

# Shareholders' newsletter



Third quarter, 2014

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## Grupo Nutresa with very positive results, supported by its diversified business model in markets and categories

During the first nine months of 2014, Grupo Nutresa generated total sales for COP 4,646.2 billion, representing a growth of 13.3%.

Sales in Colombia, representing 65.8% of the Grupo Nutresa total sales, reached COP 3,058.7 billion and grew by 8.9% over the same period last year. This excellent performance is the result of constant innovation, the appropriate diversification of distribution channels with national coverage and the positioning of its valued, recognized brands, as well as excellent consumer dynamics during the year.

Grupo Nutresa's international sales represented 34.2% of total sales, closing at USD 816 million, a growth of 18.0%. This increase is quite remarkable, since the contribution of the Tresmontes Lucchetti (TMLUC) sales exceeds the negative effect of the consolidation of

sales from Venezuela at the rate indicated by Alternative Currency Exchange System (Sistema Cambiario Alternativo de Divisas, SICAD II).

In terms of profitability, the EBITDA margin of 13.8% throughout 2014 stands out. The EBITDA was COP 642.1 billion, 11.6% higher than the same period last year. This sustained level in the margin is supported in the excellent commercial dynamics in Colombia, the Grupo Nutresa global sourcing strategy and the behavior of favorable prices for some raw materials, the 5.1% increase in productivity and innovation, equal to 17.3% of total sales.

Operating income during the first nine months of the year grew 5.7% to reach COP 477.7 billion, with an operating margin of 10.3%, in line with that reported in the first half of the year.

The consolidated net income during the period reached COP 260.2 billion, representing a decrease of 7.1%, compared to the same period last year, largely due to the financial interest costs paid to acquire TMLUC.

1. The Starbucks operation in Colombia is carried out through a Joint Venture with Alsea.



### Dow Jones Sustainability World Index (DJSI)

Grupo Nutresa was recognized for the fourth consecutive year in the Dow Jones Sustainability World Index (DJSI), which confirms its leadership in sustainability in the food sector.

"Staying in this Index demonstrates the consistent, effective work of the Grupo Nutresa team to increasingly improve its sustainability practices and reflects the positive results for our stakeholders. This not only gives confidence to our investors but it also reinforces the commitment and bond with our clients and employees. The organization sees the inclusion in the DJSI as a responsibility to further advance our sustainability management," stated Carlos Ignacio Gallego, Grupo Nutresa CEO.

■ The EBITDA grew **11.6%** over the same period last year and was **COP 642.1 billion**, representing a **13.8%** margin on sales.

■ The operational profit during the first nine months of the year grew by **5.7%**, ascending to **COP 477.7 billion**. Meanwhile, net profit during the same period reached **COP 260.2 billion**, representing a decrease of **7.1%**, mainly due to costs of financing the acquisition of TMLUC.

■ Grupo Nutresa continues its incursion into the retail food business with the opening of the **third Starbucks store in Colombia**<sup>1</sup>.

# Grupo Nutresa, for the Fourth Year, in the Dow Jones Sustainability World Index

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

**For the fourth consecutive year, Grupo Nutresa was recognized in the Dow Jones Sustainability World Index (DJSI), which confirms its leadership in sustainability in the food sector.**

More than 3,000 companies around the world, belonging to 59 sectors of the economy, were invited to participate in this analysis in 2014. In this new edition, 62 companies from the food sector were studied, nine of which entered the global index, including Grupo Nutresa.

For the company, belonging to this Index means being recognized for the identification and management of risks and opportunities on the economic, social and environmental fronts, and for creating value for all its stakeholders.

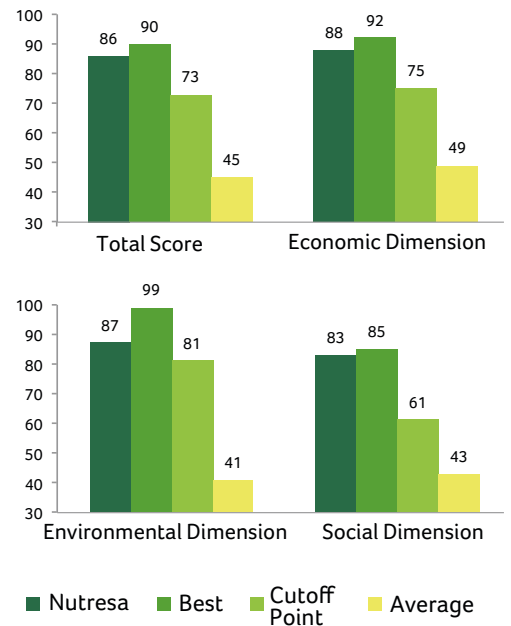
In economic matters, the Index highlights the ability of the organization to manage innovation and propitiate behavioral mechanisms that guide ethical and transparent behavior. Grupo Nutresa obtained first place in both areas, in the food sector.

Likewise, in environmental terms, Grupo Nutresa made significant progress in the management of risks related to water and improved its eco-efficiency performance, by establishing initiatives for the proper, long-term management of water resources. The Company obtained first place in the environmental report and the maximum ranking in risks related to water.

Finally, in the social dimension, the Company obtained first place in the indicators for labor practices and human rights, as well as the maximum ranking in corporate citizenship and philanthropy, confir-

ming our commitment to our human team and its communities.

Also noteworthy is that, for the third consecutive year, Grupo Nutresa is part of the Dow Jones Sustainability Emerging Market Index, together with three other companies in the food sector, out of a total of 35 evaluated.



In 2014, Grupo Nutresa obtained a grade of 86 points on the Dow Jones Sustainability Index, higher than 95% of the companies in its sector.



## Grupo Nutresa Joins the I Am Able (Soy Capaz) Campaign

During August and September, Grupo Nutresa participated in the I Am Able (Soy Capaz) Campaign, a private initiative aimed to generate a mind change and inspire Colombians to take action to build peace. One focus of the campaign was the introduction in the Colombian market of brands and products with white packaging and containers, as a common element bonding nearly 100 of the largest companies in the country.

Grupo Nutresa decided to join the campaign with some of its most representative brands and references, including Jet, Zenú, Chocolisto, Saltín Noel, Doria, Sello Rojo and Colcafé, all sheltered under a large Nutresa Institutional phrase: "I am able to enjoy life."

## Grupo Nutresa Joined the Great Innovation Pact MEDELLINNOVATION



This past September, Grupo Nutresa joined the Great Innovation Pact MEDELLINNOVATION, driven by the Office of the Mayor of Medellín from Ruta N, a corporation to foster innovation in the city.

This commitment has become a Great Pact to prioritize science, technology and innovation within various sectors of society, including the private sector. In the final document, Grupo Nutresa undertook, among others, to encourage its partners to discover and explore science, technology and innovation; propose spaces for discussion; and invest, according to their strategic projection, a total percentage of their income in these activities.

# Grupo Nutresa, the Third Most Reputable Company in Colombia, According to MERCO Empresas

For the sixth consecutive year, Grupo Nutresa placed third in the list of Companies with the best reputation in Colombia, within the Merco Empresas ranking, behind Ecopetrol and Grupo Bancolombia.

This year's results show a novelty, which is the growth of 684 points over 2013, which marked the surpassing, for the first time, of the barrier of 9,000 points (out of the 10,000 obtained by the leader), as well as a significant reduction of the gap that separates Grupo Nutresa from the first two companies in the classification.

These results also confirm the first place of Grupo Nutresa within the Food and Beverage Sector.

Also outstanding is the rapid reputational rise of **Carlos Ignacio Gallego** in the ranking of leaders,

Position 2014	Points	Company	Position 2013
1	10,000	ECOPETROL	1
2	9,729	GRUPO BANCOLOMBIA	2
3	9,560	GRUPO NUTRESA	3
4	8,837	ALPINA	5
5	8,724	GRUPO EPM	4
6	8,715	AVIANCA	6
7	8,691	SABMILLER-BAVARIA	7
8	8,393	CEMENTOS ARGOS	16
9	7,992	GRUPO ÉXITO	9
10	7,672	GRUPO SURA	8

as he occupied the 20th position, just a few months after becoming Grupo Nutresa's CEO.

Also, the results were presented for the first edition of MERCO Personas Chile, in which Tresmontes Lucchetti (TMLUC) ranked second in terms of food companies and number 17 in the general list of the 100 best-ranked companies in Chile.

## AWARDS



### Grupo Nutresa, Recognized by CECORP in the Social Responsibility Category

For its active, voluntary contribution to the social, economic and environmental improvement of the country through public relations and communication, Grupo Nutresa, through Fundación Nutresa, was recognized as the winner in the Category of Corporate Social Responsibility in the Colombian Center for Public Relations and Organizational Communication (Centro Colombiano de Relaciones Públicas y Comunicación Organizacional, CECORP) Awards 2014.

### CNCH, Distinguished as the "Progresia Great Leader"

Compañía Nacional de Chocolates received the highest recognition as "Progresia Great Leader" by the Regional Autonomous Corporation of the Negro and Nare River Basins (Corporación Autónoma Regional de las Cuencas de los Ríos Negro y Nare, CORNARE), which exalts this and other companies in Eastern Antioquia for their contribution to environmental stewardship, social management in their production processes and their corporate commitment to sustainable development.

### Festival Awarded "The Homey Award"

The "Rio 2" massive promotion, by the Festival brand, was recognized as the best implementation of the Rio 2 movie license, thanks to its innovation, communication strategy and activation at the point of sale. This award was presented by Twentieth Century Fox under the Licensing International Expo, the largest fair worldwide in the sector of promotions and licenses.



### Now There Are Seven Grupo Nutresa Companies Certified as a Family Responsible Company

With the recent incorporation of Doria, Comercial Nutresa, Colcafé, Noel and Litoempaquas as Family Responsible Companies (Empresa Familiarmente Responsable, EFR), there are now seven Grupo Nutresa companies that have been certified. These companies are added to Servicios Nutresa and Compañía Nacional de Chocolates. EFR is a model that guides companies in implementing measures to facilitate the balance among the personal, family and working life of their employees.

## BRANDZ™

### Grupo Nutresa Brands, among the most memorable and valuable in Colombia

Ducales and Saltín Noel were included as the brands with the highest Top of Mind and Top of Heart in Colombia, respectively, in the Category of Crackers, according to the study Awareness, Attitude and Purchase (Recordación, Actitud y Compra, RAC) 2014, conducted by the firm Óptimos for the magazine Gerente. Similarly, four Grupo Nutresa brands (Pietrán, Zenú, Doria and Jet) were part of the list of the 20 most valuable brands in Colombia, according to the BrandZ ranking, commissioned by the firm WPP and conducted by Millward Brown.



### The Tresmontes Lucchetti Corporate Affairs Manager, new ALAIB VP

Recently, the authorities were elected for the Latin American Alliance of Food and Beverage Associations

(Alianza Latinoamericana de Asociaciones de Alimentos y Bebidas, ALAIB), an organization that brings together the leading companies in both sectors. As part of this meeting Felipe Lira Ibáñez, Corporate Affairs Manager of Tresmontes Lucchetti (TMLUC) and Director of Chile Crece Sano, was elected Vice President of the organization. The ALAIB promotes sustainable development in the food and beverage industry and its value chain and contributes to designing public policies to benefit the entire population.

### Zuko, Recommended by the Mexican Association of Obesity and Nutrition

Zuko, one of the leading brands of Tresmontes Lucchetti's instant beverages, was recommended by the Mexican Association of Obesity and Nutrition (Colegio de Obesidad y Nutrición de México), because it contains 100% Vitamin C in one portion of four 200-ml glasses, making it a rich, healthy drink.



# Consolidated statement of results \*

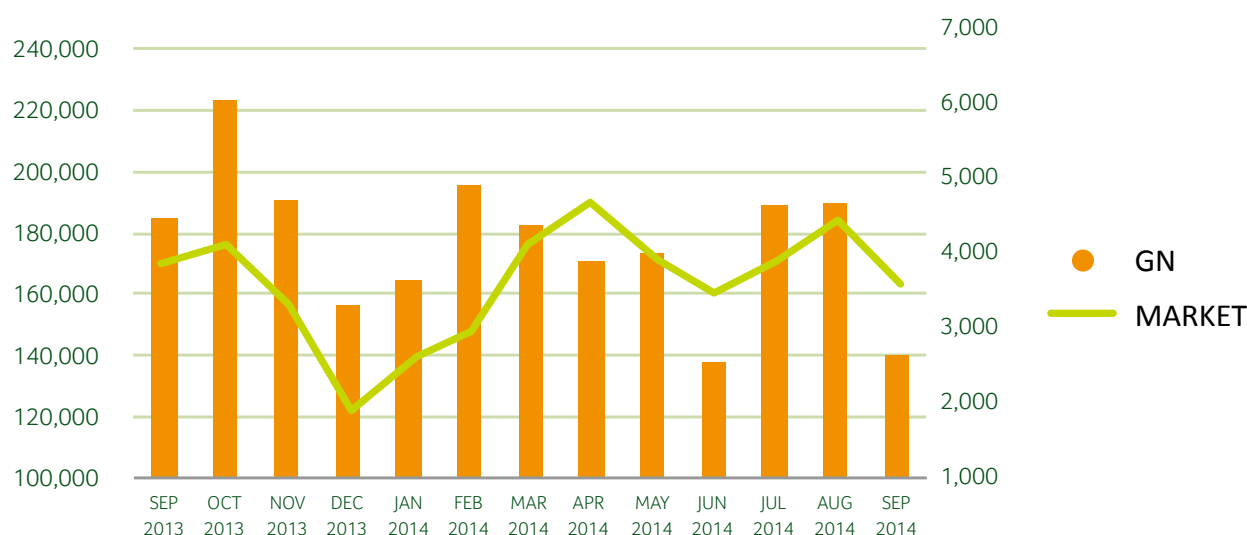
September 30 de 2014

Figures in COP\$ MM	sep-14	%	sep-13	%	% var.
Total operating revenues	4,646,154	100.0%	4,101,472	100.0%	13.3%
<b>Cost of goods sold</b>	<b>-2,563,460</b>	<b>-55.2%</b>	<b>-2,257,250</b>	<b>-55.0%</b>	<b>13.6%</b>
Gross income	2,082,694	44.8%	1,844,222	45.0%	12.9%
Administrative expenses	-297,884	-6.4%	-242,240	-5.9%	23.0%
Sales expenses	-1,224,985	-26.4%	-1,056,595	-25.8%	15.9%
<b>Production expenses</b>	<b>-82,124</b>	<b>-1.8%</b>	<b>-93,517</b>	<b>-2.3%</b>	<b>-12.2%</b>
<b>Total operating expenses</b>	<b>-1,604,993</b>	<b>-34.5%</b>	<b>-1,392,352</b>	<b>-33.9%</b>	<b>15.3%</b>
Operating income	477,701	10.3%	451,870	11.0%	5.7%
Financial revenues	10,909	0.2%	8,211	0.2%	32.9%
Financial expenses	-116,958	-2.5%	-61,386	-1.5%	90.5%
Foreign currency exposure	4,361	0.1%	12,836	0.3%	-66.0%
Other revenues (expenditures), net	-31,941	-0.7%	-25,620	-0.6%	24.7%
Dividends (non-food)	31,511	0.7%	29,867	0.7%	5.5%
Non-recurring capital gains	-	-	107	0.0%	N.C.
<b>Non-operating, net</b>	<b>-102,118</b>	<b>-2.2%</b>	<b>-35,985</b>	<b>-0.9%</b>	<b>183.8%</b>
Income before tax	375,583	8.1%	415,885	10.1%	-9.7%
Income tax	-113,479	-2.4%	-135,657	-3.3%	-16.3%
<b>Minority interest</b>	<b>-1,919</b>	<b>0.0%</b>	<b>-73</b>	<b>0.0%</b>	<b>2,528.8%</b>
<b>Net Income</b>	<b>260,185</b>	<b>5.6%</b>	<b>280,155</b>	<b>6.8%</b>	<b>-7.1%</b>
<b>Consolidated EBITDA</b>	<b>642,085</b>	<b>13.8%</b>	<b>575,154</b>	<b>14.0%</b>	<b>11.6%</b>

\*Unaudited information.

## Volume of daily negotiations

Figures in COP\$ MM



# Consolidated balance sheet\*

September 30, 2014

Figures in COP\$ MM	sep-14	sep-13	% var.
<b>ASSETS</b>			
Cash and temporary investments	206,875	345,435	-40.1%
Investments	382,341	357,305	7.0%
Receivables	939,344	931,013	0.9%
Inventories	830,981	751,151	10.6%
Property, plant and equipment	1,428,263	1,379,531	3.5%
Intangibles	1,879,364	2,118,695	-11.3%
Deferred assets	78,501	103,310	-24.0%
Other assets	24,188	14,047	72.2%
Appreciation	5,296,045	4,989,555	6.1%
<b>Total Assets</b>	<b>11,065,902</b>	<b>10,990,042</b>	<b>0.7%</b>
<b>LIABILITIES</b>			
Financial liabilities	2,013,963	2,021,108	-0.4%
Suppliers	219,468	206,620	6.2%
Accounts payable	333,371	358,785	-7.1%
Taxes, duties and tariffs	47,144	69,570	-32.2%
Labor liabilities	49,171	56,114	-12.4%
Estimated liabilities and provisions	296,239	384,377	-22.9%
Deferred liabilities	203,513	162,220	25.5%
Other liabilities	6,432	22,494	-71.4%
<b>Total Liabilities</b>	<b>3,169,301</b>	<b>3,281,288</b>	<b>-3.4%</b>
Minority interest	19,558	20,353	-3.9%
<b>EQUITY</b>	<b>7,877,043</b>	<b>7,688,401</b>	<b>2.5%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,065,902</b>	<b>10,990,042</b>	<b>0.7%</b>

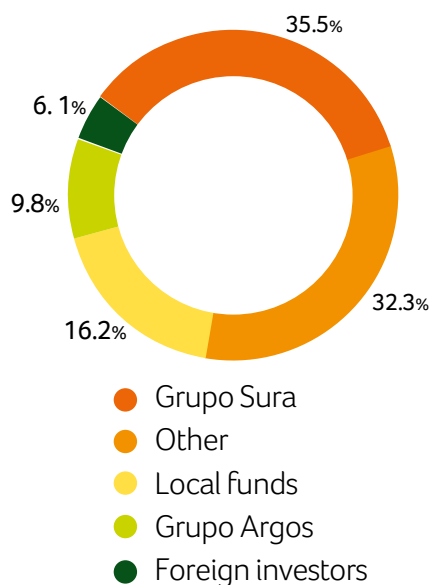
\*Unaudited information.

## Key indicators

Closing price	27,700
Closing price 12 months prior	27,220
Max. 52 Weeks	28,700
Min. 52 Weeks	23,400
Market cap. (COPMM)	12,745,420
Closing price	17,120
Closing price 12 months prior	26.3
Max. 52 Weeks	2.4
Min. 52 Weeks	11.3
Market cap. (COPMM)	783
Dividend per share-month	36.0
Dividend yield (2)	1.5%
Price change (2)	1.8%
Total return (2)	3.3%
Change in COLCAP (2)	-4.9%
Return on assets (1)	10.1%
Return on equity (1)	9.0%
Return on invested capital (1)	12.2%
Outstanding shares	460,123,458
Number of shareholders	14,445
Bursatility	Alta

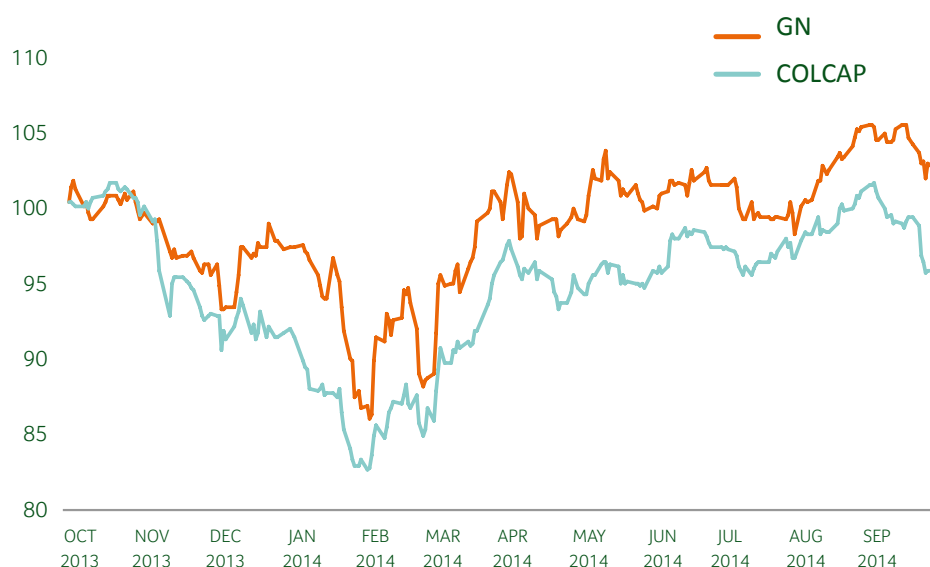
FIGURES IN COP\$ MM  
(1) Food companies / 12 months  
(2) last 12 months

## Ownership structure



## Behavior of the share

Figures in COP\$ MM







## Chocolates



### Nutresa México, Innovating for Clients and Consumers

As part of the 2014 Edition of Confitexpo, held in Guadalajara, Mexico, Nutresa México presented three innovations: Nucita Cono, a cookie cone filled with the Nucita three-flavor filling, aimed at smaller children; Cremino Stick, with cocoa and milk; and Muibon Barra, a frosted cookie bar with chocolate, caramel and crispy rice flavors.

### Pícaras, with Two Innovations in Peru

CNCh Perú entered the segment of flavored cookies by launching Pícaras Chips, adding the traditional Pícaras chips with real chocolate, showing the innovative, versatile and modern side of the brand. Likewise, it introduced the Pícaras XL presentation, which offers six cookies instead of four, and a free glow stick.



### Chin Chin Presented its Chocopaletón

Chin Chin, the leading brand in the children's segment in Peru, successfully entered the dipped-marshmallow segment with Chocopaletón, candy with chocolate-flavored frosting, colored sprinkles and a popsicle-type stick to consume as a lollipop.



### New Jet Cookies and Cream

Jet presented its new Jet Cookies and Cream Candy Bar, a combination of Jet white chocolate with pieces of chocolate cookie, making it a new experience for chocolate lovers. In addition to the 50-gram bar, which is a line product, Jet also presented two limited editions: Bubble (Burbuja) filled with vanilla and pieces of chocolate cookie, and the traditional Wafer, with a chocolate cookie covered with white chocolate.



### Fochis with Raisins

Fochis introduced the Fochis Raisin Bar to the Peruvian market, seeking to achieve a relationship in the minds of its young consumers with the presentation of bits and bars, in order to strengthen this latter segment, which represents 50% of the chocolate category.

### Winter's Returns to Baking

Winter's returned to the category of chocolate frosting for baking in Peru, after four years of absence. The return is accompanied by improvements in product taste, packaging innovation, competitive process and a 360° support plan, which includes classes on making chocolates, raffles and swaps for the end user, POP materials, and tasting and promotion activities at the points of sale.



## Ice Cream



### Bocatto Holidays

Bocatto Cone launched two new flavors that were very popular among Colombian youth during their mid-year vacation: Piña Colada and Strawberry Daiquiri. These two references boosted sales and a renewal of the brand.

### The New "Carritos Polet" Experience

Polet entered the Colombian market with the first "Carritos Polet," which are being placed in shopping centers, where consumers can enjoy a pleasant experience making their own combination with the Polet ice cream bar, three chocolate sauces and nine different toppings.



## Pastas



### Monticello Launches a New Reference in the Market

The new Monticello 500-gram Fettuccine reached the Colombian market to complement the long-pasta portfolio. Fettuccine is a favorite of consumers, since its flat shape gives a special presentation and flavor to dishes. It is made with 100% Durum Wheat in bronze molds that give it a particular texture, allowing the sauce to adhere better.

### Pastas Doria with a New Practical, Delicious Option

The new Doria Instant Macaroni and Cheese is prepared in just three minutes in the microwave or boiling water, and is "saucy" for Colombian consumer taste. It is a convenient way to develop new consumption moments, since it allows consumers to take their Pastas Doria everywhere.





## Cold Cuts



### Chorizo Ranchera, a New Adventure with Unmistakable Flavor

Ranchera successfully launched Chorizo Premium, made from pork, with the exclusive Ranchera smoky flavor, a high meat content and a touch of spice. Chorizo Ranchera comes in two presentations: the Chorizo Unipack for the Traditional Channel (mom and pop stores) and a package of eight for large chains (supermarkets).



### Zenú Hamburgers, Ready in Four Minutes

To provide consumers ease and convenience in the preparation of their meals, in August Zenú launched the new Pre-Grilled Hamburgers (Hamburguesa Preasada), ready in only four minutes. The new Zenú Pre-Grilled Hamburger comes refrigerated; it needs no oil, it is a good source of protein, it has a meat texture and flavor, hints of BBQ and bacon, and comes in a resealable package.



## Biscuits

### Festival Chokomix

Noel and CNCH Perú developed the new Festival Chokomix, chocolate cookies with a chocolate frosting and colorful sprinkles, available since the second week of September. Festival Chokomix comes to maintain leadership in the segment of children's cookies and participate in the increasingly important COP 200 sub-segment in Colombian stores, reaching new consumers with a lower purchasing power.



### Wheat and Corn Crackers, a New, Nutritious Flavor with the Tradition of Always

In Costa Rica, Pozuelo presented the Wheat and Corn Crackers, which combines the benefits of wheat with the flavor of corn, perfect to enjoy at home. This new product comes to the market in a presentation of nine individual packages, perfect to carry anywhere, and the family presentation of 420 grams.



### Richness and Healthiness Come Together in the New Tosh Passion Fruit Passion

This is a new grain cracker, filled with passion-fruit cream and orange zest. It contains nine vitamins and minerals; it is a source of fiber, it has antioxidants, it is low in sodium and it contains no cholesterol or trans fats. And, with only 95 calories per service, it is great to supplement a healthy diet. It was introduced in the Costa Rican market by Pozuelo.



## Tresmontes Lucchetti - TMLUC



### Lucchetti Launches its Latest Innovation: Pasta Salad

The new Pasta Salad has a decorative shape of violets and daisies, making it perfect to accompany salads; carrots, beets and spinach, which give it a characteristic color, have been added. This new Lucchetti alternative has the Proslow Seal, which guarantees its elaboration from Durum Wheat Semolina, providing low-glycemic carbohydrates.





## Fundación Nutresa, 20 Years Contributing to the Education of Colombia

Fundación Nutresa's **Líderes Siglo XXI** (XXI Century Leaders) education project celebrated 20 years of management and contribution to the quality of school management in Colombia. For this reason, and under the XIV Version of the National Education Congress, it celebrated its most representative path and accomplishments, including more than 1,200 educational institutions involved in and benefitting from the implementation of this program.

Líderes Siglo XXI supports the strengthening of methodologies that enable the educational institutions involved to improve the quality of their teaching and administrative processes. This project has the joint support of entities in the public and private sectors, as well as academia. In its years of experience, it has been implemented in

11 regions in the country; it has mobilized nearly 260 companies toward volunteering and trained more than 4,000 executives.

In the agenda of the Congress, held in October, Fundación Nutresa signed a public-private alliance with the Colombian Ministry of Education to seek integrated management with the public sector through the Ministry's "Todos Aprender" ("Everyone Learns) program and Líderes Siglo XXI. "Todos Aprender" focuses its efforts on articulating the initiatives of educational quality and providing tools to transform the institutions that present the greatest challenges in school management in the country. The alliance will benefit 80 schools located in the Departments of Bolívar, Norte de Santander, Antioquia, Cundinamarca, Risaralda and Valle del Cauca.

### The TOSH Brand Is Present in the "Spice Up Life" Tour

Pozuelo, through the TOSH brand, launched in July the "Spice Up Life" ("Ponele a la Vida") Tour, which aims to visit 92 schools in Costa Rica to promote a culture of healthy eating and physical activity, as key issues for the development of young people. The initiative, part of the "Move and Enjoy Life" ("Movete y Disfrutá la Vida") plan, was recognized by the Costa Rican Ministry of Health.



### Novaventa and the Office of the Mayor of Medellín, Allies to Combat Extreme Poverty

"Medellín Solidaria" is a program from the Office of the Mayor of Medellín seeking to accompany the most vulnerable households in the city to help improve their quality of life through access to health, education and nutrition programs, promoting their autonomy and development. This is where Novaventa, a Grupo Nutresa company, through its Direct-Sales Model, offers these families an opportunity in entrepreneurship through catalogue sales, bringing nutrition and wellness to every household. Today, Novaventa has 531 Business Mothers from the Medellín Solidaria program.

### Fundación Nutresa, Volunteers and Brands

With the participation of more than 4,000 children and parents in Barranquilla, Bogotá and Medellín, volunteer work began in the "**Nutresa Loves Children – city,**" led by Fundación Nutresa.



This initiative, which began in 2013 under the leadership of Comercial Nutresa and Fundación Nutresa takes recreational sessions, which strengthen their values, love of family, self-care and creativity, to the children from cities in Colombia.

"Nutresa Loves Children" is part of the Fundación Nutresa Educational programs that, since 1994, have provided school kits to children and sports equipment to rural schools in Colombia, thus promoting the permanence of children in school.

These social actions are developed through the support of the Nutresa Volunteer Network, which already has 323 volunteers, and the participation of the major Grupo Nutresa brands.

One of these activities was recently led by La Recetta, a Grupo Nutresa company serving the institutional market in Colombia, in the El Porvenir and La Chinita neighborhoods in the city of Barranquilla, where volunteers supported the development of values in children.