no active market for these crops, and that the productive cycle is short-term, close to 90 days.

The gain for the period, due to changes in fair value minus the costs to sell of biological assets, is $4.743 (2016: $8.696), and is included in the profit and loss in operating income.

At the end of the reporting period, and the comparative period, there are no restrictions on the ownership of the Group's biological assets, nor significant contractual commitments for its development or acquisition, and have not been pledged as collateral for debt compliance.

NOTE 12.
Other assets

Other assets are comprised of the following:

	2017	2016
Current taxes (Note 20.2)	184.192	208.803
Prepaid expenses (1)	29.436	29.009
Financial derivative instruments (Note 21.6)	7.847	9.020
TOTAL OTHER CURRENT ASSETS	**221.475**	**246.832**
Non-current taxes (Note 20.2)	47.343	970
Prepaid expenses (1)	6.638	5.915

Other financial instruments measured at fair value (2)	46.371	40.109
Other non-current assets	-	1.667
TOTAL OTHER NON-CURRENT ASSETS	**100.352**	**48.661**
Total other assets	**321.827**	**295.493**

Table 29

(1) The expenses paid in advance, correspond mainly to insurance in the amount of $15.621 (2016: $12.397), leases for $1.158 (2016: $1.068) and contractors for $333 (2016: $4.223

(2) 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

Grupo Nutresa has been developing some construction projects of the distribution centers, under the "build to suit" modality, for warehousing of finished product, for the secondary distribution, in different cities of Colombia. This initiative is framed under the strategy of sustainable development in construction, and also, it guarantees the welfare of conditions for Human Resources, as well as the product. Under this approach, Grupo Nutresa realizes the design and construction of the properties, which, once completed, are sold to a real estate fund, to be then taken into operating leases, by Grupo Nutresa, thus achieving a significant release of working capital..

As of December 31, 2016, the balance amounted to $100,330, which included machinery and equipment, in the amount of $631, land acquired, in the amount of $15,586, and construction in progress, in the amount of $84,113, which is primarily for investments in 5 real estate projects associated with these distribution centers. During 2017, the sale of these properties was realized, in the amount of $148,419, and additional investments were realized, in the amount of $41,614. The balance of these assets, as of December 31, 2017, is expected to be sold during the year 2018.

NOTE 14.
Investments in associates and joint ventures

Investments in associates and joint ventures as of December 31st included:

			Book Value		2017		2016	
	Country	% participation	2017	2016	Share of Profit and Loss for the Period	Share of Other Comprehensive Income	Share of Profit and Loss for the Period	Share of Other Comprehensive Income
ASSOCIATES								
Bimbo de Colombia S.A.	Colombia	40	139.867	132.627	6.745	495	5.406	(1.084)
Dan Kaffe Sdn. Bhd	Malasia	44	26.987	22.733	174	4.080	1.158	(2.311)
Estrella Andina S.A.S.	Colombia	30	9.574	6.025	(943)	(8)	(459)	-
JOINT VENTURES								
Oriental Coffee Alliance Sdn. Bhd	Malasia	50	3.372	3.125	52	195	(2)	(19)
Other investments			651		(34)	-		
Total associates and joint ventures			**180.451**	**164.510**	**5.994**	**4.762**	**6.103**	**(3.414)**

Table 30

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 coffee shops.

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.

The movements of investments in associates and joint ventures, are as follows

	2017	2016
Opening balance at January 1st	**164.510**	**109.021**
Increase of contributions (*)	5.185	52.800
Participation in profit and loss for the period	5.994	6.103
Participation in other comprehensive income	4.762	(3.414)
Balance at December 31st	**180.451**	**164.510**

Table 31

(*) Increase in contributions in associates and joint ventures

- On May of 2017, an increase in the capital of de Estrella Andina S.A.S., was realized, in which Grupo Nutresa invested $4.500, without generating changes in the percentage of participation. In addition, other investments were realized, in the amount of $686..
- In January 2017, a payment was realized, in the amount of $16,217 (2016: $36,583), corresponding to the payable balance of the capitalization, realized in 2016, to Bimbo de Colombia S.A. In March 2016, the General Shareholders' Meeting of Bimbo de Colombia S.A. authorized an extension of capital in the amount of $132,000, in order to develop the investment projects planned for this year; Grupo Nutresa realized an investment of $52,800, without generating changes in its percentage of participation. Grupo Nutresa considers that the future flows derived from this investment will be sufficient to cover the book value of the investment.

During the period covered by these Financial Statements, no dividends were received from these investments.

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

	2017					2016				
	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.	635.443	285.776	349.667	16.278	395	511.912	218.613	293.299	13.516	(876)
Dan Kaffe Sdn. Bhd	82.498	20.233	62.265	378	1.859	70.726	16.054	54.672	2.533	(1.185)
Estrella Andina S.A.S.	35.391	3.307	32.084	(2.802)	-	22.880	2.964	19.916	(1.531)	-
Joint Ventures										
Oriental Coffee Alliance Sdn. Bhd	3.797	386	3.411	107	42	4.079	1.063	3.016	(5)	-

Table 32

None of the associates and joint ventures, help by the Group are listed on a stock market, and consequently, there are no quoted market prices for the investment.

NOTA 15.
Other Non-Current Financial Assets

Grupo Nutresa classifies 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 said instruments, and are recognized, by Nutresa, on the date that the right to receive future payments is 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 is as follow:

Book Value	Number of Shares Held	Participation as % in Total Ordinary Shares	2017	2016
Grupo de Inversiones Suramericana S.A.	59.387.803	12,66	2.393.328	2.268.614
Grupo Argos S.A.	79.804.628	12,36	1.666.321	1.538.633
Other companies (*)			74.314	77.959
			4.133.963	**3.885.206**

Table 33

	2017		2016	
	Dividend Income	Profit on Fair Value Measurement	Dividend Income	Profit on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	28.981	124.714	27.081	148.470
Grupo Argos S. A.	24.740	127.688	22.904	245.798
Other companies	665	-	560	755
	54.386	**252.402**	**50.545**	**395.023**

Table 34

The value of the dividend per share decreed for 2017, by this issuance was $310 (pesos) and $488 (pesos), per year, per share, corresponding to Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A., respectively. Grupo Argos S.A. will pay quarterly dividends, in the amount of $77,5 (pesos). The dividends, declared by Grupo de Inversiones Suramericana S.A., were received in totality, in April 2017, as 805.638 preference shares, which were sold between April and May of 2017. The dividends received generate an impact in the cash flows, in the amount of $61.928 (2016: $49.661).

For 2016, the annual value, per share, was $287 (pesos), ($71,75 pesos per quarter), for Grupo Argos S.A., and $456 (pesos) ($ 114 pesos per quarter) for Grupo de Inversiones Suramericana S.A.

Dividend income recognized in March 2017 and 2016, for portfolio investments, corresponds to the total annual dividend declared by the issuers, and no similar income for the remainder of the year is expected

At December 31, 2017, accounts receivable from dividends of financial instruments are in the amount of $6.185 (2016: $12.496), see note 9.

At December 31, 2017, there were pledges for 30.775.000 (2016: 36.875.000) 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.

See Note 37 for information on the fair value measurement of these investments.

(*) These investments correspond mainly to the investments that Grupo Nutresa has in Venezuela, in Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A. See Note 3.1.1.

NOTE 16.
Property, plant and equipment, neT

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

	Land	Buildings	Machinery and Production Equipment	Transportation Equipment	Computer Equipment	Office Equipment	Leasehold Improvements	Assets in Progress	lantations in development	Total
Cost	781.644	891.388	2.260.229	23.464	33.963	51.888	116.709	143.713	7.433	4.310.431
Depreciation and/ or impairment	(311)	(140.005)	(680.856)	(14.040)	(18.765)	(30.941)	(34.567)	-	-	(919.485)
Balance at January 1, 2017	**781.333**	**751.383**	**1.579.373**	**9.424**	**15.198**	**20.947**	**82.142**	**143.713**	**7.433**	**3.390.946**
Acquisitions	1.551	4.626	14.107	4.013	4.008	2.150	29.696	183.873	-	244.024
Disposals	-	-	(3.375)	(4.149)	39	(155)	(13)	4	-	(7.649)
Depreciation	-	(33.902)	(181.536)	(2.882)	(5.464)	(6.344)	(21.404)	-	-	(251.532)
Impairment	-	-	(158)	-	(2)	-	-	-	-	(160)
Transfers	(251)	5.609	161.980	1.509	759	8.185	2.024	(190.629)	-	(10.814)
Currency translation impact	7.296	7.473	11.555	110	491	648	33	1.554	-	29.160
Capitalization and consumption	-	-	-	-	-	-	-	-	1.696	1.696

Cost	790.239	911.066	2.442.413	23.645	39.833	61.512	142.000	138.515	9.129	4.558.352
Depreciation and/or impairment	(310)	(175.877)	(860.467)	(15.620)	(24.804)	(36.081)	(49.522)	-	-	(1.162.681)
Balance at December 31, 2017	**789.929**	**735.189**	**1.581.946**	**8.025**	**15.029**	**25.431**	**92.478**	**138.515**	**9.129**	**3.395.671**
Cost	778.971	910.913	2.059.609	22.433	30.186	47.113	102.462	180.986	5.699	4.138.372
Depreciation and/or impairment	(327)	(103.136)	(560.123)	(12.614)	(17.110)	(29.256)	(26.385)	-	-	(748.951)
Balance at January 1, 2016	**778.644**	**807.777**	**1.499.486**	**9.819**	**13.076**	**17.857**	**76.077**	**180.986**	**5.699**	**3.389.421**
Acquisitions	-	872	11.950	2.092	6.243	4.754	19.971	283.676	-	329.558
Disposals	(96)	(4.335)	(7.299)	(653)	(35)	(19)	(117)	(3.194)	-	(15.748)
Depreciation	-	(33.195)	(157.513)	(2.913)	(4.273)	(4.683)	(12.459)	-	-	(215.036)
Impairment	-	-	(173)	(5)	(4)	-	-	-	-	(182)
Transfers	10.537	17.444	275.066	1.664	812	4.038	(878)	(307.161)	-	1.522
Classification to financial instruments (Venezuela)	(526)	(18.509)	(12.381)	(34)	(73)	(59)	-	(6.778)	-	(38.360)
Adjustments in hyperinflationary economies	262	10.274	8.319	6	(32)	85	-	3.527	-	22.441
Currency translation impact	(7.488)	(28.945)	(38.082)	(552)	(516)	(1.026)	(452)	(7.343)	-	(84.404)
Capitalization and consumption	-	-	-	-	-	-	-	-	1.734	1.734
Cost	781.644	891.388	2.260.229	23.464	33.963	51.888	116.709	143.713	7.433	4.310.431
Depreciation and/or impairment	(311)	(140.005)	(680.856)	(14.040)	(18.765)	(30.941)	(34.567)	-	-	(919.485)
Balance at December 31, 2016	**781.333**	**751.383**	**1.579.373**	**9.424**	**15.198**	**20.947**	**82.142**	**143.713**	**7.433**	**3.390.946**

Table 35

(*) Our own cocoa plantations are experimental and aim to promote the development of cocoa crops through agro-forestry systems (cocoa - timber), with the Country's farmers.

Currently, there is a sowed area with 170 hectares of a project that will reach approximately 200 cultivated hectares by 2022. The plant achieves its maximum production at approximately 7 years, with two crops per year, and an expected useful life of 25 years. The Group's Management established that the project has not reached its optimum level of operation and fine-tuning, with which, in December 2017, the Company applied the amendment to IAS 41 Agriculture and IAS 16 Property, plant and equipment, which gives the production plants the treatment of property, plant and equipment; as part of this change in accounting policies, $9,129 was transferred to Property, Plant and Equipment, corresponding to the historical costs of the plantations, at the time of reclassification. See Note 3.4 for information of changes in accounting policies.

As of December 31, 2017 and 2016, there was collateral of property, plant and equipment, of $178.910, to cover financial obligations or credit quotas.

The main acquisitions during 2017, correspond to the opening of stores for the Food to Consumer business, whose disbursements are associated with the premises improvements realized at the points of sale, the purchase of dispensing machines, the opening of new pasta production lines, and the replacement of assets in business. In 2016, this was part of the purchase of the cattle slaughtering plant in the meat business and new production lines for pasta and biscuits.

Grupo Nutresa, at the end of each year, evaluates the useful lives of its properties, plant and equipment. During the year, it was determined that there are no significant changes in the estimate of useful lives.

NOTE 17.
Investment properties

The movement of investment properties is detailed, during 2017 and 2016, as follows:

	Land	Buildings	Total
Cost	68.336	4.040	72.376
Depreciation and impairment	-	(534)	(534)
Balance at January 1, 2017	**68.336**	**3.506**	**71.842**
Depreciation		(184)	(184)
Transfers	647		647
Impact of differences of currency translation		1	1
Cost	68.983	4.041	73.024
Depreciation and impairment	-	(718)	(718)
Balance at December 31, 2017	**68.983**	**3.323**	**72.306**
Cost	68.336	14.777	83.113
Depreciation and impairment	-	(720)	(720)
Balance at January 1, 2016	**68.336**	**14.057**	**82.393**
Depreciation	-	(184)	(184)
Transfers	-	(2.641)	(2.641)
Impact of differences of currency translation	-	(7.726)	(7.726)
Cost	68.336	4.040	72.376
Depreciation and impairment	-	(534)	(534)
Balance at December 31, 2016	**68.336**	**3.506**	**71.842**

Table 36

At December 31, 2017 and 2016, there were no materials commitments for acquisition or construction of the investment properties.

Income included in the Income Statement, derived from income from investment properties, amounted to $1.162 (2016: $1.158).

NOTE 18.
Goodwill

The movement of book values of goodwill, assigned to each one of the segments of the Group, is as follows:

2017

Reportable Segment	CGU	Balance at January 1 2017	Exchange Differences	Balance at December 31,
Retail Foods	Grupo El Corral	534.811	-	534.811
	Grupo Pops	170.494	-	170.494
	Helados Bon	51.530	-	51.530
Coffee	Industrias Aliadas S. A. S.	4.313	-	4.313
Cold Cuts	Setas Colombianas S. A.	906	-	906
Chocolate	Nutresa de México	180.071	2.231	182.302
Biscuits	Abimar Foods Inc.	96.546	-	96.546
	Galletas Pozuelo	34.099	(827)	33.272
TMLUC	Grupo TMLUC	961.684	82.368	1.044.052
		2.034.454	**83.772**	**2.118.226**

2016

Segmento reportable	CGU	Balance at January 1 2017	Exchange Differences	Balance at December 31,
Retail Foods	Grupo El Corral	534.811	-	534.811
	Grupo Pops	170.494	-	170.494
	Helados Bon	51.530	-	51.530
Coffee	Industrias Aliadas S. A. S.	4.313	-	4.313
Cold Cuts	Setas Colombianas S. A.	906	-	906

Chocolate	Nutresa de México	182.642	(2.571)	180.071
Biscuits	Abimar Foods Inc.	96.546	-	96.546
	Galletas Pozuelo	36.995	(2.896)	34.099
TMLUC	Grupo TMLUC	955.166	6.518	961.684
		2.033.403	**1.051**	**2.034.454**

Table 37

18.1 EVALUATION OF THE IMPAIRMENT OF THE VALUE OF GOODWILL

Goodwill is not subject to amortization. The Group annually reviews the existence of impairment, by comparing the book value of the net assets, assigned to the Cash Generating Unit (CGU), to its recoverable value. During the current and prior period, no impairment losses were recognized from goodwill. For each CGU or group of CGUs subject to evaluation, the recoverable value is greater than its book value.

The recoverable amount for CGUs, associated to all segments, was estimated based on fair value less disposal cost (FVLCS), applying the discounted cash flow methodology, minus the disposal cost. To apply this methodology, we use the weighted average cost of capital (WACC), as the discounted rate, which weights the cost of the shareholders with the cost of the debt. The estimation of the variables, for both for the cost of capital and the debt, is based on market information available at the valuation date. All flows have been discounted, according to the specific rate, for the relevant region, and incorporating the determining variables of each CGU, in the WACC estimate. The average discount rate used, is in a range established, between 7.3% and 11.1% (2016 - between 8% and 14%).

Cash flows have been projected for a period of 10 years, which includes 5 years of explicit plans and 5 additional years, where a stabilization period is projected, with a decreasing convergence equivalent to the expected nominal economic performance and long-term growth in perpetuity, giving more consistency to the normal evolution of business and its projections. These flows have been established based upon the Group's experience and using the best estimates by the Administration and adjusting them, based on historical results. These projections include those projects that are currently authorized.

The operating income included in the future flows corresponds to the revenues of the businesses that make up the CGU or Group of CGUs, and the projected comportment takes into account, the expected evolution of the market and the growth strategies approved by the Management, for the years in the period of projection, and determined at the moment of defining the evolution of the gross margin, which includes a study of cost factors based on the projected efficiencies of the Administration.

Grupo Nutresa uses a specific growth rate that is lower than the average long-term growth rate for the industry and is within a range between 0% and 1.5%, depending on the economic development of the country in which the CGU is located, and is indexed to the corresponding inflation.

Grupo Nutresa considers that there are no foreseeable situations that could impact the key assumptions used in the impairment assessment, in such a way that the book value of a CGU exceeds its recoverable value.

NOTE 19.
Other intangible assets

	Brands	Software and Licenses	Concessions and Franchises (*)	Others	Total
Cost	1.145.839	35.660	54.877	7.131	1.243.507
Depreciation and impairment	(58.147)	(20.631)	(755)	(303)	(79.836)
Balance at January 1, 2017	**1.087.692**	**15.029**	**54.122**	**6.828**	**1.163.671**
Acquisitions	-	3.448	422	5.399	9.269
Amortization	(3.974)	(3.972)	(9.561)	(456)	(17.963)
Transfers	227	150	(20)	1.359	1.716
Impact of currency translation	24.399	223	(9)	44	24.657
Cost	1.170.638	40.847	54.951	13.931	1.280.367
Depreciation and impairment	(62.294)	(25.969)	(9.997)	(757)	(99.017)
Balance at December 31, 2017	**1.108.344**	**14.878**	**44.954**	**13.174**	**1.181.350**
Cost	1.160.527	41.242	54.351	3.627	1.259.747
Depreciation and impairment	(54.714)	(24.465)	(564)	(47)	(79.790)
Balance at January 1, 2016	**1.105.813**	**16.777**	**53.787**	**3.580**	**1.179.957**
Acquisitions	-	4.448	607	3.053	8.108

Amortization	(4.125)	(5.679)	(192)	(256)	(10.252)
Transfers	-	(510)	-	458	(52)
Impact of currency translation	(13.996)	(7)	(80)	(7)	(14.090)
Cost	1.145.839	35.660	54.877	7.131	1.243.507
Depreciation and impairment	(58.147)	(20.631)	(755)	(303)	(79.836)
Balance at December 31, 2016	**1.087.692**	**15.029**	**54.122**	**6.828**	**1.163.671**

Table 38

(*) The increase presented in the amortizations for the concessions and franchises, corresponds to the evaluation at the end of each year, of the remaining useful lives.

19.1 BRANDS

This corresponds to the brands acquired through business combinations or transactions with third parties.

The following table shows the allocation of brands to each business segment and the classification by useful life at December 31st of 2017 and 2016:

2017

Reportable Segment	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Foods	-	267.865	267.865
Cold Cuts	901	-	901
Chocolate	-	17.341	17.341
Biscuits	-	178.846	178.846
Ice Cream	284.035	-	284.035
TMLUC	-	359.356	359.356
Total	**284.936**	**823.408**	**1.108.344**

2016

Reportable Segment	Finite Useful Life Brands	Indefinite Useful Life Brands	Total
Retail Foods	-	268.327	268.327
Cold Cuts	1.031	-	1.031
Chocolate	-	16.840	16.840
Biscuits	-	183.293	183.293
Ice Cream	287.196	-	287.196
TMLUC	-	331.005	331.005
Total	**288.227**	**799.465**	**1.087.692**

Table 39

The brands with finite useful lives have useful life residuals of 90 years.

Brands with a net book value of $823.408 (2016: $799.465) 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.

19.1.1 IMPAIRMENT OF THE VALUE OF BRANDS WITH INDEFINITE USEFUL LIVES

The brands that have indefinite useful lives are subject, annually, to an assessment of impairment, using the projection of future cash flows, to determine its fair value; in this assessment, such variables, as: the discounted rate, the increased rate of long-term, among other variables, similar to those used in the impairment assessment of goodwill (See Note 16.1), are taken into account. During 2017 and 2016, no losses from impairment of brands were not recognized.

In relation to intangible assets with finite useful lives, Grupo Nutresa considers that there are no situations that can impact the projections of expected results, in the remainder of the useful life, and in whose opinion, to December 31st of 2017 and 2016, there exists no indications of impairment of intangible assets with a finite useful life.

NOTE 20.
Income taxes and payable taxes

20.1 APPLICABLE NORMS

The effective and applicable tax norms, state that nominal rates of income tax for Grupo Nutresa, are as follows:

Income tax %	2016	2017	2018	2019	2020
Colombia (*)	40,0	40,0	37,0	33,0	33,0
Chile	24,0	25,5	27,0	27,0	27,0
Costa Rica	30,0	30,0	30,0	30,0	30,0
Ecuador	22,0	22,0	22,0	22,0	22,0
El Salvador	30,0	30,0	30,0	30,0	30,0
United States	34,0	34,0	21,0	21,0	21,0
Guatemala	25,0	25,0	25,0	25,0	25,0
Mexico	30,0	30,0	30,0	30,0	30,0
Nicaragua	30,0	30,0	30,0	30,0	30,0
Panama	25,0	25,0	25,0	25,0	25,0
Peru	28,0	29,5	29,5	29,5	29,5
Dominican Republic	27,0	27,0	27,0	27,0	27,0

Table 40

(*) The Grupo Nutresa companies, that have signed tax stability contracts, as of January 2017, generate taxes to the stabilized rate of 33%, and not 40%, (34% tax, plus a surcharge of 6%), as established by the Law 1819 of 2016.

a) Colombia:

Until taxable year 2016, tax revenues were taxed at the rate of 25% as income tax, in addition, to income tax for equity "CREE", a rate of 9% was applicable, with a surcharge of 6%. The Structural Tax Reform - Law 1819 of December 29, 2016 – aside of repealing the income tax for equity - CREE, as of January 1, 2017, modified the income tax rate, as well, as follows:

	Before the Reform	Within the Reform	Nominal Variation
2017	Income tax: 25% CREE: 9% CREE surtax: 8% (RL*>800 Million) Total: 42%	Income tax: 34% Income surtax: 6% (RL*>800 Million) Total: 40%	Reduction of 2%
2018	Income tax: 25% CREE: 9% CREE surtax: 9% (RL*>800 Million) Total: 43%	Income tax: 33% Income surtax: 4% (RL*>800 Million) Total: 37%	Reduction of 6%
2019 Forward	Income tax: 25% CREE: 9% Total: 34%	Income tax: 33% Total: 33%	Reduction of 1%

Table 41

*TB: Tax Base

Additionally, the tax reform introduced limitations on tax deductions and discounts, as well as additional tax charges, such as the obligation to pay tax on unearned income, obtained by foreign companies that are controlled by companies domiciled in Colombia. On the other hand, even when the tax regulation begins to be based on the IFRS accounting technical framework, it maintains strict exclusions in the standard that implies the recognition of income or deductions in periods other than accounting periods and differences in recognition and measurement systems.

The restrictions on deductions correspond mainly to the non-deductibility of the unrealized exchange difference, limitation on the deduction for benefits to employees, the requirement of payment, the accrual of the industry and commerce tax for its deduction, and the ceilings on the rates of annual depreciation and establishment of terms of time for the recognition of the customer loyalty plan. On the other hand, donations made to entities belonging to the special tax regime will not be deductible but will allow the discount in the tax equivalent to 25% of the value donated.

The tax deductions applied in the Income Statement may not exceed 25% of the income tax charged to the taxpayer, in the respective taxable year, with the possibility of applying the excess in the taxable period following the one in which the donation was realized, if the discount is related to donations to companies pertinent to the special tax regime.

The finality of the tax returns, changed from 2 to 3 years. However, for companies' subject to the transfer pricing regulation, the finality will be 6 years and the declarations that originate or offset fiscal losses will be finalized in 12 years.
The tax losses, which did not an expiration for compensation with the tax base, in future tax returns, were effective through the Law 1819 of 2016, with a limit for their compensation of 12 years.
Other changes, introduced by the tax reform, were the increase in the general rate of VAT from 16% to 19%, modification of the rental rate for legal entities that are users of the free zone, from 15% to 20%, and the change on the assumption that the taxpayer's net income is not less than 3.5% of the net assets of the immediately preceding period, when it was only 3%.

b) Chile

In Chile, the law implemented separate "capital income" and "earned income" systems. The first are taxed with tax class act, which mainly impacts businesses. This tax has a fixed rate of 24%, 25,5% and 27% for the years 2016, 2017 and 2018 and following, respectively, on the tax base, which is calculated effecting aggregates or decreases mandated by law. The tax paid in this way, is imputable against the Global Complementary, which taxes the entire income of natural persons residing in the country; or additional, levies on income generated in Chile, to natural and legal persons, residing outside the country, according to, the case.

c) Costa Rica

Income tax is calculated based on the actual income for the year, with advances during the estimated year. The provisions for taxes on income accounts includes, in addition, taxable income tax for the year, the tax effect applicable to temporary differences between accounting and tax items, used for calculation of income tax. The value of tax such differences are recorded in an account of deferred income tax. The rate of income tax is 30%.

d) Ecuador

According to the Law of Tax Regime, companies incorporated in Ecuador, have tax incentives applications for investments that run in any part of the country, which is the progressive reduction of percentage points in the tax rent, and they're subject to the tax rate of 22%.

e) United States

The U.S. tax reform, effective as of January 1, 2018, established a new corporate rate of 21% to replace the 34% that was being applied; in addition to the special tax on profits maintained abroad of 15%, if they are kept in cash, and 8% if they are invested in assets. Likewise, international tax planning measures are created, that seek to combat the erosion of the tax base and establish the exemption for dividends from foreign subsidiaries. At the end of 2017, the company recognized the deferred tax at the corporate rate of 21%, as it is the rate applicable in the taxable year 2018 and those following.

Tax rules applicable from the year 2018

differences that arise between the new regulatory technical frameworks and the Colombian Tax Statute. For this, the Decree 1998 of November 30, 2017 and Resolution 73 of December 29 of 2017 that regulate the fiscal conciliation referred to in Law 1819 of 2016 and that should be implemented in the year 2018 to inform the taxable year 2017, as an integral part of the Income Statement of the same taxable year, were issued.

Additionally, in consideration of Article 108 of Law 1819 of 2016 and Action 13 of the BEPS OECD/G20 project, Resolution 71 of December 29, 2017 is issued, which establishes the procedure for the presentation of the Country by Country Report, that is part of the standardized approach in three levels of the documentation on transfer prices and that will contain information relative to the global allocation of income and taxes, paid by the multinational group, and the indicators related to the economic activity, at a global level, corresponding to the 2016 taxable year, as a term of presentation in February of the year 2018.

20.2 TAX ASSETS

Tax assets are presented in the Statement of Financial Position, under "other current assets" and "other non-current assets". The balance includes:

	2017	2016
Income tax and complementaries (1)	146.579	123.903
Income tax for equity "CREE "(2)	9.452	16.805
Equity tax (3)	-	49.486
Sales tax	25.360	15.801
Other taxes	2.801	2.808
Total current tax assets (Note 12)	**184.192**	**208.803**
Claims in process (3)	47.343	970
Total non-current tax assets (Note 12)	**47.343**	**970**
Total tax assets	**231.535**	**209.773**

Table 42

(1) Income tax assets and complementary, include auto-withholdings of $10.487 (2016: $8.648), credit balances of $93.599 (2016: $94.883), tax advances of $37.201 (2016: $20.162), tax rebates for $1.602 (2016: $56), and withholding income tax $3.690 (2016: $154).
(2) Assets from income tax for equity " CREE" include credit balances of $9.452 (2016: $14.910) and auto-withholdings of $0 (2016: $1.895).
(3) Grupo Nutresa has six (6) companies that signed legal stability contracts in 2009 with the Colombian government; one of the stabilized taxes was the property tax, which, due to the tax authority's disposition, had to be declared and paid. However, there is a legal right to request a refund for the payment of the un-owed, in the amount of $49,486. Protected by Article 594-2 of the Tax Statute, which indicates that the tax obligations presented by those not obliged to declare, do not produce legal effects, in Judgment 05001-23-31-000-2012-00612-01 [21012] and Judgment 18636 of August 30, 2016. The claims for the payment of the not owed are advanced, remaining pending to be resolved the value of $46,435, value classified as non-current assets as it is expected to be resolved in a term superior to twelve months following the date of this report. On December 31, 2017, after the rejection of the first 2 installments of the equity tax, a decision was made to go to judicial proceedings, before the Administrative Litigation, in an effort to seek a resolution rights claimed. Similar actions will be taken for the rejections that are expected from the DIAN, that argues the statute of limitations of the claim over the first two installments. For the property tax installments from the third to the eighth, having obtained the admission of some refund requests, admission for all the applications corresponding to said quotas, is expected to obtain.
As a result of these claims, income of $11,521, recognized in the Statement of Comprehensive Income, as "other income", and $37,965 in the Statement of Changes in Equity was recognized in 2016. During 2017, Grupo Nutresa has recognized claims in the amount of $6,364, including $3,313 for recognition of interests recorded in the Statement of Comprehensive Income, in the "other income".

20.3 INCOME TAXES AND PAYABLE TAXES

The current taxes payable balances include:

	2017	2016
Income tax and complementary	63.412	39.336
Income tax for equity - CREE	-	8.478
Sales tax payable	95.321	79.453
Withholding taxes, payable	31.081	28.556
Other taxes	17.962	7.539
Total	**207.776**	**163.362**

Table 43

The Group applies the laws with professional judgment to determine and recognize the provision for current tax and deferred income, on its Consolidated Financial Statements. The final tax determination depends on the new regulatory requirements, the existence of sufficient taxable profit for the use of fiscal benefits, as the treatment of untaxed income, and special deductions, according to the current regulations and applicable, and the analysis of favorability probability of expert opinions. The Group recognizes liabilities, for anticipated tax audits, observed based on estimates, if applicable pay additional taxes. When the final tax outcome of these situations is different, from the amounts that were initially recorded, differences are charged to tax on current and deferred income assets and liabilities in the period in which this fact is determined.

20.4 INCOME TAX EXPENSES

Current income tax expenses are as follows:

	2017	2016
Income tax	140.020	127.915
Income tax surcharges	4.936	-
Income tax for equity - CREE	-	27.819
CREE surcharge	-	17.132
Total	**144.956**	**172.866**
Deferred taxes	(47.179)	(29.533)
Total tax expenses	**97.777**	**143.333**

Table 44

(*) The increase in income from deferred taxes is mainly due to the impact of the tax reform in the United States, approved in December 2017, which modifies the taxable rate from 34% to 21%, generating a lower tax payable in the future of $12,897. Other line items that make up the deferred tax are the recognition of unrealized exchange differences, tax credits, and differences in accounting and tax depreciation bases, which will constitute a future tax benefit.

The tax reform in Colombia, incorporated with Law 1819 of 2016, established restrictions that increase the tax expense for Grupo Nutresa, such as the non-deductibility of the unrealized exchange differences and the limitation of deductions for employee services and discounts tributaries. Additionally, the expense is affected by the taxation of unearned income, obtained from controlled foreign companies (ECE), mainly from leases and royalties from companies whose operations are in Chile. This bylaw is pending regulation by the government, especially against the possibility of applying for these cases, covenants to avoid double taxation.

However, with the application of current legal stability contracts, the impact of the tax reform was equalized, and significant savings were achieved, by applying stabilized standards, such as the rental rate and special deduction of real productive fixed assets.

The elimination of the CREE, equity tax, also had a positive impact on current income tax expenses.

20.5 DEFERRED INCOME TAX

The breakdown of the deferred tax assets and liabilities are as follows:

	2017	2016
Deferred tax assets		
Goodwill tax, TMLUC	161.838	169.179
Employee benefits	56.491	56.713
Accounts payable	8.407	5.231
Tax losses	130.085	95.981
Tax credits	8.571	5.341
Debtors	14.375	14.044
Other assets	35.305	10.505
Total deferred tax assets (1)	**415.072**	**356.994**
Deferred tax liabilities		
Property, plant and equipment	356.742	343.415
Intangibles (2)	294.047	244.174
Investments	8.496	6.421
Inventories	1.480	531
Other liabilities	42.202	111.159
Total income tax liabilities	**702.967**	**705.700**
Net deferred tax liabilities	**287.895**	**348.706**

Table 45

(1) The deferred tax asset is recognized and supported, on the basis that the Group has generating positive taxable income, and it is projected to generate future income sufficient to compensate tax credits and tax losses, from previous periods, prior to maturity, and obtain future tax benefits, for goodwill tax in Chile, employee benefits, as well as, items recognized in the deferred tax assets. Projections of annual taxable income and actual data, are reviewed to determine the impact and adjustments, on asset values, and their recoverability in future periods.

(2) The deferred tax liability for intangibles corresponds mainly to the difference in the accounting and tax depreciation of the brands, and to the deferred tax, recognized in the Consolidated Financial Statement, in relationship to the goodwill from business combinations realized before 2013.

Temporary differences related to investments in subsidiaries, for which deferred tax liabilities have not been recognized, are $7,644,813 (2017) and $6,597,239 (2016), whose deferred tax liability would be $2,522,788 (2017) and $2,204,150 (2016).

The movement of deferred tax during the period was as follows:

	2017	2016
Opening balance, net liabilities	**348.706**	**372.231**
Deferred tax expenses, recognized in income for the period	(47.179)	(29.533)
Income tax relating to components, of other comprehensive income	1.631	(5.295)
Impact of variation in rates of foreign exchange	(15.916)	11.303
Other impacts	653	-
Final balance, net liabilities	**287.895**	**348.706**

Table 46

The income tax relating to components of other comprehensive income, is determined by new measurements of benefit plans to employees of $4 (2016: ($5.419)), the participation in associates and joint ventures, accounted for by using the Equity Method, in the amount of $(1.550) (2016: ($176)) , and the financial assets, measured at fair value, in the amount of $(85) (2016: $(300)).

20.6 EFFECTIVE TAX RATES

La tasa de impuesto teórica es calculada utilizando el promedio The theoretical tax rate is calculated using the weighted average of the tax rates, established in the tax regulations of each of the countries where the Grupo Nutresa companies operate. In 2017, the theoretical rate shows a decrease of 3.91%, thanks to the participation in the profit of Grupo Nutresa in the companies that have stabilized the rental rate, taxed at 33% and not at 40% as indicated by the tax reform.

The recognition of deferred tax with a rate inferior to the current income tax rate, according to the future rate of income established in current Colombian regulations, impacts the effective rate for temporary differences, in the determination of the tax.

The effective tax rate is 12.61 percentage points below the theoretical rate, explained mainly by:

(1) Permanent differences, such as income from non-taxed portfolio dividends and the application of standards stabilized in Colombia, such as the special deduction in real productive fixed assets, whose impact on the effective rate is (5.24%).

(2) Change in the income tax approved in the tax reform of the United States, in December 2017, which was reduced by 13 percentage points. This necessarily requires that the temporary differences are reversed in the future and recognized at 34%, were adjusted to the new 21% rate, having an impact of (2.46%) on the effective rate.

(3) The decreases in the effective rate, described above, are offset by the application of the ECE regulations, which involves paying taxes on the unearned income of companies controlled abroad, representing an increase to the effective rate of 1.73%.

The following is the reconciliation of the applicable tax rate and the effective tax rate:

	2017		2016	
	Value	**%**	**Value**	**%**
Accounting profit	**523.187**		**544.868**	
Applicable tax rate expenses	163.758	31,30	191.845	35,21
Untaxed portfolio dividends	(19.755)	-3,78	(19.493)	-3,58
Special deductions for real productive fixed assets	(7.674)	-1,47	(11.864)	-2,18
Amortizations	(7.690)	-1,47	(12.757)	-2,34
Current tax from entities controlled abroad	9.044	1,73	-	-
Change in deferred taxes (USA-Colombia)	(33.863)	-6,47	-	-
Other tax impact	(6.043)	-1,16	(4.398)	-0,81
Total tax expenses (Note 20.4)	**97.777**	**18,69**	**143.333**	**26,31**

Table 47

20.7 PRESUMPTIVE INCOME TAX EXCESS AND LOSSES

At December 31, 2017, the tax losses of the Company's subsidiaries amounted to $480.467 (2016: $393.592). As of the expedition of Law 1819 of 2016, the compensation of tax losses in Colombia is limited to 12 taxable periods, following the year that they were generated. Tax losses are recognized in deferred tax assets, corresponding to Chile, they do not expire.

The excess presumptive tax on ordinary income of the Company's subsidiaries, outstanding amount of $26.160 (2016: $16.087). According to current tax regulations, excesses of presumptive tax on ordinary income, can be offset with ordinary liquid income tax within the five following years, fiscally readjusted. Excess presumptive income tax, recognized in deferred tax assets, correspond to Mexico, and do not expire.

Expiration date	Tax Loss	Excess presumptive income taxa
2020	-	2.729
2021	-	7.207
2022	-	12.305
2029	2.851	-
No expiration date	477.616	3.919
	480.467	**26.160**

Table 48

20.8 TAX ON WEALTH

In accordance with that established in Article 6 of Law 1739 of 2014, which adds Article 297-2 of the tax statute, the causation of wealth tax is realized on January 1st of the years 2015, 2016, and 2017, and may be charged to equity reserves, without affecting net income, in accordance with Article 10 of the same law. For 2017, such were recognized in reserves at disposal to the highest social organ in the amount of $8.712 of (2016 - $21.992).

According to the aforementioned norm, tax on wealth, for the year 2016, was settled at a marginal rate, between 0,15% and 1%; for 2017, the rate ranges from 0,05% to 0,40%.

20.9 INFORMATION ON CURRENT LEGAL PROCEEDINGS

In August 2016, Chilean companies from the Tresmontes Lucchetti Business, subsidiaries of Grupo Nutresa, received resolution of the Internal Revenue Service (SII) of Chile; in which said entity has objected to the tax on income, presented on the results of the fiscal year 2014, of those companies. The object of discussion in this resolution, is the tax benefit, according to the Law, and corresponds to corporate reorganizations realized, and that generate tax refunds requested. For the former, the Management of these companies in Chile presented, on August 24, 2016, the tax claim to the Tax and Customs Courts of Santiago de Chile, in accordance with the provisions of the Law. The Company is continuing with ongoing legal processes, and there is no evidence of changes in the evaluation realized by the Company.

At December 31, 2017, Industria de Alimentos Zenú S.A.S. and Alimentos Cárnicos S.A.S., subsidiaries of Grupo Nutresa, are in the process of discussions with the Directorate of National Tax and Customs, for the unrecognized deduction for amortization of goodwill, generated in the acquisition of shares, of income of the taxable year 2011. The process in the Administrative Chamber has already been exhausted, therefore, the respective lawsuits were brought before the contentious administrative courts of Antioquia and del Valle, respectively. The requests for monies in favor of the tax returns for the taxable year 2011, of these two companies, on the occasion of this discussion, were considered undue, by the Dian, which generated a process for Industria de Alimentos Zenú S.A.S., in discussion in the administrative chamber, as well as for, Alimentos Cárnicos S.A.S., in judicial proceedings.

Grupo Nutresa S.A. files a lawsuit for the lack of knowledge of deductions and compensation for tax losses in tax returns for the taxable years 2008 and 2009. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the lawsuit against the resolutions, that decided the rejection, necessary.

Meals Mercadeo de Alimentos de Colombia S.A.S., is in dispute, in the Administrative Chamber, over the special deduction for productive real fixed assets on the Income Statement for the 2013 taxable year, which is covered by the legal stability contract signed with the State. Additionally, a lawsuit is filed before the Contentious Administrative Jurisdiction, for the refusal of the refund of the payment of the un-owed, of the property tax, paid by the companies with legal stability contracts, signed with the Colombian State.

NOTE 21. Financial obligations

21.1 FINANCIAL LIABILITIES AT AMORTIZED COST

Financial obligations held by Grupo Nutresa are classified as measured, by using the amortized cost method, and are based on the Group's Business Model. Book values, at the end of the reporting period, are as follows:

	2017	2016
Loans	2.636.499	2.731.152
Bonds	381.453	379.094
Leases (Note 26)	13.258	14.872
Total	**3.031.210**	**3.125.118**
Current	557.133	847.689
Non-current	2.474.077	2.277.429

Table 49

The financial obligations, mainly loans, taken out by Colombian companies in dollars, incorporates adjustments that increase the amortized cost, in the amount of $4.638 (December 2016: $0), as a result of the measurement at fair value of hedging exchange rates, as described in Note 21.6, henceforth.

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 Sols, with a maturity date of 10 years (2018), at a fixed interest 8,84% E.A., payable in arrears, every six months, and amortized at maturity. In 2017, interest expenses were incurred from interest, in the amount of $9.373 (2016: $9.282). The balance of this obligation in pesos at December 2017, including interest incurred is $108.983 (2016: $ 105.923), which is expected to be canceled in full during 2018.

- 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 issuance was realized in the amount of $500.000, maturing in four coupons at 5, 7, 10, and 12 years, with interest payable quarterly, in arrears, and amortized to maturity of each coupon. In 2017, interest expenses were incurred in the amount of $27.120 (2016: $44.889). The emission has a balance at December 2017, including accrued interest in the amount of $272.466 (2016: $273.171), and has the following characteristics::

Maturity	Interest Rate	2017	2016
2019	IPC + 5,33%	136.870	137.224
2021	IPC + 5,75%	135.596	135.947
Total		**272.466**	**273.171**

Table 50

21.3 MATURITY

Period	2017	2016
1 year (including payable interest)	557.133	847.689
2 to 5 years	2.174.804	1.908.160
More than 5 years	299.273	369.269
Total	**3.031.210**	**3.125.118**

Table 51

21.4 BALANCE BY CURRENCY

	2017		2016	
Currency	**Original Currency**	**COP**	**Original Currency**	**COP**
COP	2.650.164	2.650.164	2.633.967	2.633.967
CLP	55.494.273.054	269.370	76.243.034.981	341.738
USD	901.126	2.689	14.493.425	43.490
PEN	118.520.000	108.987	118.605.495	105.923
Total		**3.031.210**		**3.125.118**

Table 52

Currency balances are presented after currency hedging.

To evaluate the sensitivity of financial obligation balances, in relationship to variations in exchange rates, all of the obligations, as of December 31, 2017, that are in currencies other than the Colombian peso and that do not have cash flow hedges, are taken. A 10% increase in exchange rates, in reference to the dollar (COP/USD), would generate an increase of $10.899, in the final balance.

21.5 INTEREST RATES

Changes in interest rates may impact 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), that are used to determine the applicable rates on bonds and loans.

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

Rate	2017	2016
IBR indexed debt	997.913	1.257.520
DTF indexed debt	931.646	809.037
CPI indexed debt	513.684	510.213
TAB (Chile) indexed debt	260.048	283.413
LIBOR indexed debt	-	39.853
Total debt at variable interest rate	**2.703.291**	**2.900.036**
Debt at a fixed interest rate	327.919	225.082

Total debt	**3.031.210**	**3.125.118**
Average rate	**7,24%**	**9,5%**

Table 53

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 annual interest expense of the Group would increase by $30.084.

Following is information on the main reference rates, at the end of 2017 and 2016:

Close Rate	2017	2016
IBR (3 Months)	4,51%	6,92%
DTF (90 Days)	5,21%	6,86%
CPI	4,09%	5,75%
TAB (90 Days)	3,04%	4,09%
LIBOR (3 Months)	1,69%	1,00%

Table 54

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 financial obligation, designated as a hedged item. At December 31, 2017, hedged debt amounted to USD 62.909.845 (2016: USD 0).

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 Group does not use derivative financial instruments for speculative purposes.

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

	2017		2016	
	Asset	**Liability**	**Asset**	**Liability**
Hedges				
Fair value of exchange rates on financial obligations	-	(4.638)	-	-
Total designated derivatives	**-**	**(4.638)**	**-**	**-**
Non-designated derivatives				
Forwards and options on currencies	3.103	(3.080)	8.457	(7.678)
Forwards and options on interest rate	-	(1.150)	-	-
Forwards and options on commodities	4.744	(663)	563	(2.013)
Total non-designated derivatives	**7.847**	**(4.893)**	**9.020**	**(9.691)**
Net value of financial derivatives		**(1.684)**		**(671)**

Table 55

The valuation of non-designated derivative financial instruments, generated a loss in the Income Statement in the amount of $1.194 (2016: $16.870), registered as part of the exchange difference of financial assets and liabilities.

All non-designated derivatives are measured at fair value, on a monthly basis, according to the Black Scholes Model. These items are classified in Level 2 of the hierarchy of fair value, established in IFRS 13 (See Note 37).

NOTE 22.
Trade and other payables

The balances of trade and other payables, are detailed as follows:

	2017	2016
Suppliers	535.404	471.127
Cost and expenses payable	353.354	317.650
Dividends payable (See note 27.3)	68.409	64.203

Payroll deductions and contributions	36.232	36.018
Total	**993.399**	**888.998**
Current	993.241	888.840
Non-current	158	158

Table 56

Trade and other payables, normally have to be paid on an average in the following 37 days (2016: 34), and do not accrue interest:

NOTE 23.
Employee benefits

The balance of liabilities due to employee benefits is as follows:

	2017	2016
Short-term benefits	96.134	86.056
Post-Employment benefits	167.643	168.640
Defined contribution plans	34.293	31.955
Defined benefit plans (Note 23.2)	133.350	136.685
Other long-term benefits (Note 23.3)	135.527	123.640
Total liabilities for employee benefits	**399.304**	**378.336**
Current portion	172.730	161.592
Non-current portion	226.574	216.744

Table 57

23.1 APPLICABLE REGULATIONS

Colombia:

Defined Contributions:
Severance: assistance equivalent to one month's salary for each year of service and proportionally per fraction of the year. The severance of all workers who entered into employment contracts after the effective date of Law 50 of 1990, and the former workers, who benefited this system, are deposited in a severance fund, and are accounted for as a defined contribution plan.

Contributions to pension funds: the pension system, grants the worker, the possibility of receiving a life annuity, at the end of the work cycle, so that fixed resources can be count on and which allow for economic stability in old age. The contribution to the pension fund is 16% of the employee's base contribution rate. This is divided into 12%, contributed by the employer, and 4% by the worker. Currently, Colombia has two modalities under which you can contribute for retirement: Individual Savings Solidarity System (RAIS) and Average Premium System (APS). The first is managed by private funds and the second by Colpensiones, a public entity.

Defined benefits:
Pensions: Grupo Nutresa have for the year 2017, with 246 beneficiaries (2016: 256) from the defined pension plan benefits, according to legal regulations (Former Model of Regime for defined pension payouts). The plan consists that it is legally established that the employee at retirement will receive a monthly amount from the pension, pension adjustments according to the legal norms, survivor' benefits, funeral assistance, and additional allowances, in June and December. These values depend on factors such as: employee's age, years of service, and salary. There are no current employees, who can access this benefit.

Retroactive Severance: According to Colombian labor laws, employees hired before the entry into force of Law 50 of 1990, are entitled to receive one month's salary, in effect for each year or services, and proportionally, a fraction of year or as aid of severance, for any reason the end of employment, including: retirement, disability, death, el al. The benefit is liquidated, at the time of retirement of an employee, based on the last salary earned. There may be distributions before the date of retirement, at the request of the worker, which are not compulsory distributable. Severance is retroactive settled for of 618 workers belonging to the labor force, before the Law 50 of 1990 (2016: 668 works).

Ecuador:
Employer retirement: In accordance with provisions of the Labor Code, employees, who for twenty-five years or more and have provided their services on a continuous or interrupted basis, shall be entitled retirement by their employers,

without prejudice to the corresponding retirement benefits, as members of the Ecuadorian Institute of Social Security - IESS. The calculation consists of the sum equivalent to 5% of the average annual remuneration received, for the last five years. This item is multiplied by the years of service, and the result is divided by the age coefficient, established in the Labor Code.

Termination bonus: is the written notice with which a worker informs the employer that his/her will is to terminate the employment contract. Payment of the benefit is mandatory, even in cases where the employment relationship ends by agreement between the parties, in accordance with Numeral 2 of Article 169 of the Labor Code. The employer will give the worker twenty-five percent of the equivalent to the last monthly remuneration, for each one of the years of service rendered.

Chile:

Compensation: corresponds to the obligation established in contracts or collective labor agreements for compensation for years of service of workers. Employees will be entitled to one month of remuneration for each year worked.

23.2 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

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

	Pensions		Retroactive severance		Other defined benefit plans		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
PRESENT VALUE OF OBLIGATIONS AT JANUARY 1ST	51.780	49.433	18.651	15.666	66.254	50.275	**136.685**	**115.374**
(+) Cost of services	119	2.088	611	531	6.550	3.196	7.280	5.815
(+) Interest expenses	1.497	3.073	1.774	1.336	6.465	4.189	9.736	8.598
(+/-) Actuarial losses and/or gains	1.381	4.102	1.174	5.652	99	7.636	2.654	17.390
(+/-) Other movements	(27.263)	(293)	6	-	27.459	2.463	202	2.170
(-) Payments	(2.596)	(6.308)	(6.211)	(4.534)	(17.090)	(600)	(25.897)	(11.442)
(+/-) Difference in exchange rate	(1)	(315)	-	-	2.691	(905)	2.690	(1.220)
Present value of obligations at December 31st	**24.917**	**51.780**	**16.005**	**18.651**	**92.428**	**66.254**	**133.350**	**136.685**

Table 58

Actuarial gains and losses are recognized in the Income Statement, under other comprehensive income.

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

Year of expiration	Future value
2018	19.740
2019	8.784
2020	5.963
2021	8.833
2022	7.851
Following years	303.570
Total	**354.741**

Table 59

The estimated time for termination of benefits is 42 years.

In accordance with the tax regulations applicable in Colombia, the pension liability is calculated using variables established by the regulator. The difference between the calculations of the pension liabilities, in accordance with the accounting and financial information standards accepted in Colombia, and the tax regulations is detailed below:

	IFRS Liability	Fiscal Liability
Calculated actuary pension liability	23.991	20.297
Discount rate	5,85%	4,80%
Salary adjustment rate	3,50%	5,74%

Table 60

During the period, actuarial gains and losses were recorded, previously recognized, in the "other comprehensive income", in the amount of $2,552, arising from the liquidation of other defined benefit plans; this amount was transferred to retained earnings, as indicated in IAS 19.

Post-employment benefits in defined contribution plans

With regard to defined contribution plans, the Group fulfills its legal obligation, making contributions of a predetermined nature to a public or private entity. In these plans, the Group has no legal or implicit obligation to make additional contributions, in the event that the fund does not have sufficient assets to cover the benefits related to the services that the employees have rendered, in the current period and in the previous ones.

The Group recorded expenses, from employer contributions to defined contribution plans for pensions during the period, in the amount of $75,086 (2016: $69,225); and expenses for contributions to severance from Law 50, during the period, in the amount of $40,757 (2016: $41,754).

23.3 OTHER LONG-TERM BENEFITS

The long-term benefits include mainly seniority premiums and variable remuneration systems.

The seniority premiums are paid to the employee for every five years of service. The liability is recognized, gradually, as the employee provides the services that will make it a creditor. Its measurement is realized annually, through the use of actuarial techniques. Current gains and losses, arising from experience and changes, in actuarial assumptions, are charged or credited to the result of the period in which they arise.

The Company does not have specific assets intended to support long-term benefits. The long-term benefit liability is determined separately for each plan, using the actuarial valuation method of the projected credit unit, using actuarial assumptions, as of the date of the reporting period. The current service costs, past service costs, interest costs, actuarial gains and losses, as well as any liquidation or reduction of the plan, are recognized immediately in results.

The following is the reconciliation of movements of other long-term employee benefits:

	Seniority Premium		Other Long-term Benefits		Total	
	2017	2016	2017	2016	2017	2016
PRESENT VALUE OF OBLIGATIONS AT JANUARY 1ST	63.075	62.865	60.565	36.370	**123.640**	**99.235**
(+) Cost of services	5.337	6.115	31.976	22.486	37.313	28.601
(+) Interest expense	5.505	5.235	2.889	2.588	8.394	7.823
(+/-) Actuarial gains or losses	10.879	(1.570)	2.882	(1.832)	13.761	(3.402)
(+/-) Others	-	(1.150)	(28)	38.415	(28)	37.265
(-) Payments	(9.417)	(8.387)	(38.761)	(37.083)	(48.178)	(45.470)
(+/-) Exchange rate differences	24	(33)	601	(379)	625	(412)
Present value of obligation at December 31th	**75.403**	**63.075**	**60.124**	**60.565**	**135.527**	**123.640**

Table 61

23.4 EXPENSES FOR EMPLOYEE BENEFITS

The amounts recognized as expenses for employee benefits were:

	2017	2016
Short-term benefits	1.327.321	1.270.140
Post-employment benefits	123.123	116.794
Defined contribution plans	115.843	110.979
Defined benefit plans	7.280	5.815
Other long-term employee benefits	35.634	25.199
Termination benefits	12.752	11.996
TOTAL	**1.498.830**	**1.424.129**

Table 62

23.5 ACTUARIAL ASSUMPTIONS

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

	2017	2016
Discount rates	2.5% - 11%	6.11% - 12%
Salary increase rates	1.5% - 5%	3% - 7%

Employee turn-over rates	1% - 12%	1% - 23%

Table 63

The discount rate is estimated with the assumptions of the performance of the sovereign debt bonds of the commitment country, denominated in percentages, according to the terms of the obligation. The rates of the real yield curve are obtained from the information published daily, by the market; this hypothesis is based on the fact that the Colombian market does not have sufficient liquidity and depth, in high quality corporate bonds.

The table used is the mortality rate, by sex. This table is issued by the Financial Superintendence, through Resolution 1555 of 2010 for Colombia. Ecuador uses the TM IESS 2002 and the Dominican Republic uses the GAM-83 table.

The salary increase rates were determined based on historical performance, the projections of the inflation, and consumer price indexes, in each of the countries that the Group operates.

The turnover rate of employees is estimated, based on market studies and historical data of each of the companies. For example, the table 2003 SOA Pension Plan Turnover Study is used in Colombia and Panama.

23.6 SENSITIVITY ANALYSIS

A quantitative analysis of sensitivity to a change in a significant key assumption, as of December 31, 2017, would generate the following impact on the obligation for defined benefits, as well as, long-term:

	Pensions	Retroactive Severance	Seniority Premiums	Retirement Bonus
Discount rate + 1%	(186)	(711)	(5.286)	(5.908)
Discount rate -1%	200	773	5.942	5.457
Salary increase rate + 1%	166	2.332	5.298	5.084
Salary increase rate -1%	(153)	(2.203)	(4.806)	(4.469)

Tabla 64

The methods and assumptions used to prepare sensitivity analyzes of the present value of the obligations did not change compared to the method of the Projected Credit Unit (PUC), used the previous year.

NOTE 24.
Provisions, contingent liabilities, and assets

	2017	2016
Legal contingencies	1.203	372
Return of goods	1.500	1.300
Onerous contracts	-	1.062
Bonuses and incentives	7.117	-
Total	**9.820**	**2.734**

Table 65

Legal contingencies: Provisions for legal proceedings are recognized to cover probable estimated losses against Grupo Nutresa for labor, civil, administrative, and regulatory disputes, which are calculated on the basis of the best estimate of the disbursement required, to cancel the obligation at the reporting date of preparation of the Financial Statements. Taking into account that 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 Statements, at December 31st of 2017 and 2016.

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 is generated, was canceled in December 2017, due to early delivery of mutual agreement with the tenant.

Bonuses and incentives: corresponds to the recognition plans for the management and innovation of employees and the sales force. Until December 31, 2016, the liabilities corresponding to these prizes and incentives were included in accounts payable.

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 2017 and 2016.

NOTE 25.
Other liabilities

	2017	2016
Derivative financial instruments (See Note 21.6)	4.893	9.691
Pre-payments and advances received (*)	9.329	35.104
Other	598	5.551
Total other liabilities	**14.820**	**50.346**
Current	14.261	49.746
Non-current	559	600

Table 66

(*) The balance in 2016 corresponds mainly to income received in advance for compensation lost profits and consequential damages, due to the loss presented in April of that same year, at the Alimentos Cárnicos plant in Bogotá (Fontibón), which were legalized in 2017.

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 $24.650 at December 31, 2017 (2016: $20.349). The financial liabilities for these leases amounted to $13.258 (2016: $14.840).

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

	2017
Up to 1 year	5.186
2 to 5 years	8.905
More than 5 years	10.098
Total of payments	**24.189**
Minus finance charges	(10.931)
Present value	**13.258**

Table 67

The Group maintains 55 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 1 and 13 years.

26.1.2 OPERATING LEASES

The group has entered into operating leases on land, building, transportation equipment, computer equipment and production equipment machinery, which have average terms of 7 years.

To December 31, 2017 operating lease expenses were $216.297 (2016: $196.591), 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:

	2017
Up to 1 year	196.176
2 to 5 years	756.162
More than 5 years	980.140
Total	**1.932.478**

Table 68

26.2 GRUPO NUTRESA AS LESSOR

Grupo Nutresa has properties under operating leases, (primarily buildings) with a book value of $9.055 (2016: 9.238), upon which income of $1.162 (2016 - $1.158), 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:

	2017
Up to 1 year	1.336
2 to 5 years	5.936
More than 5 years	8.221
Total	**15.493**

Table 69

NOTA 27.
Equity

27.1 SUBSCRIBED AND PAID SHARES

As of December 31st,, of 2017 and 2016, the balance of capital of the Parent Company was $2.301, representing a total of 460.123.458 shares, 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.

The shares of the company are listed on the Stock Exchange of Colombia to December 31, 2017, and its value was $27.820, per share ($24.900 at December 31, 2016).

At December 31, 2017, the common shares are held by 11.900 shareholders (2016: 13.167). The corporate structure, of the company, at December 31, 2017 and December 31, 2016, is as follows:

	2017		2016	
Group of Investors	Number of shares	% Participation	Number of shares	% Participation
Grupo de Inversiones Suramericana S.A.	161.398.558	35,1	162.883.420	35,4
Grupo Argos S.A.	45.243.781	9,8	45.243.781	9,8
Colombian Funds	77.887.378	16,9	75.561.157	16,4
International Funds	38.182.333	8,3	34.467.295	7,5
Other investors	137.411.408	29,9	141.967.805	30,9
Total outstanding shares	**460.123.458**	**100,0**	**460.123.458**	**100,0**

Table 70

27.2 RESERVES

Of the accounts that make up the equity, reserves at December 31st of 2016 and 2015, are as follows:

	2017	2016
Legal reserves	79.256	79.256
Hyperinflationary reserves (Note 29)	-	396.367
Non-distributable occasional reserves	1.558.597	1.558.597
Other reserves	1.766.641	1.621.060
Total Reserves	**3.404.494**	**3.655.280**
Retained earnings	(8.032)	-
Total	**3.396.462**	**3.655.280**

Table 71

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.

Hyperinflationary reserves: were reclassified other comprehensive income, in the amount of $396.367.

Occasional non-distributable reserves: corresponds to the voluntary reserve approved by the Shareholders in a meeting on March 18, 2016, about the retained earnings, generated in the process of First-time adoption of IFRS.

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

Retained earnings: corresponds mainly to the realization of OCI, for employee benefit plans, in the amount of $2.552, and financial instruments for the liquidation of the Livestock Fund of Antioquia, in the amount of $544, plus the deferred tax recognized in 2016, on goodwill in the Consolidated Income Statement, in the amount of $4.272, which was not part of the profits from the distribution of dividends.

27.3 DISTRIBUTION OF DIVIDENDS

The ordinary Shareholders of Grupo Nutresa S.A., at the meeting, held on March 29, 2017, declared ordinary share dividends of $44,5 per-share and per-month, equivalent to $534 annually per share (2016: $498 annually per share), over 460.123.458 outstanding shares, during the months from April 2017 to March 2018, inclusive, for a total of $245.706 (2016: $229.141). In addition, dividends were issued to non-controlling interest owners of Setas de Colombia S.A. and Helados Bon S.A. in the amount of $692 (2016: $441)..

This dividend was declared by taking net income in the amount of $242.945 (2016) and untaxed occasional reserves for $2.761.

During 2017, dividends were paid in the amount of $243,051 (2016: $224.805), which include dividends paid to non-controlling interest owners, in the amount of $692 (2016: $441).

At December 30, 2017, accounts payable pending, are in the amount of $68.409 (2016: $64.203).

27.4 NON-CONTROLLING INTEREST

Equity of non-controlling interest at December 31st of 2017 and 2016 is as follows:

Subsidiary	Country of Origin	% Non-controlling interest		2017		2016	
		2017	2016	Non-controlling Interest in Equity	Gains or (Losses) Attributable to Non-controlling Interest	Non-controlling Interest in Equity	Gains or (Losses) Attributable to Non-controlling Interest controladora
Novaceites S.A.	Chile	50,00	50,00	29.801	1.823	27.071	2.005
La Recetta Soluciones Gastronómicas Integradas S.A.S.	Colombia	30,00	30,00	543	45	495	-7
Setas Colombianas S.A.	Colombia	0,50	0,52	255	20	257	26
Helados Bon	República Dominicana	18,82	18,82	7.130	2.123	5.744	1.812
Fondo de Capital Privado "Cacao para el Futuro" – Compartimento A	Colombia	16,59	16,59	4.787	122	4.665	119
Schadel Ltda.	Colombia	0,12	0,12	9	-	9	2
Total				**42.525**	**4.133**	**38.241**	**3.957**

Table 72

During 2017, Setas de Colombia S.A. distributed dividends in the amount of $2.593 (2016: $1.725), of which $14 was paid to non-controlling interests (2016: $9). Helados Bon distributed dividends in the amount of $3.605 (2016: $2.297), of which $678, were paid to the non-controlling interest (2016: $432).

NOTA 28.
Other comprehensive income

Below is a breakdown of each of the components of accumulated other comprehensive results, in the Consolidated Financial Statements:

	Actuarial Results (28.1)	Financial Instruments (28.2)	Associates and Joint Ventur (28.3)	Reserves for Translations (28.4)	Total Accumulated Other Comprehensive Income	Non-controlling Interest	Total OCI Attributed to Controlling Interest
Balance at January 1, 2017	**(19.866)**	**3.632.476**	**3.467**	**136.016**	**3.752.093**	**(5.521)**	**3.746.572**
Losses/gains from new measurements	(2.654)	252.402	4.762		254.510		**254.510**
Impact from translation for the period				143.782	143.782		**143.782**
Associated deferred tax	4	(85)	(1.550)		(1.631)		**(1.631)**

Realization of other comprehensive income	2.552	544			3.096		3.096
Equity reclassifications		12.567		383.800	396.367		396.367
Participation of non-controlling in OCI for the period					-	(842)	(842)
Balance at December 31, 2017	**(19.964)**	**3.897.904**	**6.679**	**663.598**	**4.548.217**	**(6.363)**	**4.541.854**
Balance at January 1, 2016	**(7.895)**	**3.237.753**	**6.705**	**338.513**	**3.575.076**	**(5.598)**	**3.569.478**
Losses/gains from new measurements	(17.390)	395.023	(3.414)		374.219		374.219
Impact from translation for the period				(202.497)	(202.497)		(202.497)
Associated income tax	5.419	(300)	176		5.295		5.295
Participation of non-controlling in OCI for the period					-	77	77
Balance at December 31, 2016	**(19.866)**	**3.632.476**	**3.467**	**136.016**	**3.752.093**	**(5.521)**	**3.746.572**

Table 73

28.1 ACTUARIAL GAINS (LOSSES) ON THE 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 is transferred to retained earnings and not reclassified to the Income Statement.

See Note 23.1, for detailed information about the post-employment defined benefit plans, that result in these actuarial gains and losses.

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 amounts transferred to retained earnings when these investments are sold. Changes of fair value are not reclassified to the Income Statement

See Note 15 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.

See note 14, for detailed information on investments in associates and joint ventures.

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, Panama, and other Latin American countries that represent 37,31% to 36,18% of total consolidated assets in December 2017 and 2016, 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:

		2017	2016
Chile	CLP	142.974	9.985
Costa Rica	CRC	(16.715)	(47.519)
United States	USD	607	(6.213)
Mexico	MXN	7.250	(48.148)
Peru	PEN	9.877	(11.019)
Venezuela	VEF	-	(95.066)
Panamá	PAB	79	(1.742)

Others	(290)	(2.775)
Impact of exchange translation for the period	**143.782**	**(202.497)**
Equity reclassifications	383.800	-
Reserves for exchange translation at the opening balance	136.016	338.513
Reserves for exchange translation at the closing balance	**663.598**	**136.016**

Table 74

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.

See Note 3.3.2 for information on the main exchange rates used in the translation of the Financial Statements of foreign companies

NOTE 29.
Hyperinflationary economies

Venezuela is considered a hyperinflationary country since 2009, by Grupo Nutresa. From that year until September 30, 2016, the date on which the investments held in that country were classified as financial instruments, as indicated in Note 3.1.1, the Financial Statements of the companies Industrias Alimenticias Hermo of Venezuela S.A. and Cordialsa Noel de Venezuela S.A., were restated in terms of the current unit of measurement, at the closing date of the period.

As mentioned in Note 3.1.1, the Financial Statements of these companies were included in the Consolidated Financial Statements of Grupo Nutresa, until September 30, 2016, date in which they were classified as financial instruments. The loss on the net monetary position for the period January-September 2016, included in the Income Statement for the period, was $32,946. The inflation rate used to calculate this loss was 234.6%, for the January-September 2016 period.

Hyperinflationary reserves were reclassified to other comprehensive income, in the amount of $396,367.

NOTE 30.
Expenditure by nature

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

	2017	2016
Inventory consumption	3.487.573	3.656.981
Employee benefits (Note 23.4)	1.498.830	1.424.129
Other services	694.323	680.388
Other expenses	458.008	466.716
Transport services	311.528	302.263
Depreciation and amortization (*)	268.000	228.092
Leases	216.297	196.591
Seasonal services	211.346	193.367
Manufacturing services	193.452	178.551
Energy and gas	140.653	134.538
Advertising material	135.380	120.825
Maintenance	110.851	108.698
Fees	98.802	94.873
Taxes other than income tax	74.415	70.590
Insurance	33.318	32.800
Impairment of assets	13.667	10.289
Total	**7.946.443**	**7.899.691**

Table 75

(1) Other services include: marketing, cleaning and surveillance, shelving and displays, food, public services, commercial plan of action, software, and storage.

(2) The other expenses include: spare parts, travel expenses, containers and packaging, fuels and lubricants, contributions and affiliations, commissions, taxis and buses, supplies and buildings, stationery and office supplies, cleaning and laboratory supplies, and legal expenses.

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

	2017	2016
Cost of sales	155.052	139.786
Sales expenses	95.354	70.919
Administration expenses	15.037	15.019
Production expenses	2.557	2.368
Total	**268.000**	**228.092**

Table 76

NOTE 31.
Other income (expenses), net

31.1 OTHER OPERATING INCOME (EXPENSES), NET

The following is a breakdown of other operating income (expenses):

	2017	2016
Indemnities and recuperations (1)	18.500	28.207
Disposal and removal of property, plant and equipment and intangibles	11.439	3.988
Government grants (2)	5.314	5.547
Other income and expenses	1.254	(3.097)
Fines, penalties, litigation, and legal processes	(3.570)	(854)
Donations	(7.828)	(11.642)
Total	**25.109**	**22.149**

Table 77

1) Corresponds primarily to compensation for loss of profits and consequential damages associated, with an accident that occurred on April 22, 2016, in a production plant in Bogotá. During 2017, income of $11,937 were recorded for this concept; no additional income is expected in the future associated with this claim.

(2) Government grants correspond to income, recorded in Abimar Foods Inc., and received from the Development Corporation of Abilene – DCOA, an organization that provides financial assistance to private companies to facilitate the maintenance and expansion of employment, or to attract more investment that contribute to Abilene's economic development. This grant has been essential in the initiation of operations of the new production line of crackers. In 2017, a cash subsidy, of USD $1.800.000 (COP $5.314), was received; and, in 2016, a cash subsidy of USD500.000 (COP $1.499) and USD $1.300.000 (COP $4.048) was received, as a forgiveness, of the remaining balance of the loan, made by this corporation.

31.2 OTHER NON-OPERATING INCOME (EXPENSES), NET

In 2017, the other income of $3,290, includes the interest recognized by the DIAN, as part of the claims for payments not arising from the equity tax, in companies that have legal stability contracts. In 2016, this includes $11,521, for the recognition of the payment of what is not owed, in relation to the property tax mentioned above. Note 20.2 includes detailed information on these claims. In addition, in 2016 includes $16,971 for assessment of the fair value of real estate owned by Cordialsa Noel Venezuela, at the time of classification of the investment, as a financial instrument.

NOTE 32.
Exchange rate variation impact

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

	2017	2016
Realized	1.909	1.763
Unrealized	(1.654)	14.110
Operating exchange differences	**255**	**15.873**
Non-operating exchange differences	(21.401)	(8.642)
Total income (expenses) from exchange differences	**(21.146)**	**7.231**

Table 78

The difference in operating exchange mainly includes the loss for exchange differences in customer accounts receivable, in the amount of $1,550 (2016- $3,346), and profits for difference in accounts payable to suppliers, in the amount of $2,216 (2016- $18,874). In 2016, income of $12,788 is included for the exchange differences, in the suppliers of the companies, located in Venezuela.

Note 21.6 discloses information related to hedging transactions that have an impact on profits/losses, due to exchange differences.

NOTE 33.
Financial income and expenses

33.1 FINANCIAL INCOME

The balance at December 31st, included:

	2017	2016
Interest	10.082	8.972
Valuation of other financial instruments (*)	1.759	1.415
Others	2.100	595
Total	**13.941**	**10.982**

Table 79

(*) Income from the assessment of other financial instruments corresponds to the valuation of the rights held by the private equity "Cacao para el Futuro". See Note 37 for information on the methodology and variables used in the valuation.

33.2 FINANCIAL EXPENSES

The financial expenses recognized in the Income Statement at December 31st of 2017 and 2016, are as follows:

	2017	2016
Loans interest	203.010	220.988
Bonds interest	36.493	54.171
Interest from financial leases	318	653
Total interest expenses	**239.821**	**275.812**
Employee benefits	33.570	16.419
Other financial expenses	34.157	32.406
Total financial expenses	**307.548**	**324.637**

Table 80

The decrease, in interest expensed, reflects the decrease in reference rates during the year, thus decreasing the average cost of the debt and allowing the attainment of loans, with lower associated rates. See Note 21.5.

NOTE 34.
Discontinued operations

2017: The management of Abimar Foods Inc., made the decision to close the Marietta Plant after analyzing the operation's progress and future perspectives. The closing was realized within the first four months of the year, involving expenses, mainly due to the dismissal of personnel.

2016: During the year, the close of two distribution centers, was realized, in the ice cream business and the closure of the bread company, in the food to the consumer business; where significant efforts to comply with the proposed plans, were realized, and initiatives were launched to make them competitive and achieve the goals; but the expected results were not met, and the levels of market share were not reached, to ensure the sustainability of the operation.

The following, is a breakdown of the principal income and expenses, incurred in this project:

	2017	2016
Income	10	188
Costs	69	(31)
Expenses	(1.147)	(1.990)
Operational losses	**(1.068)**	**(1.833)**
Financial expenses	(2)	(11)
Net loss	**(1.070)**	**(1.844)**

Table 81

NOTA 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:

	2017	2016
income attributable to holders of ordinary equity of the Parent	**420.207**	**395.734**
Outstanding shares	**460.123.458**	**460.123.458**
Earnings per share attributable to controlling interest	**913,25**	**860,06**

Table 82

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

In accordance with the current corporate regulations in Colombia, applicable to the Parent Company of Grupo Nutresa, the distribution and payment of dividends to the Shareholders of the Parent Company is not realized on Consolidated Financial Statements, but on the Separate Financial Statements of Grupo Nutresa S.A. The following represents the net income and earnings per share of Grupo Nutresa S.A., presented in its Financial Statements for the annual period ended December 31, 2017 and 2016.

	2017	2016
Net profit	430.279	399.098
Earnings per share	935,14	867,37

Table 83

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.

	2017		2016	
Currency	**USD**	**COP**	**USD**	**COP**
Current assets	420.158.276	1.253.752	381.985.875	1.146.229
Non-current assets	1.038.607.414	3.099.205	988.140.705	2.965.124
Total assets	**1.458.765.690**	**4.352.957**	**1.370.126.580**	**4.111.353**
Current liabilities	(282.710.818)	(843.609)	(207.606.196)	(622.966)
Non-current liabilities	(143.257.916)	(427.482)	(135.117.723)	(405.449)
Total liabilities	**(425.968.734)**	**(1.271.091)**	**(342.723.919)**	**(1.028.415)**
Net assets	**1.032.796.956**	**3.081.866**	**1.027.402.661**	**3.082.938**

Table 84

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, 2017, 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 (COP/USD), generates an increase of $10.899 over the book value.

36.2 INTEREST 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 21.5.

To provide an idea of the sensitivity of financial expenditure to interest rates, an assumption of a variation of +100bp, has been made in the reference market interest rates, while maintaining the rest of the variables constant; in this scenario, the financial expense of the Group, and in turn, net income, would change by $30,084, by the end of 2017, other components of net equity would not have been impacted.

36.3 RISK OF SUPPLY PRICES

The Company is exposed to the price risk of the goods and services that it acquires for the development of its operations, for which it negotiates purchase contracts, to ensure a continued supply and in some cases, at fixed prices. It also uses derivative financial instruments on commodities to cover this risk.

Among the main raw materials, which are at risk of fluctuation in prices, is coffee, which accounts for 10.7% of the total production cost, wheat which is 7.3%, beef and pork which are 11.1%, and cocoa which is 4.8%.

The Company has equity instruments (shares), in the amount of $4,059,649 (2016: $3,807,247), that are exposed to the risk of fluctuations in prices, and which are classified in the Statement of Financial Position, as financial assets at fair value, through the other comprehensive income.

36.4 COUNTERPARTY CREDIT RISK

Liquid assets are invested mainly in savings accounts, collective portfolios, and short-term fixed-income instruments, which comply with the Company's risk policy, both by amount and by issuer. Additionally, the Company evaluates the counterparty credit risk to the financial entities with which it has a relationship. As of December 31, 2017, the Group holds $435,643 (2016: $219,322) in cash and investments classified as cash equivalents, in entities of the financial sector with AAA risk rating. None of these investments present a delay in the payment of cash flows, nor have they been subject to impairment.

With regard to the credit risk in sales to third parties, the Company carries out procedures for the evaluation of customers, which include the allocation of credit quotas and the credit assessment of the third party, among others. Note 9 discloses information on impairment losses and portfolio maturity.

36.5 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

The Administration supervises the Company's liquidity projections, based on the expected cash flows. The Group's liquidity management contemplates, among others: i) the projections of the cash flows and assessment of the level of liquid assets necessary to comply with these projections; ii) the monitoring of the composition of working capital in the balance sheet; and iii) the maintenance of debt financing plans.

The following table presents the summary of free cash flow:

	2017
EBITDA	**1.044.179**
+ (–) items that do not generate cash movement	(14.656)
Investment in working capital	82.070
CAPEX (*)	(239.992)
Discontinued operations	(916)
Cash tax coverage	(150.378)
Operating cash flows	**720.307**

Table 85

(*) Investments in CAPEX are presented as net and include: purchases of property, plant and equipment, amounts from the sale of productive assets, and the acquisition of intangibles and other productive assets.

NOTA 37.
Fair value measurement

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

2017				
Type of asset	Hierarchy of Fair Value Measurement			Fair value of assets
	Level 1	Level 2	Level 3	
Assets/Liabilities measured at fair value	4.059.649	117.436	74.314	4.251.399
*** Recurrent**	**4.059.649**	**117.436**	**-**	**4.177.085**
Investments in quoted shares (Note 15)	4.059.649	-	-	4.059.649
Other financial assets (Note 12)	-	46.371	-	46.371
Financial derivatives, nets (Note 21.6)	-	(1.684)	-	(1.684)
Biological assets (Note 11)	-	72.749	-	72.749
***Non- recurrent**	**-**	**-**	**74.314**	**74.314**
Investments in non-quoted shares (Note 20)	-	-	74.314	74.314
Total	4.059.649	117.436	74.314	4.251.399
2016				
Assets/Liabilities measured at fair value	3.807.247	106.906	77.959	3.992.112
*** Recurrent**	**3.807.247**	**106.906**	**-**	**3.914.153**
Investments in quoted shares (Note 15)	3.807.247	-	-	3.807.247
Other financial assets (Note 12)	-	40.109	-	40.109
Financial derivatives, nets (Note 21.6)	-	(671)	-	(671)
Biological assets (Note 11)	-	67.468	-	67.468
***Non- recurrent**	**-**	**-**	**77.959**	**77.959**
Investments in non-quoted shares (Note 20)	-	-	77.959	77.959
Total	3.807.247	204.970	77.959	4.090.176

Table 86

Investments in listed shares. 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 realized monthly and generated income of $252,402 (2016 - 394,268), recognized in the other comprehensive income.

The following is the value per share, used in the valuation of investments listed on the Colombian Stock Exchange:

Price per share (in Colombian pesos)	2017	2016
Grupo de Inversiones Suramericana S.A.	40.300	38.200
Grupo Argos S.A.	20.880	19.280

Table 87

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.

Other financial instruments. 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 $6,5/ton (2016: $6,4/ton), an average productivity of 1.800 – 1.900 tons per hectare, cost of the debt of 9,98% (2016: 8,64%), and an expected redemption term of 18 years.

The Fund uses an expected forecast model of project flows at 35 years, which corresponds to the expected useful life of a cocoa crop. This Projection Model takes into account all the variables that will affect the expected flows of cocoa crops. Among those are:

- Productivity and market prices of cocoa, plantains, other temporary and timber crops
- Costs of establishment, maintenance, collection and commercialization of cocoa, banana and timber
- Costs associated with technical assistance, land use, commissions, and other expenses admissible to the Fund, in accordance with this regulation
- Working capital necessary for the operation.

The result of the valuation generated financial income of $1,759 (2016 - $1,402).

Financial derivatives. All financial derivatives are measured at fair value, on a monthly basis, according to the Black Scholes Model. These items are classified in Level 2, of the fair value hierarchy.

The primary variables, using the valuation methodology, are the following:

- Spot exchange rate
- Future exchange rate agreed upon
- Expiration date
- Risk-free rate in COP and USD
- Volatilities of the exchange rate

The valuation of non-designated derivative financial instruments generated a loss in the Income Statement of $1,194 (2016 - loss of $16,870), recorded as part of the exchange difference of non-financial assets and liabilities.

Biological assets. 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. At December 31, 2017, the price per average kilo of the pig livestock used in the valuation is $5,700 (2016: $6,009); for cattle a price per average kilo of $3,879 (2016- $4,034) was used.

The gain for the period, due to changes in fair value, less the cost of sale of biological assets in 2017, was $4,743 (2016: $8,696), and is included in the Income Statement, as operating income.

Investments in unquoted shares. These investments correspond primarily to the investments that Grupo Nutresa has in Venezuela, in Industrias Alimenticias Hermo de Venezuela S.A. and Cordialsa Noel Venezuela S.A. See Note 3.1.1.

NOTE 38.
Disclosure of related parties

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

2017

Company	Receivables Balance (*) (Note 9)	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.	3.758	6.057	6.307	44.739				
Dan Kaffe (Malaysia) Sdn. Bhd	820	48	46	869				
Oriental Coffee Alliance (OCA)	-	10	144	-				
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	8.617	13.225	69.536	26.557	28.981	84.949	-	-
Other related parties								
Grupo Bancolombia	752	972.145	60.416	2.888	-	-	79	76.023
Grupo Argos	6.252	1	-	1.005	24.739	23.753	-	-
Alpina Productos Alimenticios	106	14.548	18.859	825	-	-	-	-
Fundación Nutresa	1.992	-	2.881	-	-	-	-	-
Corporación Vidarium	1.898	-	1.292	-	-	-	-	-
Members, Board of Directors	-	136	880	-	-	-	-	-

2016

Company	Receivables Balance (*) (Note 9)	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.	1.461	17.633	56.428	40.113	-	-	-	-
Dan Kaffe (Malaysia) Sdn. Bhd	30	3	(39)	2.332	-	-	-	-
Oriental Coffee Alliance (OCA)	-	20	256	-	-	-	-	-
Entities with significant influence over the entity								
Grupo de Inversiones Suramericana S.A.	21.482	9.320	67.477	29.246	27.081	79.182	-	-

Other related parties								
Grupo Bancolombia	669	911.031	55.122	2.539	-	-	42	77.677
Grupo Argos	5.800	-	54	1.138	22.904	19.864	-	-
Fundación Nutresa	-	-	5.388	-	-	-	-	-
Corporación Vidarium	569	-	2.784	-	-	-	-	-
Members, Board of Directors	-	130	805	-	-	-	-	-

Table 88

(*) Includes accounts receivable from related parties of $18,010 (2016: $17,515) and accounts receivable for dividends from financial instruments, in the amount of $6,185 (2016: $12,496).

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 $103.929 (2016: $130.212) for 154 (2016: 172) key personnel were realized.

NOTA 39.
Events after the reporting period

On January 26, 2018, the Gaceta Oficial de la Republica Bolivariana de Venezuela enacted the Exchange Agreement Number 39 of the Central Bank of Venezuela, where changes are made to the floating complementary market exchange rate system (DICOM) and its system of auctions. This change is estimated to generate changes in the fair value of the non-controlled financial instruments held by Grupo Nutresa, in Venezuela. The first auction realized under this new mechanism, on February 5, 2018, set a price of Bs25,000 per U.S. dollar, for sale. Therefore, based on the accounting policies adopted by Grupo Nutresa, the impact generated, by this devaluation, will be recorded in accordance with the provisions of IFRS 9, in other comprehensive income. It is estimated that if the trend in the aforementioned exchange rate continues, the impact on the Statement of Financial Position, in its component of other comprehensive income, may be approximately $40,000, which would be recognized in the Interim Financial Statements, at March 31, 2018.

These Consolidated Financial Statements were authorized for issuance by the Board of Grupo Nutresa, on February 22, 2017 and will be subject to approval by March 20, 2018 at the Shareholders' Meeting.

Notes for the Separate financial statements

For the period between January 1st and December 31st 2017 and 2016
(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., (hereinafter referred to as: Grupo Nutresa, the Company, or Nutresa, indistinctly) 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.

The Company is the Parent of Grupo Nutresa, constitutes an integrated and diversified food industry group that operates mainly in Colombia and Latin America.

NOTE 2. Basis of preparation

The Separated Financial Statements of Grupo Nutresa, for the period from January 1st to December 31, 2017, have been prepared in accordance with the Accounting and Financial Information Standards accepted in Colombia, based on the International Financial Reporting Standards (IFRS), together with its interpretations, conceptual framework, the foundation for conclusions, and the application guidelines authorized and issued by the International Accounting Standards Board (IASB) until 2015, and other legal provisions defined by the Financial Superintendence of Colombia.

The Separate Financial Statements are prepared in accordance with IAS 27, Grupo Nutresa S.A., as the Parent Company, presents the Separate Financial Statements are available on our website: www.gruponutresa.com.

2.1 BASIS OF MEASUREMENT

The Separate 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 book value of recognized assets and liabilities, that have been designated as hedged items, in fair value hedges, and which would otherwise be accounted for at amortized cost, are adjusted to record changes in the fair value, attributable to those risks, that are covered under "Effective hedges".

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

The 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 basic 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 S.A. 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 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

Grupo Nutresa applies the following significant accounting policies, in preparing its Separate Financial Statements:

3.1 INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity controlled by one of the companies that make up Grupo Nutresa S.A. Control exists when any of the Group companies has the power to direct the relevant activities of the subsidiary, which are generally: the operating activities and the financing to obtain benefits from its activities, and is exposed, or has rights, to those variable yields.

Investments in subsidiaries are measured in the Separate Financial Statements of Grupo Nutresa S.A., using *the Equity Method* according to the established regulations in Colombia, under which the investment is initially recorded at cost, and is adjusted with the changes in participation of Grupo Nutresa, over the net assets of the subsidiary after the date of acquisition, minus any impairment loss of the investment. The losses of the subsidiary, that exceed Grupo Nutresa's participation in the investment, are recognized as provisions, only when it is probable that there will be an outflow of economic benefits and there is a legal or implicit obligation.

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 S.A. 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.

Investments in associates or joint ventures are measured in the Separate Financial Statements, using *the Equity Method*, under which the investment is initially recorded at cost and is adjusted with changes of the participation of Grupo Nutresa S.A., over the net assets of the associate or joint venture, after the date of acquisition, minus 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 S.A. The portion that corresponding to Grupo Nutresa of profit and loss, obtained from the measurement of at fair value at the date of acquisition is incorporated into the Financial Statements, and gains and losses from transactions between Grupo Nutresa S.A. 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 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 comprehensive income. Cash dividends received, from the associate or joint ventures, are recognized by reducing the book value of the investment.

Grupo Nutresa S.A. analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment.

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 book value 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 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 body 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 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 the tax impact are recognized in other comprehensive income, until disposal of the net investment, at which time, are recognized in profit and loss.

3.4 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 readily 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.

3.5 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 (minus) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

At initial recognition, Grupo Nutresa S.A. 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 value of outstanding capital. 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 S.A. irrevocably chooses to present gains or losses on the fair value measurement in "other comprehensive income". Upon disposal of investments at fair value, through "other comprehensive income", the accumulated value of the OCI is transferred directly to retained earnings, and is not reclassified to profit and loss, in that period. Cash dividends, received from these investments, are recognized in the profit and loss of that period.

The fair values of quoted investments are based on the valid quoted 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 assessed 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 impacted.

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 book value of the asset, and the present value of estimated future cash flows, discounted at the original effective rate of the financial asset. The book value of the asset is reduced, and the amount of the loss is recognized in profit and loss, for the period.

(iv) *Derecognition*

A financial asset, or a part of it, is derecognized 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 settled, 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 book value is recognized in the profit and loss, for the period.

(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.

(vi) *Off-setting financial instruments*

Financial assets and financial liabilities are offset, so that the net value is reported on the 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.

3.6 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 the countries where Grupo Nutresa operates.

a) Income tax

(i) *Current*

Current assets and liabilities, generated from income tax, for the period, are measured by the values expected to be recovered or paid to the taxation authorities. Expenses for income tax are recognized under current tax, in accordance with the tax clearance, between taxable income and accounting profit and loss, impacted by the rate of income tax in the current year, in accordance with the effective tax rules in Colombia. Taxes rates and tax norms, or laws used to compute these values, are those that are approved at the end of the reporting period, over which it is reported. The current assets and liabilities, for income tax, are also 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.

(ii) *Deferred*

Deferred income tax is recognized using the Liability Method, and is calculated on temporary differences between the taxable bases of assets and liabilities, in 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, it impacted 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 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 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. Deferred tax liabilities, related to goodwill, are recognized only to the extent that it is probable that the temporary differences will be reversed in the future.

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 profit will be available for use, in part or in totality, or a part of the asset, from said tax. Unrecognized deferred tax assets are reassessed at each reporting date, and are recognized to the extent that it is probable that future taxable profit income is likely to allow for their recovery.

Assets and liabilities from deferred 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 income tax rates and norms, that were approved at the date of filing, or whose approval will be nearing completion, by that date.

Deferred tax is recognized in profit and loss, except when relating to items not recognized in profit and loss, in which case will be presented in "other comprehensive income" or directly in equity.

b) Income tax for equity - CREE

The income tax for equity – CREE, applicable to Colombian Companies, is the tax with which taxpayers, legal entities, and assimilated filers of income taxes, contribute to employee benefits, creation of employment, and social investment. The applicable rate was 9% with a surcharge of 5% and 6% for the years 2015 and 2016, respectively.

With the issuance of Law 1819 of December 29, 2016, the income tax for equity – CREE, and the temporary surtax for 2017 and 2018 is waived; and the new income tax rates are determined.

c) Tax on wealth

The tax burden of the "wealth tax" is originated, 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 taxes under the conditions established in the tax regulations.

According to the provisions of Article 6 of Law 1739 of 2014, and additionally, 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 may be allocated to capital reserves without affecting net income, in accordance with Article 10 of the same law.

3.7 EMPLOYEE BENEFITS

a) Short-terms benefits

They are (other than termination benefits) benefits expected to be settled in totality, 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 employee 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 measured between 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) Pensions and other post-employment benefits

(i) *Defined benefit plans*

Defined benefit plans are plans for post-employment benefits in which Grupo Nutresa has a legal or implicit obligation, of the payment of benefits.

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

3.8 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 more uncertain future events, not wholly within the control of Grupo Nutresa, or present obligations arising from past events, are not likely, but there is 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 liabilities.

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 S.A., are not recognized in the Statement of Financial Position, and are however, disclosed as contingent assets when it is a probable occurrence. When the said contingent is certain, the asset and the associated income, are recognized for that period.

3.9 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) 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.

b) 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 book value of the financial asset or financial liability.

c) 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 recovery of investment costs. Dividend income is not recognized, when payment is made to all shareholders, in the same proportion in shares of the issuer.

3.10 FAIR VALUE

Fair value is the price that would be received to sell 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 S.A. 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.

3.11 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 December 31, 2017 and 2016, 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.

3.12 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 is 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.

3.13 NEW ACCOUNTING PRONOUNCEMENTS ON INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.13.1 NEW STANDARDS, MODIFICATIONS AND INTERPRETATIONS INCORPORATED INTO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA, WHOSE APPLICATION MUST BE ASSESSED BEYOND JANUARY 1, 2018, OR THAT CAN BE APPLIED IN ADVANCE

The Decrees 2496 of December 2015, 2131 of December 2016, and 2170 of December 2017, introduced to the technical framework norms of financial information, new standards, modifications, or amendments or impacts by the IASB to the International Financial Reporting Standards between the years 2014 and 2016, to evaluate its application in financial years, beginning later than January 1, 2018, although its application could be made in advance.

IFRS 9 "Financial Instruments"

The full version of this IFRS was published in July 2016. It addresses the classification, measurement, derecognition of financial assets and liabilities, and introduces new rules for hedge accounting and a new impairment model for financial assets.

IFRS 9 maintains, although it simplifies, the varied valuation model and establishes three main categories of valuation for financial assets: amortized cost, fair value with changes in other comprehensive income, and fair value with changes in profit and loss. The basis of classification depends on the business model of the entity and the characteristics of the contractual cash flows of the financial asset. Investments in net equity instruments are required to be measured at fair value through profit or loss, with the irrevocable option at the initial presentation of changes in fair value in other non-recyclable comprehensive income. There is now a new model of expected credit losses that replaces the impairment loss model, incurred in IAS 39. For financial liabilities, there were no changes in classification and valuation. IFRS 9 simplifies the requirements for the effectiveness of the hedge. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this by requiring an economic relationship between the hedged item and the hedging instrument, and that the hedged ratio is the same, as the entity actually uses for its risk management. Contemporaneous documentation is still necessary, but it is different from the one prepared under IAS 39. The standard goes into effect for the accounting periods, beginning on or after January 1, 2018.

Since the First Adoption of IFRS, on January 1, 2014, Grupo Nutresa has maintained the classification and measurement of financial assets and liabilities under the categories proposed by IFRS 9. In addition, the Company confirmed that its current hedging relationships will continue as hedges, after the adoption of the new IFRS 9.

The new impairment model requires the recognition of provisions for impairments, based on the expected credit losses, instead of only the credit losses incurred, as is the case of IAS 39. In this case, Grupo Nutresa, this applies mainly to customer accounts payable. Based on the evaluations realized to date, no significant impact is expected, in the estimation of portfolio impairment under the new expected loss model.

IFRS 15 "Income from client contracts"

Issued in May 2016, a new standard is applicable to all contracts with customers, except for leases, financial instruments, and insurance contracts. The objective of the standard is to provide a single and comprehensive model of revenue recognition for all contracts with customers and to improve comparability within industries, between industries, and between capital markets. The new standard is based on the principle of transfer of control of a good or service to a client, in order to establish the recognition of income. Its application is effective as of January 1, 2018.

The Company has completed an initial review of the potential impact of the adoption of IFRS 15, in its Financial Statements, and has identified that there will be no significant impact on the timing and amount of recognition of the

Company's revenues.

IFRS 16 "Leases"

The International Accounting Standards Board (IASB) issued IFRS 16, with an effective date of application as of January 1, 2019. IFRS 16 replaces existing guidelines for the accounting of leases, including IAS 17 leases, IFRIC 4 determination of whether an arrangement contains a lease, SIC 15 incentives in operating leases and SIC 27 the evaluation of the substance of transactions that involve the legal form of a lease.

IFRS 16 introduces a single accounting model for the recognition of lease agreements in the Statement of Financial Position for lessees. A lessee recognizes an asset by right of use, representing the right to use the leased asset, and a lease liability, representing its obligation to make the lease payments. There are optional exemptions for short-term leases or leases of very low-value assets. The accounting treatment of lease agreements for lessors remains, similar to current accounting standards in which the lessor classifies leases, as financial or operating leases.

The Company has initiated a potential evaluation of the qualitative and quantitative impacts, in its Financial Statements. Until now the most significant impact identified is the recognition of assets and liabilities of its operating lease agreements, especially of real estate, used in the operation of the business. In addition, the nature of the expenses, corresponding to operating lease contracts as lessee, will change with IFRS 16, from lease expenses, to charges for depreciation of rights of use of the asset and financial expenses, in lease liabilities. To date, the Company is evaluating the impact of the adoption of this new standard.

These impacts will primarily affect the Financial Statements of the subsidiary companies, of Grupo Nutresa, and will be incorporated through the Equity Method.

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. In this regard, the uncertainty of assumptions and estimates could impact future results that could require significant adjustments to the book values 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 Separate Financial Statements:

- Assessment of the existence of impairment indicators for investments in subsidiaries and associates
- Assumptions used in the actuarial calculation of post-employment and long-term obligations with employees
- Suppositions used to calculate the fair value of financial instruments
- Recoverability of deferred tax assets
- Determination of control, significant influence, or joint control over an investment

Judgments and estimates used by the management of Grupo Nutresa, in the preparation of the Separated Financial Statements at December 31, 2017, do not differ significantly from those realized at the year-end close of the previous period, that is, December 31, 2016.

NOTE 5.
Trade and other receivables

The balance of trade receivables and other accounts receivable comprised the following items:

	2017	2016
Accounts receivable from employees	19	23
Dividends receivable from third parties (Note 9)	6.185	12.496
Dividends receivable, related parties	-	772
Accounts receivable, related parties	11.197	7.734
Other accounts receivable	45	45
Total debtors and accounts receivable	**17.446**	**21.070**
Current portion	**14.481**	**18.098**
Non-current portion	**2.965**	**2.972**

Table 1

NOTE 6.
Other assets

Other assets are comprised of the following:

	2017	2016
Other current assets		
Taxes (1)	344	900
Prepaid expenses (2)	42	38
Assets held for sale	16	-
TOTAL OTHER CURRENT ASSETS	**402**	**938**
Other non-current assets		
Prepaid expenses (2)	6	7
Total other assets	**408**	**945**

Table 2

(1) Tax assets include balances in favor by income tax, supplementary taxes, and other taxes.
(2) The prepaid expenses relate mainly to insurance.

NOTE 7.
Investments in subsidiaries

Detailed below, are the book values of the subsidiaries of Grupo Nutresa S.A., to the date of the period, over which is reported:

		Book Value	
	% participation	**2017**	**2016**
Compañía de Galletas Noel S.A.S.	100,0	1.256.658	1.162.078
Compañía Nacional de Chocolates S. A. S.	100,0	1.110.536	1.001.328
Tropical Coffee Company S.A.S.	100,0	18.355	16.603
Industria Colombiana de Café S.A.S.	100,0	559.465	616.439
Industria de Alimentos Zenú S.A.S.	100,0	206.566	209.705
Litoempaques S.A.S.	100,0	22.047	21.882
Meals Mercadeo de Alimentos de Colombia S.A.S.	100,0	215.285	227.740
Molino Santa Marta S.A.S.	100,0	84.737	79.687
Novaventa S.A.S.	93,0	133.599	107.689
Pastas Comarrico S.A.S.	100,0	26.715	24.711
Productos Alimenticios Doria S.A.S.	100,0	136.209	127.451
Alimentos Cárnicos S.A.S.	100,0	895.360	755.603
Setas Colombianas S.A.	94,0	47.689	46.477
Compañía Nacional de Chocolates Perú S.A.	0,0	11	10
La Recetta Soluciones Gastronómicas Integradas S.A.S.	70,0	1.265	1.166
Alimentos Cárnicos Zona Franca Santa Fe S.A.S. (1)	100,0	-	5.554
Gestión Cargo Zona Franca S.A.S.	100,0	62.019	53.667
Comercial Nutresa S.A.S.	100,0	23.695	28.296
Industrias Aliadas S.A.	83,0	69.093	78.681
Opperar Colombia S.A.S.	100,0	1.074	846
Servicios Nutresa S.A.S. (2)	100,0	1.558	2.356
Fideicomiso Grupo Nutresa	100,0	252	265
Total		**4.872.188**	**4.568.234**

Table 3

(1) In April of 2017, the liquidation from the split of Alimentos Cárnicos Zona Franca Santa Fe S.A.S., was carried out. The assets, held by that company, were received by Alimentos Cárnicos S.A.S. and Meals Mercadeo de Alimentos de Colombia S.A.S., companies wholly owned, 100%, by Grupo Nutresa S.A.

(2) Grupo Nutresa realized a capitalization, on December 20, 2016, in the amount of $13.090 in Servicios Nutresa S.A.S., which did not change its ownership, but increased the subscribed and paid capital, of said company.

A detailed breakdown of the dividends received, and the result of the application of the Equity Method, on investments in subsidiaries, during the reporting periods, is as follows:

	2017			2016		
	Dividends received	Share of Income for The Period	Share of Other Comprehensive Income	Dividends received	Share of Income for The Period	Share of Other Comprehensive Income
Compañía de Galletas Noel S.A.S.	43.197	122.716	(15.062)	32.130	99.199	57.384
Compañía Nacional de Chocolates S. A. S.	20.422	102.428	(27.203)	19.279	58.016	39.408
Tropical Coffee Company S.A.S.	-	1.781	29	-	1.080	94
Industria Colombiana de Café S.A.S.	102.346	21.028	(24.345)	47.365	39.346	17.198
Industria de Alimentos Zenú S.A.S.	19.220	16.473	393	13.641	22.219	2.855
Litoempaques S.A.S.	-	217	52	-	442	91
Meals Mercadeo de Alimentos de Colombia S.A.S.	-	(14.231)	1.000	36.774	4.792	3.623
Molino Santa Marta S.A.S.	-	5.268	217	-	3.351	(1.161)
Novaventa S.A.S.	-	26.126	216	-	19.791	(1.480)
Pastas Comarrico S.A.S.	-	2.050	46	1.900	1.564	115
Productos Alimenticios Doria S.A.S.	-	9.434	676	10.638	6.816	2.247
Alimentos Cárnicos S.A.S.	-	67.495	(69.484)	62.849	60.952	8.194
Setas Colombianas S.A.	2.438	3.739	89	1.621	4.819	518
Compañía Nacional de Chocolates Perú S.A.	-	-	-	-	-	1
La Recetta Soluciones Gastronómicas Integradas S.A.S.	-	102	4	-	(19)	(3)
Alimentos Cárnicos Zona Franca Santa Fe S.A.S.	-	-	-	-	54	2
Gestión Cargo Zona Franca S.A.S.	-	8.479	128	-	9.629	322
Comercial Nutresa S.A.S.	-	(4.378)	222	-	3.502	788
Industrias Aliadas S.A.	15.614	6.208	183	-	10.041	374
Opperar Colombia S.A.S.	-	227	-	-	152	-
Servicios Nutresa S.A.S.	-	(857)	(59)	-	3.051	1.509
Fideicomiso Grupo Nutresa	-	1	14	-	(1)	-
Subtotal	**203.237**	**374.306**	**(132.884)**	**226.197**	**348.796**	**132.079**

Table 4

There were no changes in the shareholdings between December 2016 and December 2017.

Dividends received in subsidiaries are recognized, as a lesser value of the investment, as part of the application of the Equity Method. As of December 31, 2017, there are no accounts receivable for dividends from subsidiaries. In December 2016, there was $772, which is presented in accounts receivable, in the Statement of Financial Position.

Dividends received, from subsidiaries, generate an impact on cash flow in the amount of $204.009 (2016 - $227.355).

NOTE 8.
Investment in associates

The following is a breakdown of the investments over which Grupo Nutresa S.A. has significant influence, and which are classified as associates:

	Countrys	% participation	Book Value 2017	Book Value 2016	2017 Share of Income for The Period	2017 Share of Other Comprehensive Income	2016 Share of Income for The Period	2016 Share of Other Comprehensive Income
ASSOCIATES								
Bimbo de Colombia S.A.	Colombia	40,0	139.867	132.627	6.745	495	5.406	(1.084)
Estrella Andina S.A.S.	Colombia	30,0	9.574	6.025	(943)	(8)	(459)	-
Total associates			**149.441**	**138.652**	**5.802**	**487**	**4.947**	**(1.084)**

Table 5

Bimbo de Colombia S. A.

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

Estrella Andina S. A. S.

Estrella Andina S.A.S. is a simplified joint stock company, engaged in the marketing of ready-made meals in the cafeterias, in which Nutresa has a 30% stake, and its majority shareholder, Grupo Alsea, with an interest of 70%.

The movements of investments in associates, are as follows:

	2017	2016
OPENING BALANCE AT JANUARY 1ST	**138.652**	**81.989**
Increase of contributions (*)	4.500	52.800
Participation in profit and loss	5.802	4.947
Participation in comprehensive income	487	(1.084)
Balance at December 31st	**149.441**	**138.652**

Table 6

Increase in contributions in associates and joint ventures

- On May of 2017, an increase in the capital of de Estrella Andina S.A.S., was realized, in which Grupo Nutresa invested $4.500, without generating changes in the percentage of participation.
- In January 2017, a payment was realized in the amount of $16.217, corresponding to the balance payable, from the capitalization realized in 2016, to Bimbo de Colombia S.A. In March 2016, the General Shareholders' Meeting of Bimbo de Colombia S.A. authorized an extension of capital in the amount of $132,000, in order to develop the investment projects planned for this year; Grupo Nutresa realized an investment of $52,800, without generating changes in its percentage of participation. During the period covered by these Financial Statements, no dividends were received from these investments.

Below, is the summarized financial information regarding the associated entities:

	2017 Assets	2017 Liabilities	2017 Equity	2017 Profit and Loss	2017 Total Comprehensive Income for the Period	2016 Assets	2016 Liabilities	2016 Equity	2016 Profit and Loss	2016 Total Comprehensive Income for the Period
Bimbo de Colombia S.A.	635.443	285.776	349.667	16.278	395	511.912	218.613	293.299	13.516	(876)
Estrella Andina S.A.S.	35.391	3.307	32.084	(2.802)	-	22.880	2.964	19.916	(1.531)	-

Table 7

None of the associates and joint ventures, held by the Group, are listed on a stock market, and consequently, there are no quoted market prices for the investment.

NOTE 9.
Other non-current financial assets

Grupo Nutresa classifies 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 which are recognized, by Nutresa, on the date that the right to receive future payments is established, which is the date of declaration of dividends by the issuing company. "other comprehensive income" includes changes in the fair value of these financial instruments.

The breakdown of financial instruments is as follows:

Book value	Number of Shares Held	Participation as % in Total Ordinary Shares	2017	2016
Grupo de Inversiones Suramericana S.A.	59.387.803	12,66	2.393.328	2.268.614
Grupo Argos S.A.	79.804.628	12,36	1.666.321	1.538.633
Other societies			2.036	2.120
			4.061.685	**3.809.367**

Table 8

	2017		2016	
	Dividend Income	Profit on Fair Value Measurement	Dividend Income	Profit on Fair Value Measurement
Grupo de Inversiones Suramericana S. A.	28.981	124.714	27.081	148.470
Grupo Argos S. A.	24.740	127.687	22.904	245.798
Other societies	483	-	468	-
	54.204	**252.401**	**50.453**	**394.268**

Table 9

The value of the dividend per share decreed for 2017, by this issuance was $310 (Pesos) and $488 (Pesos), per year, per share, corresponding to Grupo Argos S.A. and Grupo de Inversiones Suramericana S.A., respectively. Grupo Argos S.A. will pay quarterly dividends, in the amount of $77,5 (Pesos). The dividends, declared by Grupo de Inversiones Suramericana S.A., were received in totality, in April 2017, as 805.638 preference shares, which were sold between April and May of 2017. The dividends received generate an impact in the cash flows, in the amount of $61.746 (2016 - $49.568).

For 2016, the annual value, per share, was $287 (Pesos), ($71,75 Pesos per quarter), for Grupo Argos S.A., and $456 (Pesos) ($ 114 Pesos per quarter) for Grupo de Inversiones Suramericana S.A.

Dividend income recognized in March 2017 and 2016, for portfolio investments, corresponds to the total annual dividend declared by the issuers, and no similar income for the remainder of the year is expected.

As of December 31, 2017, there are accounts receivable, in the amount of $6.185, for dividends from investments in financial instruments (2016: $12.496).

9.1. FAIR VALUE MEASUREMENT

The fair value of shares traded and that are classified as high trading volume is determined, based on the quoted price on the Colombian Stock Exchange. This measurement is in the Hierarchy 1, established by IFRS 13 for the measurement of 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.

The following is the value per share, used in the valuation of investments listed on the Colombian Stock Exchange:

	2017	2016
PRICE PER SHARE (IN COLOMBIAN PESOS)		
Grupo de Inversiones Suramericana S.A.	40.300	38.200
Grupo Argos S.A.	20.880	19.280

Table 10

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.

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.

9.2. LIENS

At December 31, 2017, there were pledges for 30.775.000 (2016: 36.875.000) 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 10.

Income taxes and payable taxes

10.1 APPLICABLE REGULATIONS

Until taxable year 2016, tax revenues were taxed at the rate of 25% as income tax, in addition, to income tax for equity "CREE", a rate of 9% was applicable, with a surcharge of 6%.

The Structural Tax Reform - Law 1819 of December 29, 2016 – aside of repealing the income tax for equity - CREE, as of January 1, 2017, modified the income tax rate, as well, as follows:

	Before the Reformation	With reform	Nominal Variation
2017	Rent: 25% CREE: 9% CREE surtax: 8% (RL>800 million) Total: 42%	Rent:: 34% Surcharge for rent: 6% (RL>800 million) Total: 40%	Reduction of 2%
2018	Rent: 25% CREE: 9% CREE surtax: 9% (RL>800 million) Total: 43%	Rent: 33% Surcharge for rent: 4% (RL>800 million) Total: 37%	Reduction of 6%
2019 Forward	Rent: 25% CREE: 9% Total: 34%	Rent: 33% Total: 33%	Reduction of 1%

Table 11 ** TB: Tax Base income*

Additionally, the tax reform introduced limitations on tax deductions and discounts, as well as additional tax charges, such as the obligation to pay tax on unearned income, obtained by foreign companies that are controlled by companies domiciled in Colombia. On the other hand, even when the tax regulation begins to be based on the IFRS accounting technical framework, it maintains strict exclusions in the standard that implies the recognition of income or deductions in periods other than accounting periods and differences in recognition and measurement systems.

The restrictions on deductions correspond mainly to the non-deductibility of the unrealized exchange difference, limitation on the deduction for benefits to employees, the requirement of payment, the accrual of the industry and commerce tax for its deduction, and the ceilings on the rates of annual depreciation and establishment of terms of time for the recognition of the customer loyalty plan. On the other hand, donations made to entities belonging to the special tax regime will not be deductible but will allow the discount in the tax equivalent to 25% of the value donated. The tax deductions applied in the Income Statement may not exceed 25% of the income tax charged to the taxpayer, in the respective taxable year, with the possibility of applying the excess in the taxable period following the one in which the donation was realized, if the discount is related to donations to companies pertinent to the special tax regime.

The finality of the tax returns, changed from 2 to 3 years. However, for companies' subject to the transfer pricing regulation, the finality will be 6 years and the declarations that originate or offset fiscal losses will be finalized in 12 years.

The tax losses, which did not an expiration for compensation with the tax base, in future tax returns, were effective through the Law 1819 of 2016, with a limit for their compensation of 12 years.

Other changes, introduced by the tax reform, were the increase in the general rate of VAT from 16% to 19%, modification of the rental rate for legal entities that are users of the free zone, from 15% to 20%, and the change on the assumption that the taxpayer's net income is not less than 3.5% of the net assets of the immediately preceding period, when it was only 3%.

10.2 DEFERRED INCOME TAX

The following represents deferred asset and liabilities taxes:

	2017	2016
DEFERRED TAX ASSETS		
Employee benefits	4.994	4.762
Tax losses	19	19
Tax credits	162	113
Other assets	52	51
Total deferred tax assets	**5.227**	**4.945**
DEFERRED TAX LIABILITIES		
Investments in associates	8.491	6.416
Other liabilities	958	-
Total deferred tax liabilities	**9.449**	**6.416**
Deferred tax liabilities, net	**4.222**	**1.471**

Table 12

Temporary differences, related to investments in subsidiaries, associates, and interest in joint ventures, for which deferred tax liabilities have not been recognized, are $6.014.880 (2017) and $5.711.885 (2016), whose deferred tax liability would be $1.984.910 (2017) and $1.884.922 (2016).

The deferred tax movements during the period are as follows:

	2017	2016
Initial balance, deferred tax liabilities, net	**1.471**	**1.031**
Deferred income tax expenses recognized in profit and loss	2.357	1.269
Income tax relating to components of other comprehensive income	394	(829)
Ending balance, deferred tax net liabilities	**4.222**	**1.471**

Table 13

The tax to profit related to components other comprehensive income is determined, by the new measurement of the employee benefit plans for $234 (2016: $(520)), the participation in associates and business combinations that are account for through the Equity Method in the amount of $160 (2016: $(176)) and are related to the changes at fair value of financial assets in the amount of $0 (2016: $(133)).

10.3 EFFECTIVE TAX RATE

Income, received by Grupo Nutresa, corresponds primarily to non-taxed portfolio dividends and the recognition of the profits, obtained by the subsidiary companies, and is recognized in the Separate Financial Statements of Grupo Nutresa S.A., through the Equity Method, which, in accordance with the tax rules applicable in Colombia, are considered as "un-taxed income".

In 2017, the effective rate is significantly below the theoretical rate, mainly due to tax revenues that are un-taxed and, therefore, constitute a permanent difference. In addition, there are restricted tax deductions, such as the tax on the financial movement, that is only 50% deductible, and tax expenses, provisions, costs, and expenses of previous years, fines, and penalties, among others, for which tax deductions are not allowed.

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

	2017		2016	
	Value	**%**	**Value**	**%**
ACCOUNTING PROFIT	**432.720**		**400.589**	
Tax expenses at applicable tax rates	147.125	34,00%	160.235	40,00%
Non-taxed portfolio dividends	(18.429)	(4.26%)	(19.421)	(4.85%)

Untaxed income from the Equity Method	(129.226)	(29.86%)	(141.497)	(35,32%)
Other tax effects	2.971	0.68%	2.174	0,54%
Total tax expenses, net	**2.441**	**0,56%**	**1.491**	**0,37%**

Table 14

10.4 TAX ON WEALTH

According to 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 2017, $43 (2016: $106) is recognized as charges to the reserves at the disposal of the highest corporate body.

According to the aforementioned norm, tax on wealth, for the year 2016, was settled at a marginal rate, between 0,15% and 1%; For 2017, the rate ranges from 0,05% to 0,40%.

10.5 INFORMATION ON CURRENT LEGAL PROCEEDINGS

Grupo Nutresa S.A. files a lawsuit for the lack of knowledge of deductions and compensation for tax losses in tax returns for the taxable years 2008 and 2009. Due to lack of knowledge, the Administration rejected the rebates, in favor of those taxable years, which made the lawsuit against the resolutions, that decided the rejection, necessary.

10.6 TAX RULES APPROVED PENDING APPLICATION

a. Through Article 137 of Law 1819 of 2016, in Colombia, the obligation was established, to maintain a system of control or conciliation of differences that arise between the new regulatory technical frameworks and the Colombian Tax Statute. For this, the Decree 1998 of November 30, 2017 and Resolution 73 of December 29 of 2017 that regulate the fiscal conciliation referred to in Law 1819 of 2016 and that should be implemented in the year 2018 to inform the taxable year 2017, as an integral part of the Income Statement of the same taxable year, were issued.
b. Additionally, in consideration of Article 108 of Law 1819 of 2016 and Action 13 of the BEPS OECD/G20 project, Resolution 71 of December 29, 2017 is issued, which establishes the procedure for the presentation of the Country by Country Report, that is part of the standardized approach in three levels of the documentation on transfer prices and that will contain information relative to the global allocation of income and taxes, paid by the multinational group, and the indicators related to the economic activity, at a global level, corresponding to the 2016 taxable year, as a term of presentation in February of the year 2018.

NOTE 11.
Trade and accounts payable

Trade and accounts payable comprised the following items:

	2017	2016
Cost and expenses payable	786	16.820
Dividends payable (See note 13.3)	68.995	64.033
Payroll deductions and contributions	232	266
Loans and accounts payable to related parties	-	17
Total	**70.013**	**81.136**
Current	69.855	80.968
Non-current	158	168

Table 15

NOTE 12.
Employee benefits liabilities

Employee benefits, correspond to all considerations, arising from formal plans or agreements, legal requirements, granted by the Company, in exchange for services rendered by employees, or for severance indemnities. Benefits include all remuneration, realized directly to employees, or their beneficiaries or dependents of employees, (spouse, children and others), and/or third parties, whose settlement can be made through cash payments, and/or supply of goods and services (non-monetary profit).

The balance of liabilities for employee benefits at December 31, 2017 and December 2016, is as follows:

	2017	2016
Short-term benefits	649	483
Post-Employment benefits - Defined benefits plans (12.1)	13.492	12.916
Other long-term benefits (12.2.2)	2.190	2.082
Total liabilities for employee benefits	**16.331**	**15.481**
Current portion	1.205	1.068
Non-current portion	15.126	14.413

Table 16

12.1 POST-EMPLOYMENT BENEFITS - DEFINED BENEFITS PLANS

The liability for post-employment benefits is estimated using the current technique of the projected credit unit, which requires the use of financial and demographic assumptions, including but not limited to: discount rate, inflation index, wage increase expectation, life expectancy, and employee turnover rate. The estimation of the liability, as well as the determination of the values of the assumptions, used in the valuation, is performed by an independent external actuary. Given the long-term horizon of these benefit plans, the estimates are subject to a significant degree of uncertainty, any change in actuarial assumptions directly impacts the value of the pension obligation, and other post-employment benefits.

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

	2017	2016
PRESENT VALUE OF OBLIGATIONS AT JANUARY 1ST	**12.916**	**9.937**
(+) Cost of services	546	538
(+) Interest expenses	957	861
(+/-) Actuarial losses and/or gains	(709)	1.739
(-) Payments	(218)	-
(+/-) Others	-	(159)
Present value of obligations at December 31th	**13.492**	**12.916**

Table 17

Actuarial gains and losses are recognized in the Income Statement, under other comprehensive income.

The Company estimates that payments for defined benefit plans will begin after 5 years. The estimated time for the termination of the benefit is 20 years.

12.2 LONG-TERM BENEFITS

The long-term benefits include mainly seniority premiums and variable remuneration systems.

Seniority premiums is paid to the employee for every five years of service. The liability is recognized gradually, as the employee renders the services, that will make it creditor. Its measurement is realized annually, through the use of actuarial techniques. Current gains and losses, arising from experience, and changes in actuarial assumptions, are charged or credited to income for the period in which they arise.

The Company does not have specific assets to support the long-term benefits. The liability from long-term benefits, is determined separately for each plan, using the actuarial valuation method of the projected credit unit, using actuarial assumptions, as of the date of the reporting period. The current service cost, past service cost, interest cost, actuarial gains and losses, as well as, any liquidation or reduction of the plan is recognized in the profit and loss.

The following is the reconciliation of movements of other long-term employee benefits:

	2017	2016
PRESENT VALUE OF OBLIGATIONS AT JANUARY 1ST	**2.082**	**2.402**
(+) Cost of services	708	86
(+) Interest expenses	144	167
(+/-) Actuarial losses and/or gains	174	(30)
(-) Payments	(833)	(1.440)
(+/-) Others	(85)	897
Present value of obligations at December 31th	**2.190**	**2.082**

Table 18

12.3 EXPENSES FOR EMPLOYEE BENEFITS

Amounts recognized as expenses for employee benefits, are as follows:

	2017	2016
Short-term benefits	5.581	5.080
Post-Employment benefits	546	538
Other long-term benefits	691	56
SUB TOTAL	**6.818**	**5.674**
Reimbursement for contracts of mandate (*)	(5.971)	(5.585)
Total	**847**	**89**

Table 19

(*) By virtue of the mandated agreement, Grupo Nutresa S.A. transfers to the subsidiary companies, the cost for employee benefits, corresponding to the corporate services provided to each of them.

12.4 ACTUARIAL ASSUMPTIONS

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

	2017	2016
Discount rates	7,21%	9,84%
Salary increase rates	4,30%	4,93%
Employee turn-over rates	1,0%	-

Table 20

According to the guidelines prescribed by the current regulation, for discount purposes, the rate of high quality corporate bonds, whose maturity is in accordance with the established benefits, is used. However, the Colombian market does not have sufficient liquidity and depth in these types of bonds. Grupo Nutresa establishes its hypothesis of the discount rate, based on the assumptions of the performance of the sovereign debt bonds, of the committed country, denominated in percentages, according to the terms of the obligation. The rates of the real yield curve are obtained from the information published daily, by the market.

The table used is mortality rate, by sex. This table is issued by the Financial Superintendence, through Resolution 1555 of 2010 for Colombia.

The salary increase rates were determined based on historical performance, the projections of the inflation, and consumer price indexes.

The turnover rate of employees is estimated, based on historical data of the Company.

12.5 SENSITIVITY ANALYSIS

A quantitative analysis of sensitivity to a change in a significant key assumption, as of December 31, 2017, would generate the following impact on the obligation for other long-term benefits, as well as, senior premium:

	Others defined benefits	Seniority Premium
Discount rate +1%	(91)	(50)
Discount rate -1%	92	55
Rate of salary increases +1%	44	47
Rate of salary increases -1%	(47)	(44)

Table 21

The methods and assumptions used to prepare sensitivity analyzes of the present value of the obligations were the same method, as for the actuarial calculation, at December 31, 2016: Projected Credit Unit. Sensitivity has no limitations, nor changes in the methods and assumptions used to prepare the analysis of the current period.

NOTE 13.
Equity

13.1 SUBSCRIBED AND PAID SHARES

As of December 31st of 2017 and 2016, 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 to 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.

The Company's shares are listed on the Colombian Stock Exchange as of December 31, 2017, and its market value was $27.820 per share ($24.900 as of December 31, 2016).

The corporate structure of the company, as of December 31, 2017 and December 2016, is as follows:

Investor Group	2017 Number of Shares	2017 % Participation	2016 Number of Shares	2016 % Participation
Grupo de Inversiones Suramericana S. A.	161.398.558	35,1	162.883.420	35,4
Grupo Argos S. A.	45.243.781	9,8	45.243.781	9,8
Colombian Funds	77.887.378	16,9	75.561.157	16,4
International Funds	38.182.333	8,3	34.467.295	7,5
Other Investors	137.411.408	29,9	141.967.805	30,9
Total outstanding shares	**460.123.458**	**100,0**	**460.123.458**	**100,0**

Table 22

According to the register of shareholders, at December 31, 2017, there are 11.900 shareholders (2016: 13.167).

13.2 RESERVES

Of the accounts that make up the equity, reserves at December 31st of 2017 and 2016 are as follows:

	2017	2016
Legal reserves	2.711	2.711
Occasional non-distributed reserves	1.558.597	1.558.597
Other reserves	2.184.712	2.031.363
TOTAL RESERVES	**3.746.020**	**3.592.671**
Retained earnings	3	-
Total	**3.746.023**	**3.592.671**

Table 23

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.

Occasional non-distributed reserves: corresponds to the voluntary reserve, approved by the Shareholder's Assembly at a Meeting on March 18, 2016, in reference to accumulated profits, generated in the process of First-time Adoption of IFRS.

Other reserves: includes the value caused by tax on wealth, payment of dividends, and other reserves substantially unrestricted by Shareholders.

Retained earnings: corresponds mainly to the realization of financial instruments of liquidation of the Livestock Fund of Antioquia, in the amount of $3.

13.3 DISTRIBUTION OF DIVIDENDS

The Ordinary Shareholders Meeting, held on March 29, 2017, decreed ordinary share dividends of $44,5 per-share and per-month, equivalent to $534 annually per share (2016: $498 per share) over 460.123.458 outstanding shares, during the months between April 2017 and March 2018, inclusive, for a total of $245.706 (2016: $229.141 between April 2016 and March 2017).

This dividend was decreed, by taking from the profits of the year 2016 $242.945 and of the non-taxed occasional reserves $2.761. At December 31, 2017, dividends have been paid in the amount of $240.744 (2016: $224.277), and $68.995, are payable for this concept (2016: $64.033).

Appropriations authorized by the General Meeting of Shareholders, are recorded as reserves, charged to profit and loss, of the year, for compliance with legal provisions or to cover expansion plans, or financing needs. The Company carries the profits of the year to accumulated profits, and these to reserves. The value of appropriations is $156.153.

NOTE 14.
Other comprehensive income, accumulated

Below is a breakdown of each of the components of accumulated other comprehensive results, in the Separate Financial Statements:

	Actuarial Losses (14.1)	Financial Instruments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulatedo
BALANCE AT JANUARY 1, 2017	(4.770)	3.632.890	(358)	271.370	**3.899.132**
Losses/Gains for new measurements	709	252.401	487	132.884	**386.481**
Associated income tax	(234)	-	(160)	-	**(394)**
Realization of other comprehensive income	-	(3)	-	-	**(3)**
BALANCE AT DECEMBER 31, 2017	(4.295)	3.885.288	(31)	404.254	**4.285.216**

	Actuarial Losses (14.1)	Financial Instruments (14.2)	Investments in Associates (14.3)	Subsidiaries (14.4)	Total Other Comprehensive Income, Accumulated
BALANCE AT JANUARY 1, 2016	(3.551)	3.238.489	550	403.449	**3.638.937**
Losses/Gains for new measurements	(1.739)	394.268	(1.084)	(132.079)	**259.366**
Associated income tax	520	133	176	-	**829**
BALANCE AT DECEMBER 31, 2017	(4.770)	3.632.890	(358)	271.370	**3.899.132**

Table 24

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

14.1 (LOSSES) GAINS 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, primarily from" Other defined employee benefits". The net value of the new measurements is transferred to retained earnings and not reclassified to the Income Statement.

See Note 12, for detailed information about defined benefits plans.

14.2 VALUATION OF 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 value 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.

See Note 9 for detailed information on these investments.

14.3 INVESTMENTS IN ASSOCIATES - INTEREST IN OTHER COMPREHENSIVE INCOME, ACCUMULATED

The component of other comprehensive income from investments in associates and joint ventures, represents the accumulated value of gains or losses, from the participation in other comprehensive income of the investee. These accumulated profits may be transferred to profit or loss for the period in the cases provided by accounting standards.

See Note 8 for detailed information on investments in associates.

14.4 SUBSIDIARIES – INTEREST IN OTHER COMPREHENSIVE INCOME, ACCUMULATED.

The component of other comprehensive income of investments of subsidiaries measured to the Equity Method, through profit or loss, represents the accumulated value of gains or losses of valuation from the Equity Method, minus the values transferred to retained earnings, when these investments have been sold. Changes in fair value can be reclassified to profit and loss for the period.

See Note 7, for more detailed information, regarding investments in subsidiaries and the application of the Equity Method of the other comprehensive income.

NOTE 15.
Expenditure by nature

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

	2017	2016
Taxes other than income tax	1.400	1.394
Fees	1.295	1.135
Employee benefits (Note 12.3)	847	89
Commission fees	286	-
Other services	101	570
Travel expenses	45	106
Insurance	45	48
Other expenses	34	515
Leases	24	42
Contributions and memberships	-	51
Total	**4.077**	**3.950**

Table 25

Grupo Nutresa S.A. operates under the modality of commercial offer of services of mandate without representation, offering shared services to the other companies of the Group, for integral management. Under this contract, the expenses, associated with the services provided to each of them, are transferred to the subsidiary companies.

NOTE 16.
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:

	2017	2016
Net income attributable to holders of ordinary equity of the Parent	430.279	399.098
Outstanding shares	460.123.458	460.123.458
Earnings per share attributable to controlling interest	**935,14**	**867,37**

Table 26

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

In accordance with current corporate regulations in Colombia, the distribution and payment of dividends to the Shareholders of the Parent Company is not realized on Consolidated Financial Statements, but on the Separate Financial Statements of Grupo Nutresa S.A.

NOTE 17.
Disclosure of related parties

The following table represents the values of transactions between related parties at year-end:

2017						
Company	**Purchases of Goods and Services**	**Sales of Goods and Services**	**Receivables Balance**	**Payables Balance**	**Dividend Income**	**Dividends Paid**
Subsidiaries						
Alimentos Cárnicos S.A.S.	2.777	666	-	-	-	-
Compañía de Galletas Noel S.A.S.	-	655	467	-	43.197	-
Compañía de Galletas Pozuelo DCR, S.A.	-	-	-	12	-	-
Compañía Nacional de Chocolates S.A.S.	-	592	2.905	-	20.422	-
Industria Colombiana de Café S.A.S.	-	402	286	-	102.346	-
Industria de Alimentos Zenú S.A.S.	-	-	-	-	19.220	-
Industrias Aliadas .S.A.S.	-	-	-	-	15.614	-
IRCC S.A.S. (antes IRCC Ltda)	8	-	-	106	-	-
Meals Mercadeo de Alimentos de Colombia S.A.S.	2.777	168	120	-	-	-
Productos Alimenticios Doria S.A.S.	-	92	66	-	-	-
Servicios Nutresa S.A.S.	12	-	7.353	-	-	-
Setas Colombianas S.A.	-	-	-	-	2.438	-
Entities with joint control or significant influence over the entity						
Grupo de Inversiones Suramericana S.A.	53	-	-	50	28.981	84.949
Other related parties						
Grupo Bancolombia S.A.	503	-	-	31	-	-
Grupo Argos S.A.	-	-	6.185	-	24.739	23.753
Members, Board of Directors	880	-	-	136	-	-

2016						
Company	**Purchases of Goods and Services**	**Sales of Goods and Services**	**Receivables Balance**	**Payables Balance**	**Dividend Income**	**Dividends Paid**
Subsidiaries						
Alimentos Cárnicos S.A.S.	-	2.778	229	-	62.849	-
Compañía de Galletas Noel S.A.S.	-	2.331	198	-	32.130	-
Compañía Nacional de Chocolates S.A.S.	-	1.384	3.029	-	19.279	-
Industria Colombiana de Café S.A.S.	-	1.649	138	-	47.365	-
Industria de Alimentos Zenú S.A.S.	-	-	-	-	13.641	-
IRCC S.A.S. (antes IRCC Ltda)	-	334	63	11	-	-
Litoempaques S.A.S.	4	-	-	-	-	-
Meals Mercadeo de Alimentos de Colombia S.A.S.	-	778	60	-	36.774	-
Pastas Comarrico S.A.S.	-	-	-	-	1.900	-
Productos Alimenticios Doria S. A. S.	-	395	27	-	10.638	-
Servicios Nutresa S. A. S.	12	13.090	3.990	6	-	-
Setas Colombianas S. A.	-		772	-	1.621	-
Associates and joint ventures						
Bimbo de Colombia S.A.	52.800	-	-	16.217	-	-
Entities with joint control or significant influence over the entity						
Grupo de Inversiones Suramericana S. A	171	-	6.770	41	27.081	79.182
Other related parties						
Grupo Bancolombia S. A.	176	-	-	20	-	-
Grupo Argos S. A.	-	-	5.726	-	22.904	19.864
Members, Board of Directors	805	-	-	130	-	-

Tabla 27

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 $5.386 (2016: $4.646) for 2 key personnel (2016: 2 employees) were made.

NOTA 18.
Events after the reporting period

These Separate Financial Statements were prepared for purposes of supervision and were authorized for issue, by the Board of Grupo Nutresa S.A., on February 22, 2018. 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 S.A., reflected in the Financial Statement.