

Separate

Financial Statements

Statutory Auditor's Report



TO THE SHAREHOLDERS' MEETING OF GRUPO NUTRESA S.A.

February 22, 2018

I have audited the accompanying separate financial statements of Grupo Nutresa S. A., which contain the financial position statement at December 31, 2017, the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended; the summary of the main accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management is responsible for the fair preparation and reasonable presentation of these separate financial statements in accordance with the accounting and financial information standards accepted in Colombia, and for the internal control the management considers relevant to the preparation of these financial statements in a way that they are free from material misstatements due to fraud or error, select and apply the appropriate accounting policies, as well as establish the accounting estimates that are reasonable in the circumstances.

Statutory auditor's responsibility

My responsibility is to express an opinion on such financial statements based on my audit. I performed my work in accordance with the auditing and financial information standards accepted in Colombia. Those standards require me to comply with ethical requirements, to plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit includes, among other things, performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the financial statements due to fraud or error. In the assessment of those risks, the auditor considers the internal control relevant to the entity for the preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonability of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate enough to provide a basis for my audit opinion.

TO THE SHAREHOLDERS' MEETING OF GRUPO NUTRESA S.A.

February 22, 2018

Opinion

In my opinion, the accompanying financial statements, faithfully taken from the accounting books, present fairly, and in all material respects, the financial position of Grupo Nutresa S. A. at December 31, 2017, and the result of its operations and cash flows for the year then ended, in accordance with the accounting and financial information standards accepted in Colombia.

Report regarding other legal and regulatory requirements

Management is also responsible for compliance with the regulatory aspects in Colombia related to the management of accounting documents; the preparation of management reports and the timely and proper payment of contributions to the Integrated Social Security System. My responsibility as statutory auditor in these matters is to perform review procedures to issue a concept on their proper compliance.

According to the above, in my opinion:

- a) The accounting records of Grupo Nutresa S. A. during 2017 have been kept in accordance with the legal regulations and accounting techniques, and the operations recorded conform to the bylaws and decisions of the Shareholders' Meeting.
- b) The correspondence, accounting vouchers, and the minute books and partner quotas register are properly kept and maintained.
- c) Due concordance exists between the accompanying financial statements and the management report prepared by

the administrators. The administrators left evidence in the management report that they did not hinder the free circulation of invoices by vendors or suppliers.

- d) The information contained in the self-computation of contributions to the Comprehensive Social Security System, particularly information related to affiliates and their income base for calculation, has been taken from the accounting records and documents. At December 31, 2017, The Company is not in arrears for contributions to the Integral Social Security System.
- e) The Company has implemented the Self-monitoring and Anti-Money Laundering and Counter Terrorism Financing Risk Management System in accordance with the provisions of the External Circular O62 of 2007 issued by the Superintendency of Finance.

Other matters

In compliance with the responsibilities of the statutory auditor contained in numerals 1 and 3 of article 209 of the Code of Commerce, related to the evaluation of whether the acts of the Company's administrators comply with the bylaws and the orders and instructions of the Shareholders' Meeting, and whether adequate measures for internal control, conservation and custody of the assets of the company or of third parties that are in its possession exist and are adequate, I issued a separate report dated February 22, 2018.



Bibiana Moreno Vásquez

Statutory Auditor - Professional Card No. 167200-T

Appointed by PricewaterhouseCoopers Ltda.

(See attached certification)

Certification of the **financial** Statements

THE UNDERSIGNED LEGAL REPRESENTATIVE AND THE GENERAL COUNSEL OF GRUPO NUTRESA S.A.

CERTIFY:

22 of February of 2018

We have previously verified all claims, herewith contained, in the Consolidated Financial Statements, at December 31, 2017 and 2016, according to, the regulations, and the same that have been faithfully taken, from the Financial Statements of the Parent Company, and its subsidiaries, duly certified and audited.

In accordance with the above stated, in relationship to the Financial Statements, herewith mentioned, we declare the following:

1. The assets and liabilities, are stated and the recorded transactions, have been recorded, during said years.
2. All realized economic transactions, have been recognized.
3. The assets represent rights, and liabilities represent obligations, obtained or under the responsibility of the Companies.
4. All elements have been recognized, in the appropriate amounts, and in accordance with the Financial Information Norms, applicable in Colombia.
5. The economic transactions, that impact the Companies, have been correctly classified, described, and disclosed.
6. The Financial Statements and Notes, do not contain misstatements, errors, differences or material inaccuracies, which could impact the financial position, equity, and operations of the Companies. Similarly, appropriate procedures, reporting systems, and control of the financial information, have been established, to insure accurate reporting to third-party users, of such.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)

Certification of the Financial Statements

Law 964 of 2005

Gentlemen
Shareholders
Grupo Nutresa S.A.
Medellin

THE UNDERSIGNED LEGAL REPRESENTATIVE OF GRUPO NUTRESA S.A.

CERTIFIES:

22 of February of 2018

That the Consolidated Financial Statements, and the operations of the Parent Company, and its subsidiaries, at December 31, 2017 and 2016, do not contain any defects, differences, inaccuracies, or errors that impede the knowledge of the true and fair presentation, of the financial situation, of the same.

The foregoing, is stated, for purposes of compliance with Article 46 of Law 964 of 2005.

And is signed, as a record, on the 22nd day of the month of February of 2018.



Carlos Ignacio Ballego Palacio
President

Statement of Financial Position

At December 31st, 2017 and 2016 (Values expressed in millions of Colombian Pesos)

	Notes	2017	2016
ASSETS			
Current assets			
Cash and cash equivalents		\$ 465	\$ 42
Trade and other receivables	5	14.481	18.098
Other current assets	6	402	938
Total current assets		\$ 15.348	\$ 19.078
Non-current assets			
Trade and other receivables	5	2.965	2.972
Investments in subsidiaries	7	4.872.188	4.568.234
Investments in associated	8	149.441	138.652
Other financial non-current assets	9	4.061.685	3.809.367
Deferred tax assets	10.2	5.227	4.945
Other non-current assets	6	6	7
Total non-current assets		\$ 9.091.512	\$ 8.524.177
TOTAL ASSETS		\$ 9.106.860	\$ 8.543.255
LIABILITIES			
Current liabilities			
Trade and other payables	11	69.855	80.968
Income tax and taxes, payable		416	188
Employee benefits liabilities	12	1.205	1.068
Total current liabilities		\$ 71.476	\$ 82.224
Non-current liabilities			
Trade and other payables	11	158	168
Employee benefits liabilities	12	15.126	14.413
Deferred tax liabilities	10.2	9.449	6.416
Total non-current liabilities		\$ 24.733	\$ 20.997
TOTAL LIABILITIES		\$ 96.209	\$ 103.221
SHAREHOLDER EQUITY			
Share capital issued	13.1	2.301	2.301
Paid-in-capital	13.1	546.832	546.832
Reserves	13.2	3.746.020	3.592.671
Retained earnings	13.2	3	-
Other comprehensive income, accumulated	14	4.285.216	3.899.132
Earnings for the period		430.279	399.098
TOTAL SHAREHOLDER EQUITY		\$ 9.010.651	\$ 8.440.034
TOTAL LIABILITIES AND EQUITY		\$ 9.106.860	\$ 8.543.255

The notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Comprehensive Income Statement - Accumulated

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

	Notes	2017	2016
OPERATING REVENUE			
Portfolio dividends	9	\$ 54.204	\$ 50.453
Share of profit for the period of subsidiaries	7	374.306	348.796
Share of profit for the period of associates	8	5.802	4.947
Gross profit		\$ 434.312	\$ 404.196
Administrative expenses	15	(4.077)	(3.950)
Exchange differences on operating assets and liabilities		(1)	(24)
Other operating expenses, net		3.901	1.401
OPERATING PROFIT		\$ 434.135	\$ 401.623
Financial income		4	4
Financial expenses		(1.419)	(1.032)
Exchange differences on non-operating assets and liabilities		-	(6)
Income before tax		\$ 432.720	\$ 400.589
Current income tax		(84)	(222)
Deferred income tax	10.3	(2.357)	(1.269)
NET PROFIT FOR THE PERIOD		\$ 430.279	\$ 399.098
Earnings per share (*)			
Basic, attributable to controlling interest (in Colombian Pesos)	16	935,14	867,37
(*) Calculated on 460,123,458 shares, which have not been modified during the period covered by these Financial Statements.			
OTHER COMPREHENSIVE INCOME			
Items that are not subsequently reclassified to profit and loss:			
Actuarial (losses)/gains of defined benefit plans	12.1	709	(1.739)
Equity investments measured at fair value	14.2 - 9	252.401	394.268
Income tax from items that will not be reclassified	14.1	(234)	653
Total items that are not subsequently reclassified to profit and loss		\$ 252.876	\$ 393.182
Items that are or may be subsequently reclassified to profit and loss:			
Share of other comprehensive income of subsidiaries	14.4	132.884	(132.079)
Share of other comprehensive income of associates	14.3 - 8	487	(1.084)
Income tax from items that will be reclassified	14.3	(160)	176
Total items that are or may be subsequently reclassified to profit and loss:		\$ 133.211	\$ (132.987)
Other comprehensive income, net taxes		\$ 386.087	\$ 260.195
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 816.366	\$ 659.293

The notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Change in Equity Statement

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

	Share capital issued	Paid-in capital	Reserves	Retained earnings	Profit for the period	Other comprehensive income, accumulated	Total
EQUITY AT DECEMBER 31, 2016	2.301	546.832	3.592.671	-	399.098	3.899.132	8.440.034
Profit for the period	-	-	-	-	430.279	-	430.279
Other comprehensive income for the period	-	-	-	-	-	386.087	386.087
Comprehensive income for the period	-	-	-	-	430.279	386.087	816.366
Transfer to accumulated results	-	-	-	399.098	(399.098)	-	-
Cash dividends (Note 9)	-	-	(2.761)	(242.945)	-	-	(245.706)
Appropriation of reserves (Note 9)	-	-	156.153	(156.153)	-	-	-
Tax on wealth (Note 8)	-	-	(43)	-	-	-	(43)
Realization of other comprehensive income	-	-	-	3	-	(3)	-
EQUITY AT DECEMBER 31, 2017	2.301	546.832	3.746.020	3	430.279	4.285.216	9.010.651
EQUITY AT DECEMBER 31, 2015	2.301	546.832	1.836.225	1.558.597	427.096	3.638.937	8.009.988
Profit for the period	-	-	-	-	399.098	-	399.098
Other comprehensive income for the period	-	-	-	-	-	260.195	260.195
Comprehensive income for the period	-	-	-	-	399.098	260.195	659.293
Transfer to accumulated results	-	-	-	427.096	(427.096)	-	-
Cash dividends (Note 9)	-	-	(6.428)	(222.713)	-	-	(229.141)
Appropriation of reserves (Note 9)	-	-	1.762.980	(1.762.980)	-	-	-
Tax on wealth (Note 8)	-	-	(106)	-	-	-	(106)
EQUITY AT DECEMBER 31, 2016	2.301	546.832	3.592.671	-	399.098	3.899.132	8.440.034

The notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President
(See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
(See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
Appointed by PricewaterhouseCoopers Ltda.
(See attached certification)

Cash-flow Statement

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

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Dividends received (Note 7 y 9)	\$ 265.755	\$ 276.923
Dividends paid (Note 13.3)	(240.744)	(224.277)
Collection from goods and services	2.575	1.452
Payments to suppliers for goods and services	(1.788)	(4.593)
Payments to and on behalf of employees	(6.548)	(5.735)
Income taxes on reimbursed gains (paid)	391	(684)
Other cash inflows	1.500	7.578
Net cash flow from operating activities	\$ 21.141	\$ 50.664
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of equity of associates and joint ventures (Note 8)	(20.717)	(36.583)
Capitalization in subsidiaries (Note 7)	-	(13.090)
Other cash inflows	126	23
Net cash flow used in investment activities	\$ (20.591)	\$ (49.650)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	(1.029)
Other cash outflows	(126)	(3)
Net cash flow used in financing activities	\$ (126)	\$ (1.032)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT FROM ACTIVITIES		
	\$ 424	\$ (18)
Net foreign exchange differences	(1)	(6)
Net increase (decrease) in cash and cash equivalents	423	(24)
Cash and cash equivalents at the beginning of the period	42	66
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 465	\$ 42

The notes are an integral part of the Separate Financial Statements.



Carlos Ignacio Gallego Palacio
President
 (See attached certification)



Jaime León Montoya Vásquez
General Accountant - T.P. 45056-T
 (See attached certification)



Bibiana Moreno Vásquez
Statutory Auditor - Professional Card No. 167200-T
 Appointed by PricewaterhouseCoopers Ltda.
 (See attached certification)