Fitch Ratings / Press Release

NOTE: For all purposes, the original document is in the Spanish language; the following is just an illustrative translation.

Fitch Ratings

Fitch Affirms AAA (col) Ordinary Bonds of the *Grupo Nacional de Chocolates* Trust

Fitch Ratings–Bogotá–May 24, 2016: Fitch Ratings has affirmed in AAA (col) the rate of the Ordinary Bonds of the *Grupo Nacional de Chocolates* (*Grupo Nutresa*) Trust for COP 500.000 Million. The Perspective is Stable.

KEY FACTORS OF THE RATE

The decision to affirm the rating reflects the solid competitive position of the company in its relevant markets, its growing geographic diversification in countries with a favorable operational environment and solid credit profile, characterized by a moderate level of leverage and a robust generation of free cash flow throughout the economic cycle. This has allowed it to advance an ambitious strategy of inorganic growth, without significantly weakening its credit metrics. The rating incorporated the pressure on the indicators of liquidity~~, the product~~ as a result of the short – term financing scheme for the acquisition of Aldage Inc. (*Grupo El Corral*).

Robust Competitive Position:
In the Colombian food industry~~ in Colombia~~, Grupo Nutresa maintains a robust competitive position, a country that concentrated 62% of its revenue during 2014. The Company is leader, with more than 50% of the market share, in segments such as Cold Cuts, Coffee, Chocolate and Biscuits, which, together, represented 73% of the Grupo Nutresa consolidated EBITDA. Grupo Nutresa's strong business position is based on the strength of its leading brands, its innovation capability, and its extensive distribution system, which allows it to serve more than 360~~,~~.000 clients in Colombia, and more than one million internationally. Fitch expects that Grupo Nutresa's organic growth in Colombia to maintain a dynamic positive growth, supported by the still resilient domestic demand and the position of leadership in the markets in which it ~~operated~~operates.

Growing Geographic and Product Diversification:
The mix of businesses and growing diversification of its revenues has allowed Grupo Nutresa to maintain stable operating cash flows through the business cycle. Grupo Nutresa has eight business units within the food sector with exports and direct presence in 13 countries in Latin America and the United States, where the company has production plants and its own distribution network. During the first quarter of 2016, international sales represented 40~~.~~,5% (2015: 38~~.~~,1%) of total revenues of the company, with the expectation to continue rising in the short and medium term.

Suitable Operating Indicators: The Company has accompanied the increase in revenue with greater control of its operating costs and expenses, which favor the generation of cash flow. This, in the midst of a very challenging economic environment, characterized by the weakening of the exchange rate, slowing consumer spending and rising inflation. During 2015, the Company's revenues continued their upward trend (+22~~.~~,6%), boosted by organic growth and the incorporation of *Grupo El Corral* operations. In 2015, Grupo Nutresa registered an EBITDA of COP 98 billion, for an EBITDA margin of 12~~.~~,3%, benefitting from increased productivity, an improved sales mix ~~toward~~ of products with higher added value and a reduction in the prices of its main raw materials. In the future, margins could be pressured in an environment of rising commodity prices and a weaker exchange rate. Fitch estimates that the Company will sustain its EBITDA margin in a range between 12% and 14%, which is consistent with regional peers.

Solid Credit Metrics:
Grupo Nutresa has maintained a solid financial profile, characterized by a robust generation of cash flow and moderate leverages. It has also been able to finance acquisitions, equity investments, as well as pay dividends from both internal generation and ~~lesser~~ debt -in a less proportion~~, -~~-, without compromising its credit profile. In recent years, Grupo Nutresa has been expanding its operations through a strategy of international acquisitions, ~~aimed at~~ targeting profitable companies that participate in its core businesses with a strong competitive position, and an adequate distribution ~~chain~~network, located in strategically selected countries.

The acquisition of Aldage Inc., owner of the Colombian companies that make up *Grupo El Corral*, transiently increased Grupo Nutresa's leverage; it is expected to return in the short term to levels consistent with its rating. At the close of 2015, the adjusted EBITDAR leverage increased to 3~~.~~,4 times (x), higher than that stated in the sensitivity of the assigned rating level. By incorporating the EBITDAR generated by this business, Fitch estimates a reduction of leverage to levels close to 3x at the end of 2016. Fitch positively values the commitment made by Grupo Nutresa to maintain a moderate financial risk, amid its ambitious growth strategy.

Pressured Liquidity:
Liquidity indicators were pressured by the scheme of short – term financing used for the acquisition of *Grupo El Corral.* As of March 31, 2016, cash levels for COP 292 billion and operating cash flow over the last twelve months for COP 742 billion, covered 1x the short – term debt for COP 1~~.~~,04 trillion, ~~– (en el original, dice COP 1,04 billones),~~ adjusted for its rating category.

Fitch expects the short – term maturities to be refinanced and believes that the strength of the flow generated by operations (FGO) and the proven flexibility of the company to re – profile the maturities of its debt, will allow it to achieve – in the short term – liquidity indicators aligned to historical levels. The Company has ample access to financial markets and domestic capital, which provides additional financial flexibility to face eventual external financing needs.

KEY ASSUMPTIONS

The key assumptions of Fitch in the baseline scenario projections for the issuer include:

- More moderate organic growth beginning in 2017.
- Profit margins for 2016 pressured by a weaker exchange rate and higher commodity prices.
- Not assuming new acquisitions.

RATE SENSITIVITY

The rating could be lowered by a combination of the following factors:

- A lower – than – expected operating performance, including a drop in revenue and margins of the Company;
- A more aggressive growth policy that includes acquisitions financed mainly with debt;
- A leverage level adjusted by sustained operating leases exceeding 3x.