

GRUPO NUTRESA S. A. (BVC:NUTRESA)

First Half 2014 results

August 4th, 2014



Highlights 2Q 2014

- **Merco personas:** Grupo Nutresa continues to consolidate itself as an attractive organization in the workplace. The Company Monitor of Corporate Reputation (Monitor Empresarial de Reputación Corporativa, MERCO), in its MERCO Personas 2014 edition, distinguished the organization as one of the three best companies to work in Colombia, as well as being the most attractive in the food sector.
- **Starbucks Colombia:** As the first step in the partnership among Starbucks, Alsea and *Grupo Nutresa* for the installation and operation of Starbucks stores in Colombia, the chain's first store was opened, located in the *Parque de la 93*, in Bogotá



First store opened, located in the Parque de la 93, in Bogotá



Federico Tejado, CEO, Starbucks Mexico
Cliff Burrows, President, Starbucks USA & Americas
Alberto Torrado, CEO, Alsea México
Howard Schultz, CEO, Starbucks
Carlos Ignacio Gallego, CEO, Grupo Nutresa

Exchange rate effect in Venezuela



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

	GN Results @ 6.3	Venezuela @ 6.3	Venezuela Sicad II (49.97)	Difference	GN Results @ 49.97
Revenues	3,298,280	338,570	42,681	(295,889)	3,002,391
Operating profit	328,733	23,863	3,009	(20,854)	307,879
Ebitda	439,942	25,467	3,210	(22,257)	417,685
EBITDA margin	13.3%	7.5%	7.5%	7.5%	13.9%
Net Income	164,249	(4,780)	(603)	4,177	168,426
Assets	11,261,083	459,998	57,994	(402,004)	10,859,079
Liabilities	3,330,099	134,183	16,917	(117,266)	3,212,833
Equity	7,930,984	325,815	41,077	(284,738)	7,646,246

Exchange rate effect in Venezuela



Accumulated

SALES	2014 @ 6.3	2014 @ 49.97	Dif.
Cold cuts	1,041.2	755.3	-285.9
Biscuits	577.7	574.0	-3.7
Chocolates	484.2	481.2	-3.0
Coffee	377.2	374.0	-3.2
Ice cream	262.4	262.4	0.0
Pasta	114.7	114.7	0.0
TMLUC	377.1	377.1	0.0
Other	63.7	63.5	-0.2
Total	3,298.3	3,002.4	-295.9

COP Billion

EBITDA	2014 @ 6.3	2014 @ 49.97	Dif.
Cold cuts	124.1	104.4	-19.7
Biscuits	77.6	77.3	-0.3
Chocolates	60.6	59.2	-1.4
Coffee	81.6	80.9	-0.7
Ice cream	41.4	41.4	0.0
Pasta	11.4	11.4	0.0
TMLUC	42.9	42.9	0.0
Other	0.2	0.0	-0.2
Total	439.9	417.7	-22.3

COP Billion

INT. SALES	2014 @ 6.3	2014 @ 49.97	Dif.
Cold cuts	190.4	38.4	-152.0
Biscuits	131.9	129.9	-1.9
Chocolates	73.2	71.7	-1.6
Coffee	67.3	65.6	-1.7
Ice cream	28.5	28.5	0.0
Pasta	0.0	0.0	0.0
TMLUC	192.5	192.5	0.0
Other	0.2	0.1	-0.1
Total	684.1	526.8	-157.3

USD million

Second quarter

SALES	2014 @ 6.3	2014 @ 49.97	Dif.
Cold cuts	557.8	271.9	-285.9
Biscuits	294.9	291.3	-3.7
Chocolates	248.0	245.1	-3.0
Coffee	193.2	190.0	-3.2
Ice cream	134.0	134.0	0.0
Pasta	59.9	59.9	0.0
TMLUC	205.2	205.2	0.0
Other	32.4	32.2	-0.2
Total	1,725.5	1,429.6	-295.9

COP Billion

EBITDA	2014 @ 6.3	2014 @ 49.97	Dif.
Cold cuts	66.2	46.6	-19.7
Biscuits	37.3	37.0	-0.3
Chocolates	27.8	26.3	-1.4
Coffee	37.0	36.3	-0.7
Ice cream	22.5	22.5	0.0
Pasta	5.4	5.4	0.0
TMLUC	27.8	27.8	0.0
Other	-2.9	-3.2	-0.2
Total	221.0	198.7	-22.3

COP Billion

INT. SALES	2014 @ 6.3	2014 @ 49.97	Dif.
Cold cuts	114.6	-37.4	-152.0
Biscuits	67.4	65.4	-1.9
Chocolates	38.0	36.4	-1.6
Coffee	36.4	34.7	-1.7
Ice cream	14.1	14.1	0.0
Pasta	0.0	0.0	0.0
TMLUC	106.8	106.8	0.0
Other	0.1	0.0	-0.1
Total	377.3	220.0	-157.3

USD million

Accumulated sales - Colombia and International

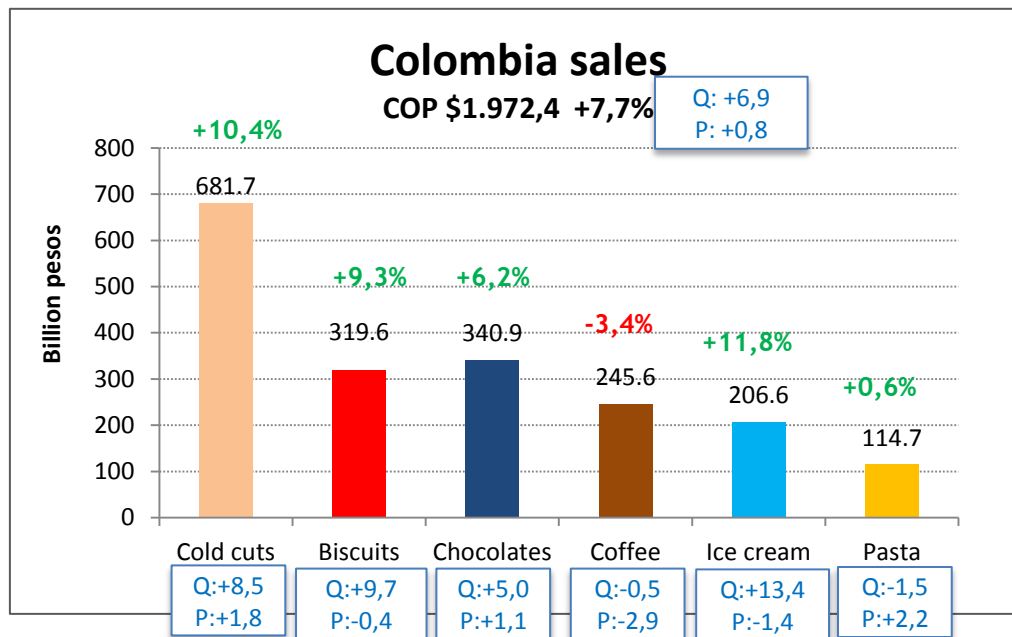


Sales per business unit

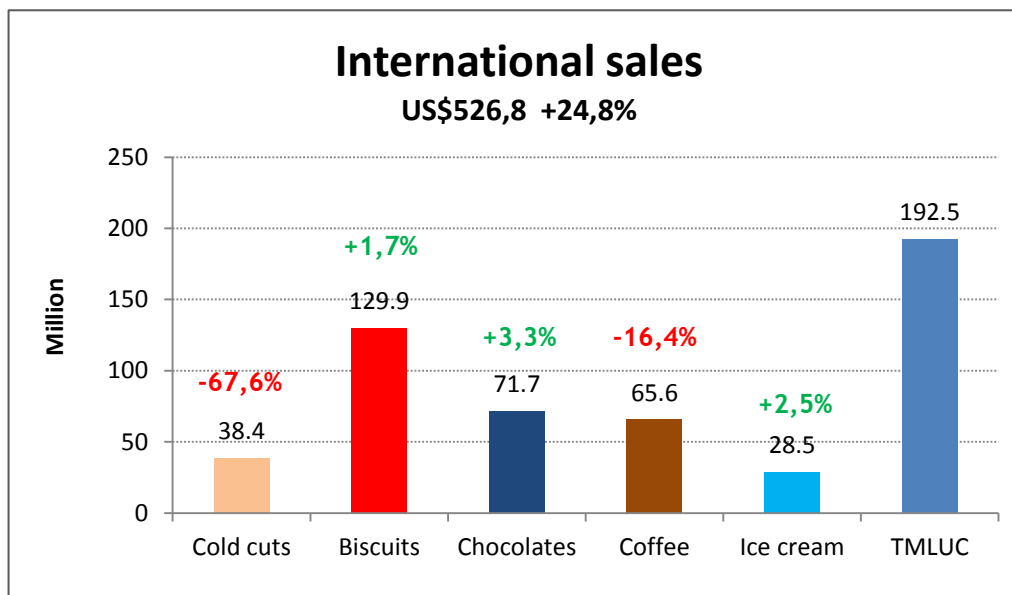
FIRST HALF 2014

Percentage variation in volume (Q) and prices (P)

International sales organic growth
Ex-Venezuela: -2.5%



% chg. YoY
Billion pesos

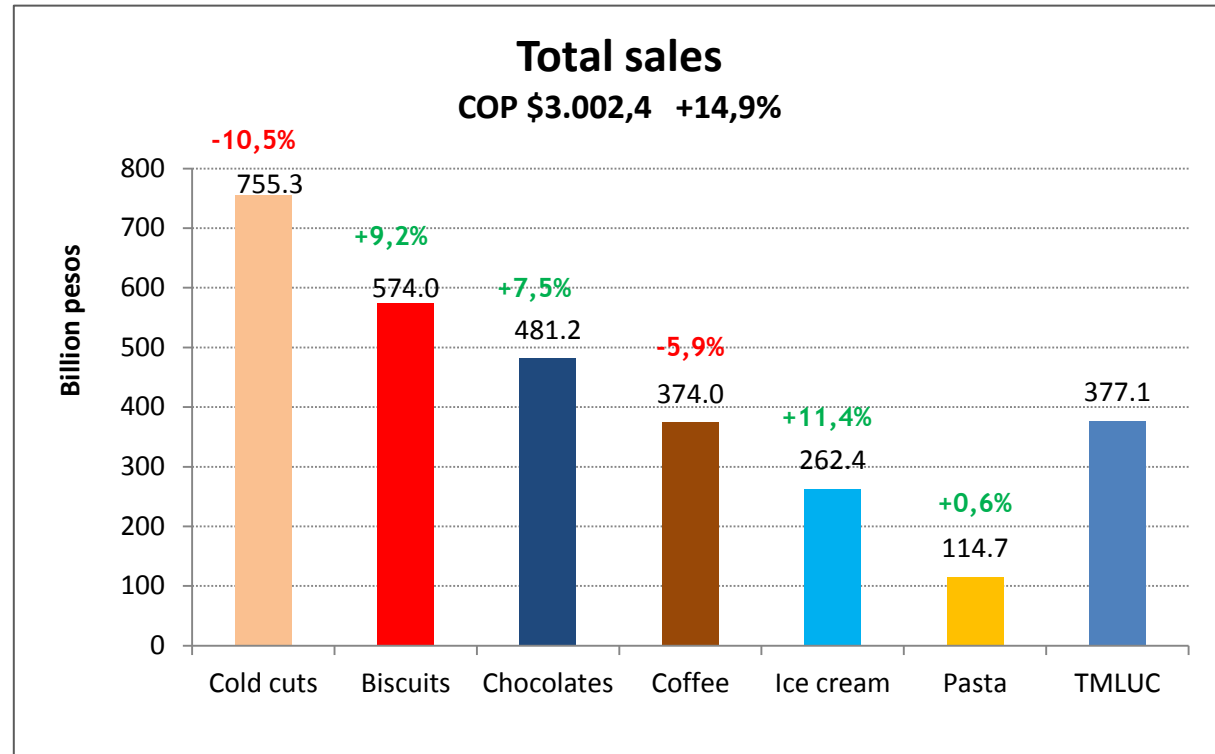


% chg. YoY
Million dollars

Accumulated sales - Total

Sales per business unit

FIRST HALF 2014



Sales organic growth
Ex-Venezuela: +7.0%

% chg. YoY
Billion pesos

2Q sales - Colombia and International

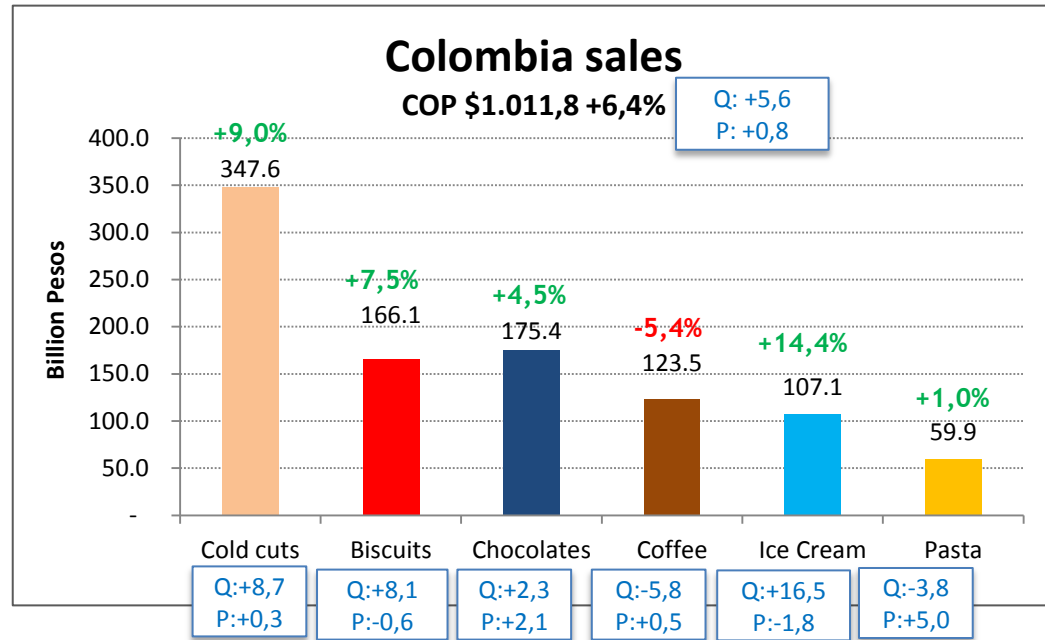
Sales per business unit

SECOND QUARTER 2014

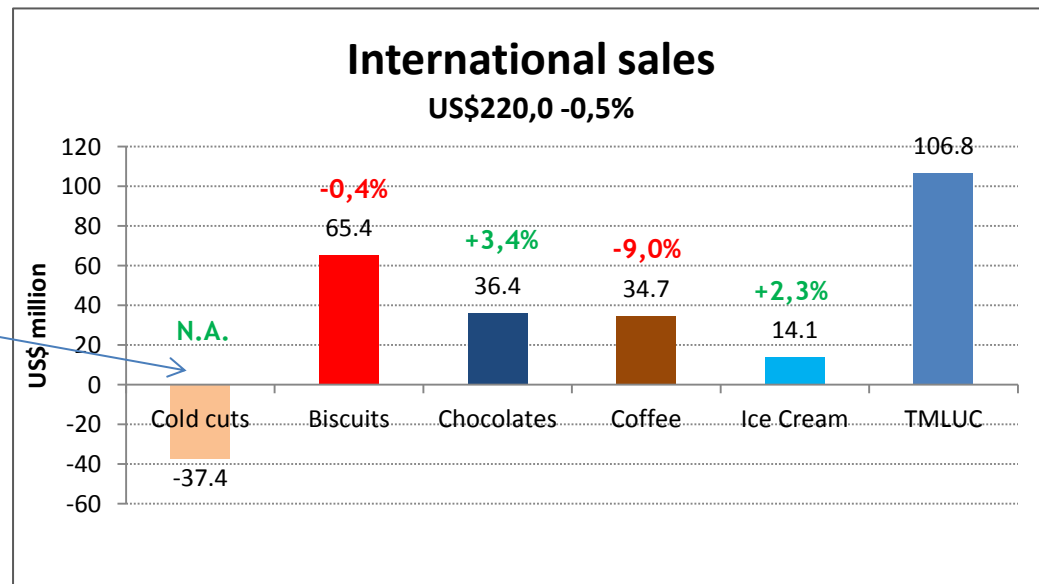
Percentage variation in volume (Q) and prices (P)

Sales: USD 114.6 mm @ 6.3 vef/usd

International sales organic growth
Ex - Venezuela -1,7%



% chg. YoY
Billion pesos



% chg. YoY
Million dollars

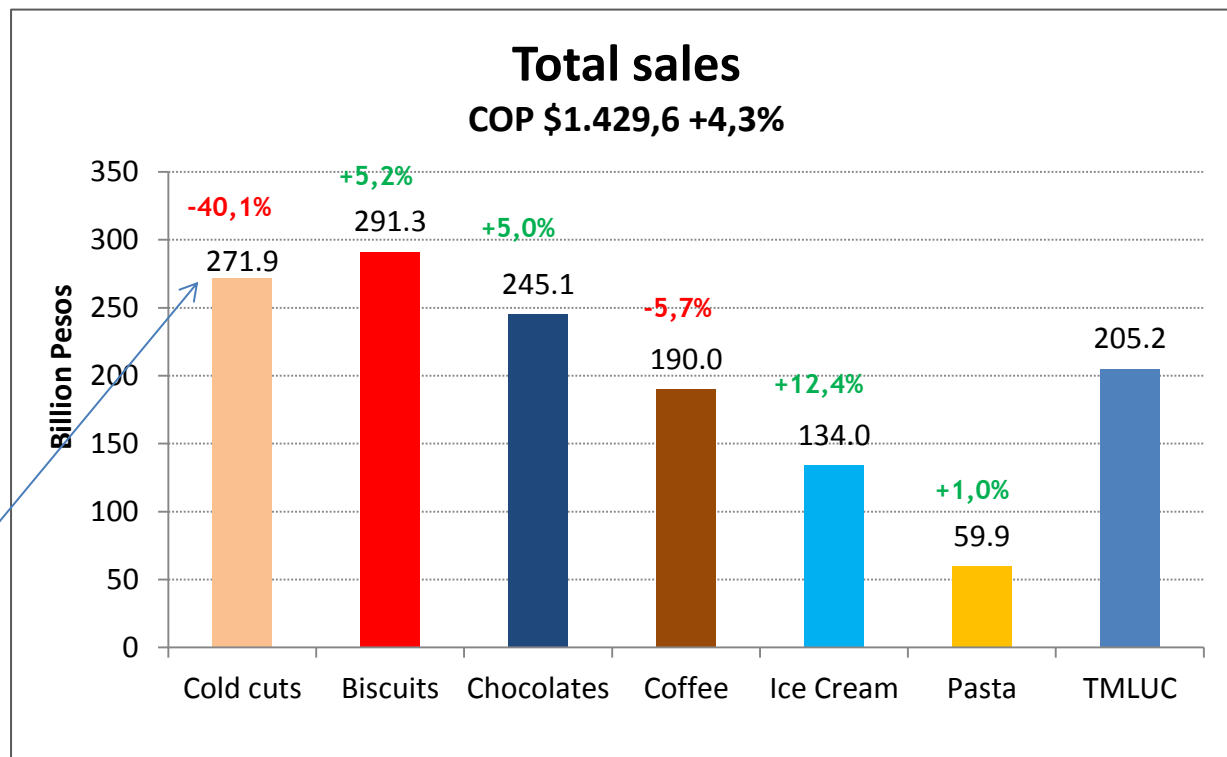
2Q sales - Total



Sales per business unit

SECOND QUARTER 2014

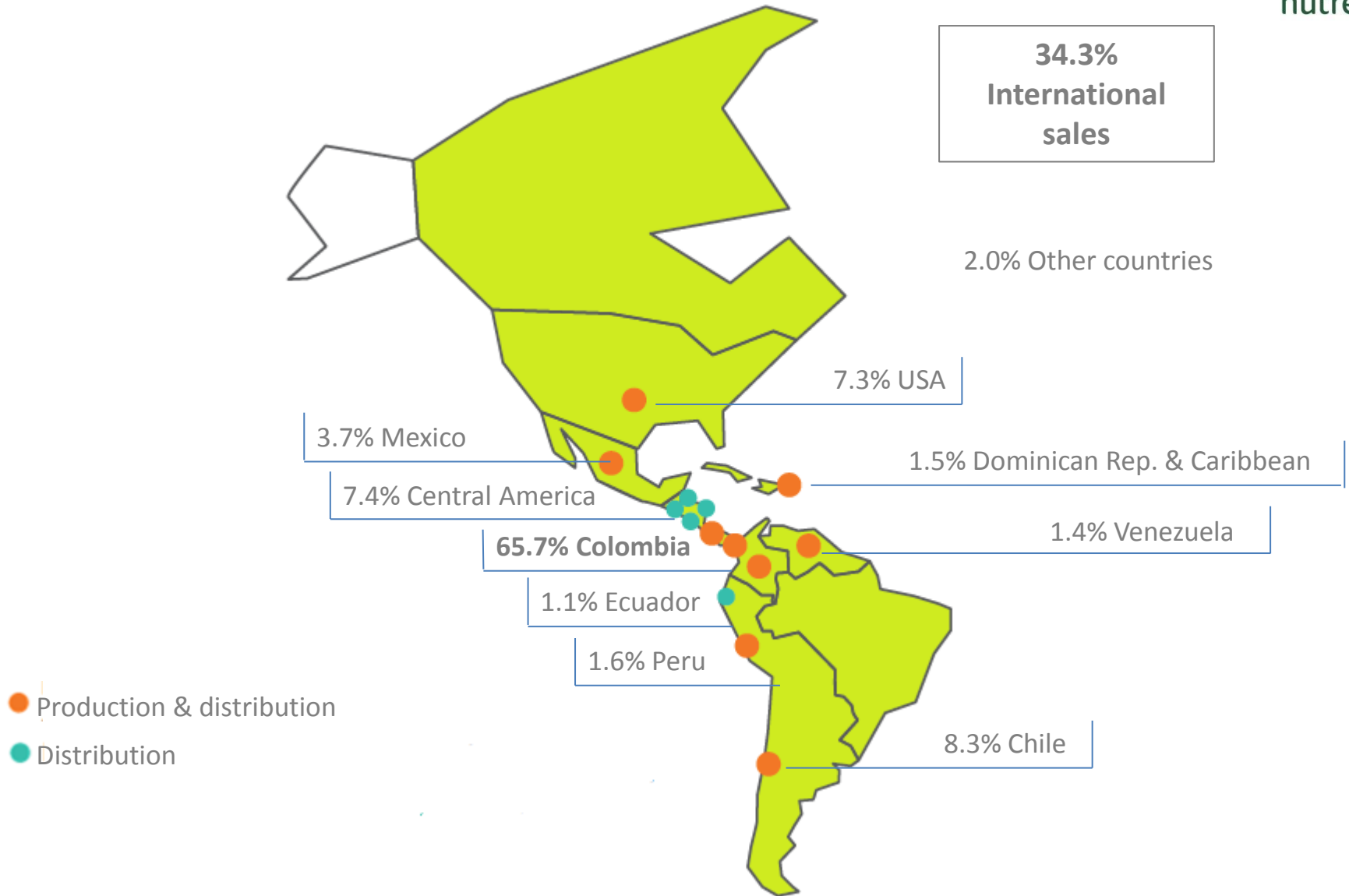
Sales COP 557.8 billion @ 6.3 vef/usd



Sales organic growth
Ex-Venezuela +5,1%
















% chg. YoY
Billion pesos

Sales by region – 2Q 14



Market share Colombia + TMLUC

Market share Colombia: 60.3% (+0,6%)

Cold cuts	Biscuits	Chocolates	Coffee	Ice cream	Pasta	TMLUC
						
73,0% +0,8%	55,0% +1,2%	Chocolate confectionary 66,9% (A) +1,2%	Roast and ground coffee (A) 56,0% -0,6%	ICE CREAM ND	51,4% +0,7%	Chile ICB* 61,8% (A)
 	 	Hot chocolate 63,1% (B) +0,1%	 Soluble coffee (B) 41,3% -0.5%			Pasta 29.3% (B) Coffee 16.5% (C)
#2 Private labels 7,5% #3 Friko 0,8%	#2 Nestlé 12,2% #3 Mondelez 10,4%	Milk modifiers 26,4% (C) -1,5%	 (A) #2 Águila Roja 23,3% (B) #1 Nestlé 45,0%		#2 La Muñeca 29,7%	Mexico ICB* 29.7% (D) (A) #2 Carozzi 36,2% (B) #1 Carozzi 44,9% (C) #1 Nestlé 71,5% (D) #1 Mondelez 51.8%
		Nuts 46,5% -1,5% (D)				
		(A) #2 Colombina 7,9% (B) #2 Casa Lúker 25,1% (C) #1 Nestlé 67,7% (D) Frito Lay 27,2%				

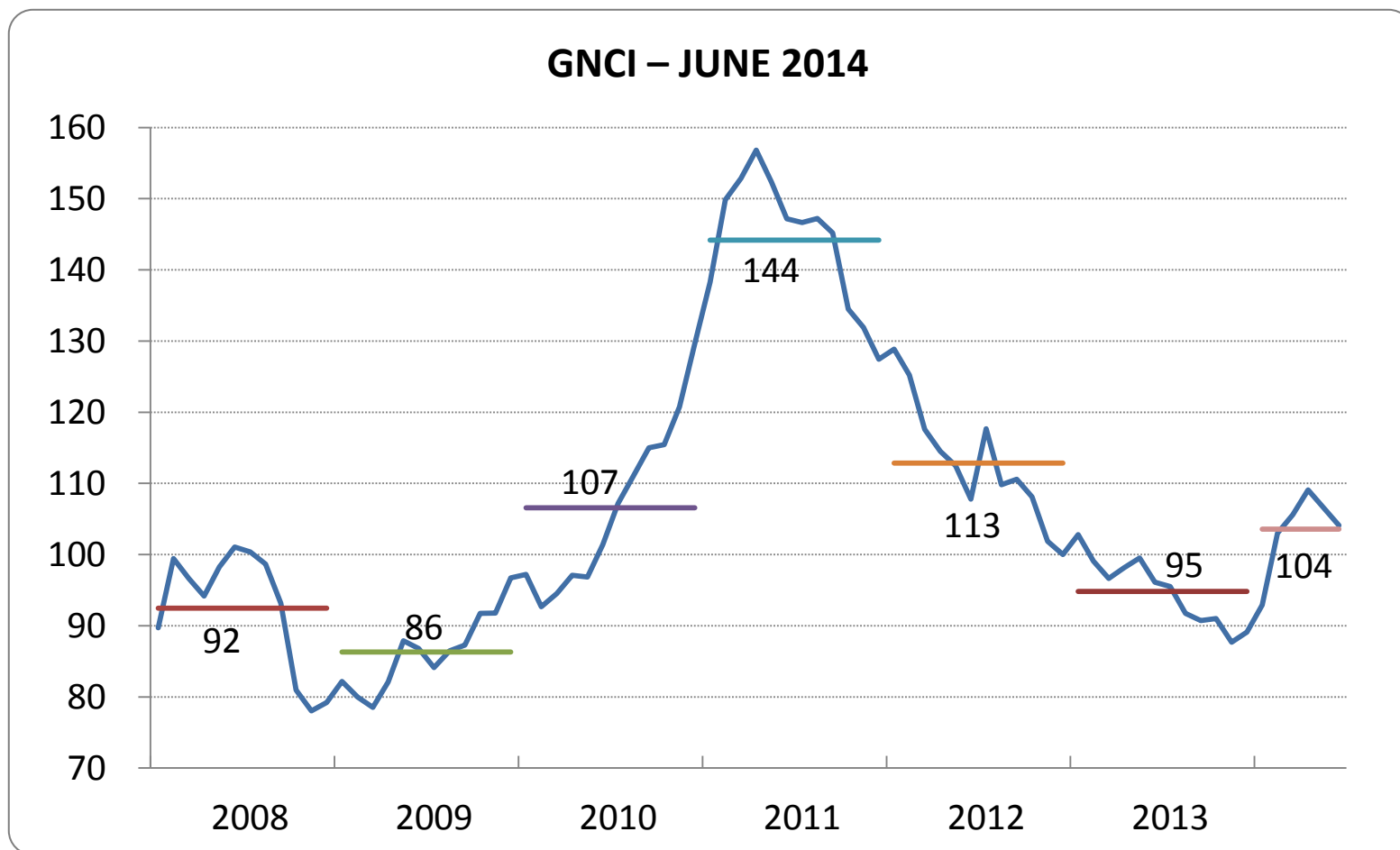
*ICB= Instant Cold Beverages

Source: Nielsen twelve month as of may 2014.

(% share as in value and change vs. same period last year)

Commodities index (GNCI)

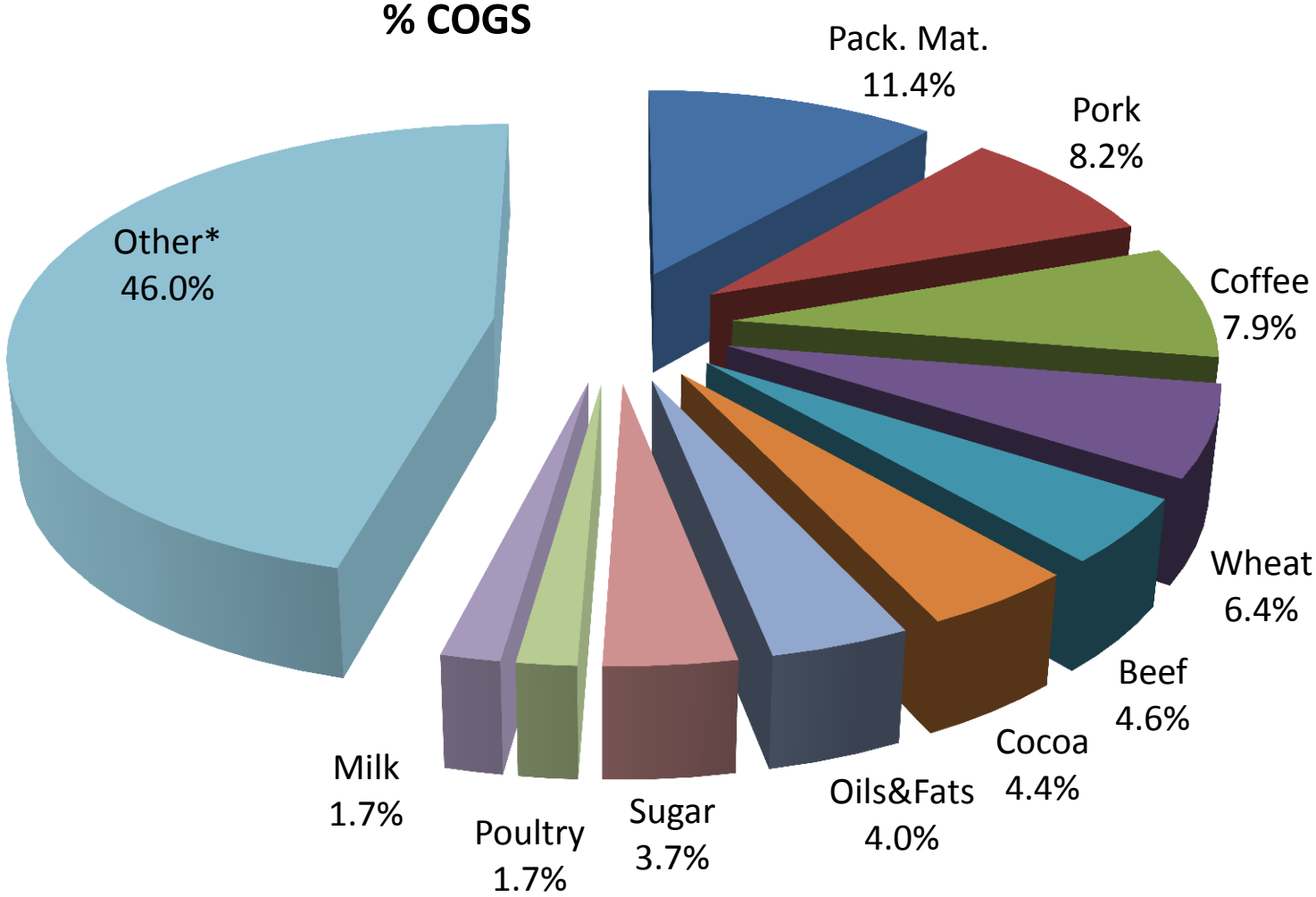
Base 100, December 2012



Beginning on January 1, 2014, the basket of raw materials included in the GNCI was updated. The technical specifications of the GNCI may be obtained at:

www.gruponutresa.com/webfm_send/398

Raw material diversification



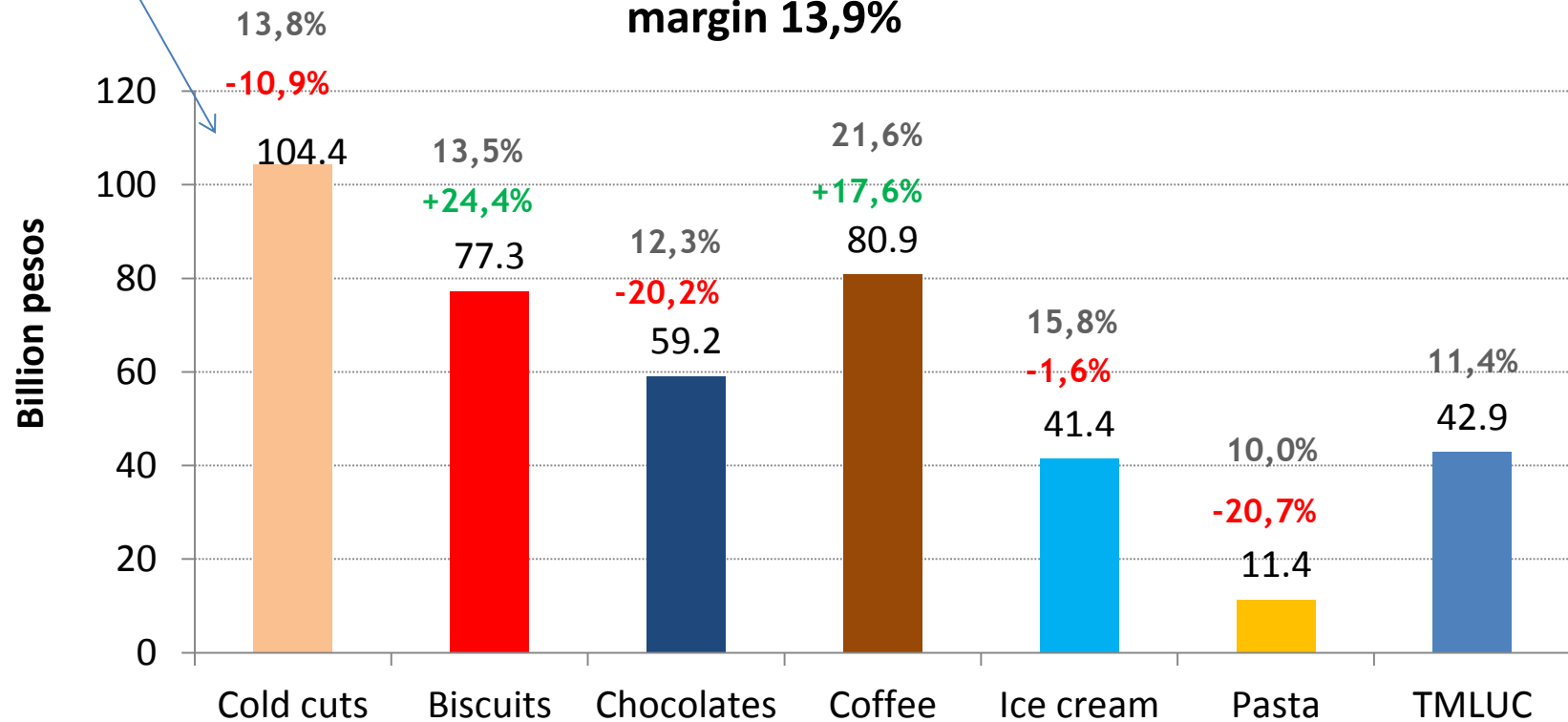
Pro forma information of the raw material costs including TMLUC.

* Includes direct labor costs, indirect costs and minor raw materials

EBITDA by business unit - First half 2014

ebitda COP 124.1 billion
@ 6.3 vef/usd

EBITDA
COP \$417,7 +11,1%
margin 13,9%

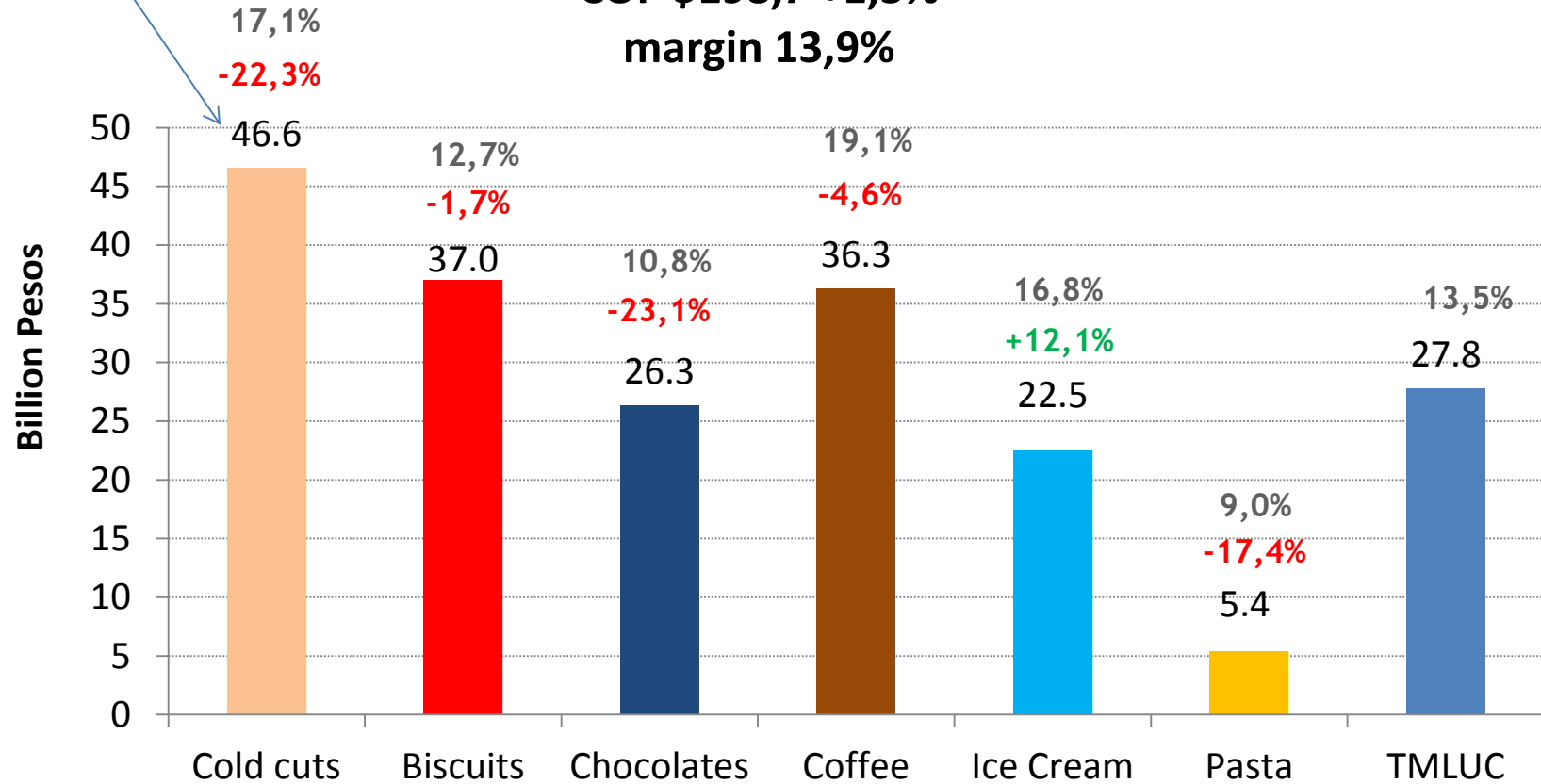


EBITDA margin
% chg.
Billion pesos

EBITDA by business unit – 2Q 2014

ebitda COP 66.2 billion @
6.3 vef/usd

EBITDA
COP \$198,7 +1,3%
margin 13,9%



EBITDA margin
% chg.
Billion pesos

Consolidated income statement – H1 2014

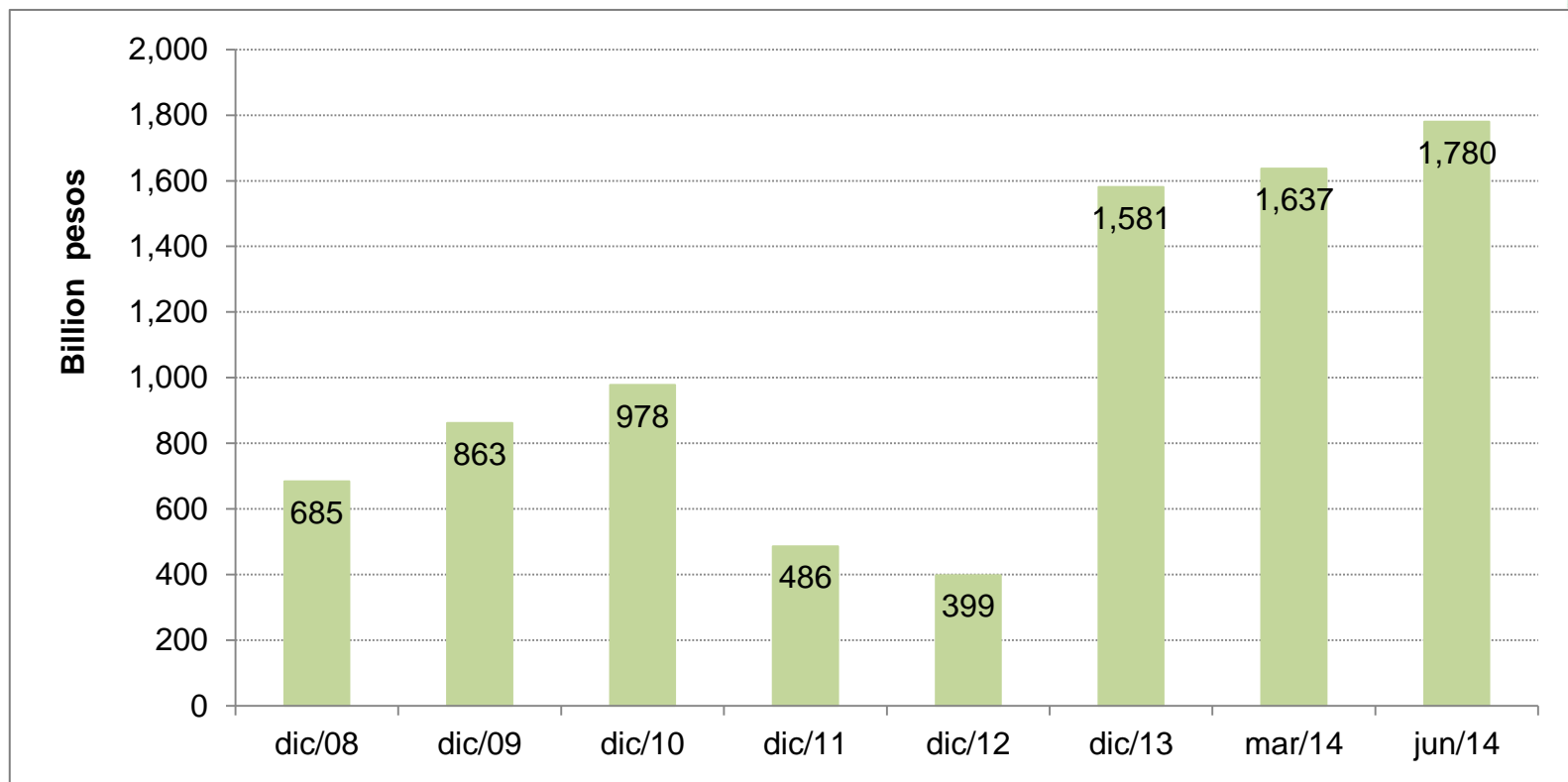
<i>Figures in COP\$ MM</i>	jun-14	%	jun-13	%	% var.
Total operating revenues	3,002,391	100.0%	2,612,576	100.0%	14.9%
Cost of goods sold	-1,647,744	-54.9%	-1,433,381	-54.9%	15.0%
Gross income	1,354,647	45.1%	1,179,195	45.1%	14.9%
Administrative expenses	-198,165	-6.6%	-138,812	-5.3%	42.8%
Sales expenses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

Consolidated income statement – Q2 2014



<i>Figures in COP\$ MM</i>	2Q14	%	2Q13	%	% chg.
Total operating revenues	1,429,566	100.0%	1,370,524	100.0%	4.3%
Cost of goods sold	-772,014	-54.0%	-750,580	-54.8%	2.9%
Gross income	657,552	46.0%	619,944	45.2%	6.1%
Administrative expenses	-95,056	-6.6%	-73,939	-5.4%	28.6%
Sales expenses	-396,371	-27.7%	-355,546	-25.9%	11.5%
Production expenses	-21,941	-1.5%	-33,697	-2.5%	-34.9%
Total operating expenses	-513,368	-35.9%	-463,182	-33.8%	10.8%
Operating income	144,184	10.1%	156,762	11.4%	-8.0%
Financial revenues	2,628	0.2%	2,770	0.2%	-5.1%
Financial expenses	-38,121	-2.7%	-17,303	-1.3%	120.3%
Foreign currency exposure	-2,408	-0.2%	4,040	0.3%	-159.6%
Other revenues (expenditures), net	-7,510	-0.5%	-15,076	-1.1%	-50.2%
Dividends (non-food)	10,926	0.8%	9,924	0.7%	10.1%
Non-recurring capital gains			107	0.0%	N.C.
Non-operating, net	-34,485	-2.4%	-15,538	-1.1%	121.9%
Income before tax	109,699	7.7%	141,224	10.3%	-22.3%
Income tax	-25,831	-1.8%	-44,055	-3.2%	-41.4%
Minority interest	-496	0.0%	-50	0.0%	892.0%
Net Income	83,372	5.8%	97,119	7.1%	-14.2%
Consolidated EBITDA	198,720	13.9%	196,119	14.3%	1.3%

Consolidated net debt



Ratio	dic-08	dic-09	dic-10	dic-11	dic-12	dic-13	mar-14	jun-14
Net debt/EBITDA	1.20	1.57	1.82	0.86	0.59	1.90	1.88	2.04
EBITDA / Interest	10.00	6.86	8.60	8.85	12.74	10.38	8.62	7.11
Interest / Revenues	1.42%	1.75%	1.40%	1.27%	0.99%	1.36%	1.62%	1.96%

Note: Sales, EBITDA and interest of the last 12 months

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For further information, please visit **Grupo Nutresa Valuation Kit (GNVK)**:

<http://www.gruponutresa.com/es/content/grupo-nutresa-valuation-kit-gnvk>

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Annex – consolidated balance sheet

June 2014



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

Exoneration of responsibility



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