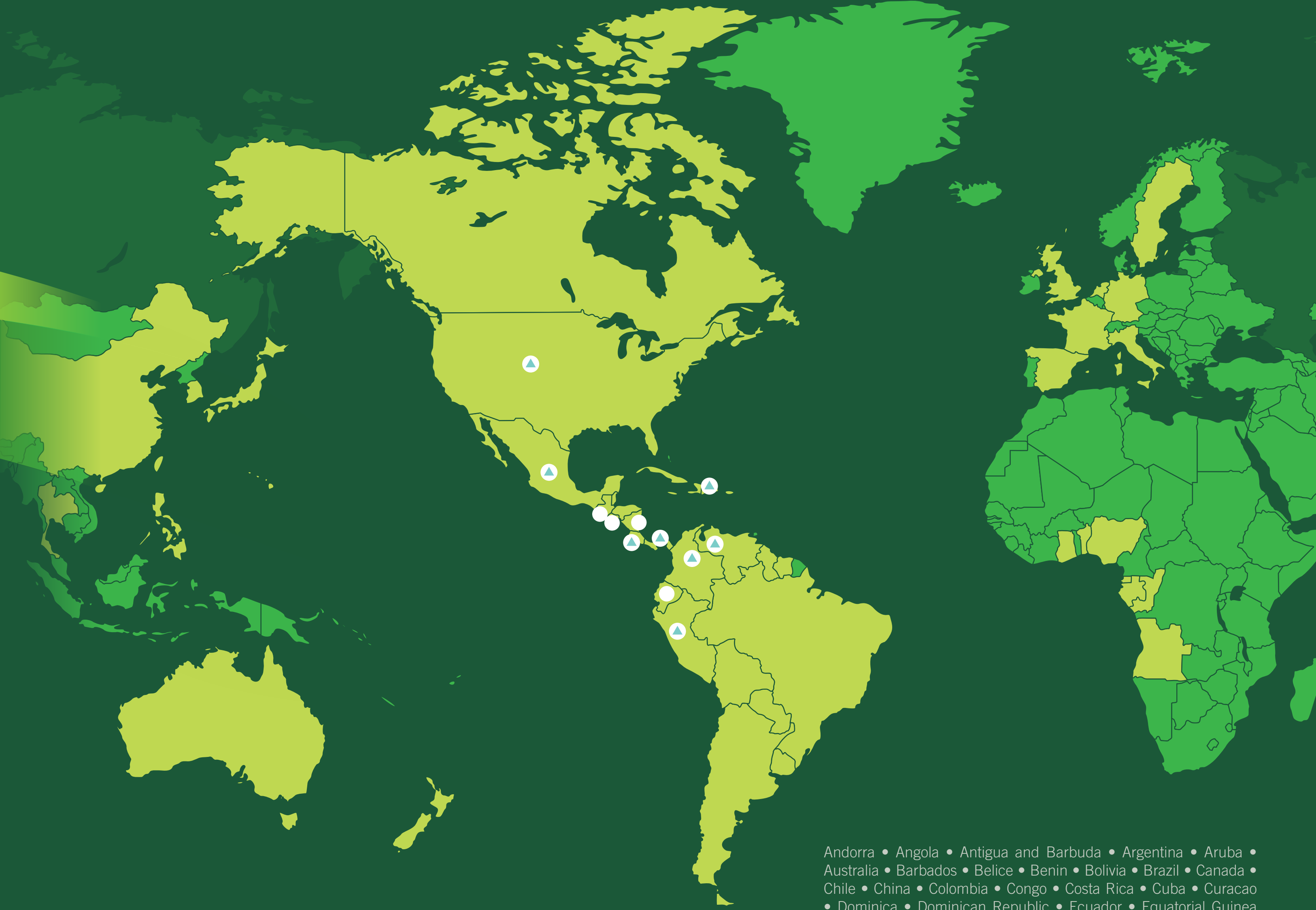
Annual and Sustainability Report 2011

We Cultivate Nutrition, wellness, and pleasure

Grupo nutresa

Our global presence



Plants in 8 countries

Colombia • Costa Rica • Dominican Republic • Mexico • Panama • Peru • United States • Venezuela.

Distribution Affiliates in 12 countries

Colombia • Costa Rica • Dominican Republic • Ecuador • El Salvador • Guatemala • Mexico • Nicaragua • Panama • Peru • United States • Venezuela.

Presence in 65 countries

Andorra • Angola • Antigua and Barbuda • Argentina • Aruba • Australia • Barbados • Belice • Benin • Bolivia • Brazil • Canada • Chile • China • Colombia • Congo • Costa Rica • Cuba • Curacao • Dominica • Dominican Republic • Ecuador • Equatorial Guinea • El Salvador • England • France • Gabon • Germany • Ghana • Granada • Guatemala • Guyana • Haiti • Holland • Honduras • Italy • Jamaica • Japon • Malta • Mexico • Monaco • Nicaragua • Nigeria • New Zeland • Oman • Panama • Paraguay • Peru • Philippines • Puerto Rico • Saint Kitts and Nevis • Saint Vincent and the Grenadines • Santa Lucia • Singapur • South Korea • Surinam • Sweden • Spain • Taiwan • Thailand • Tonga • Trinidad and Tobago • United States • Uruguay • Venezuela

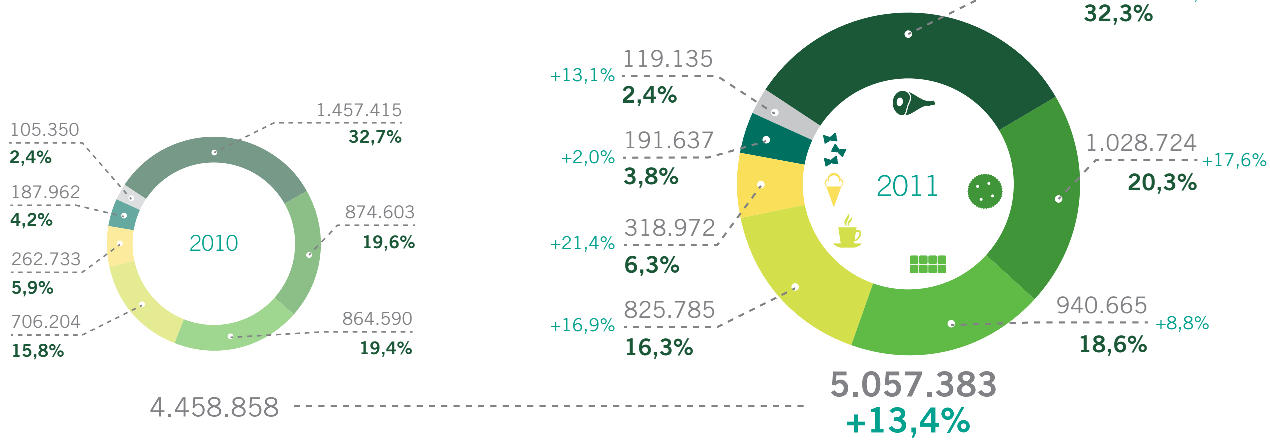
Our **Results**

% share over total sales

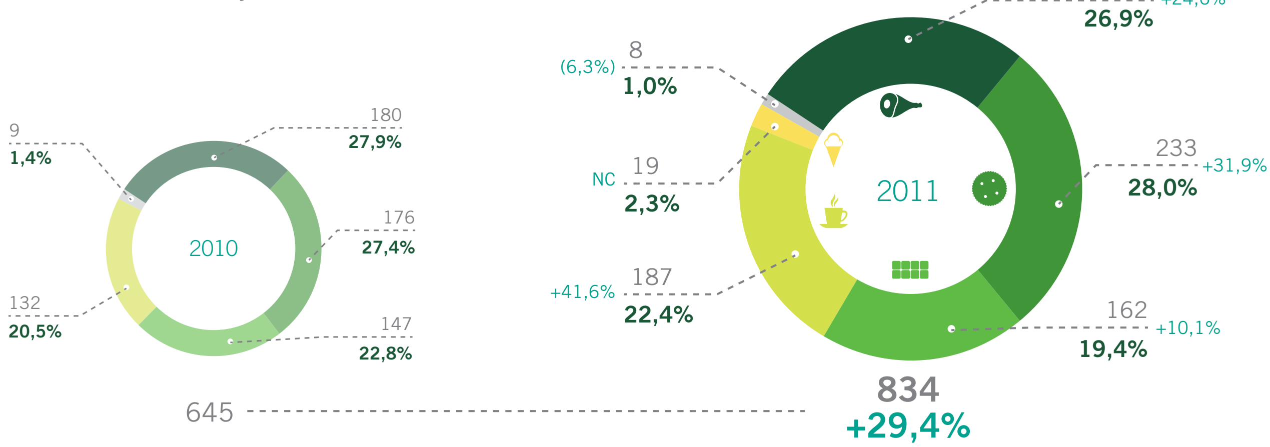
% change 2010-2011

Cold Cuts Biscuits Chocolates Coffee Ice Cream Pasta Others

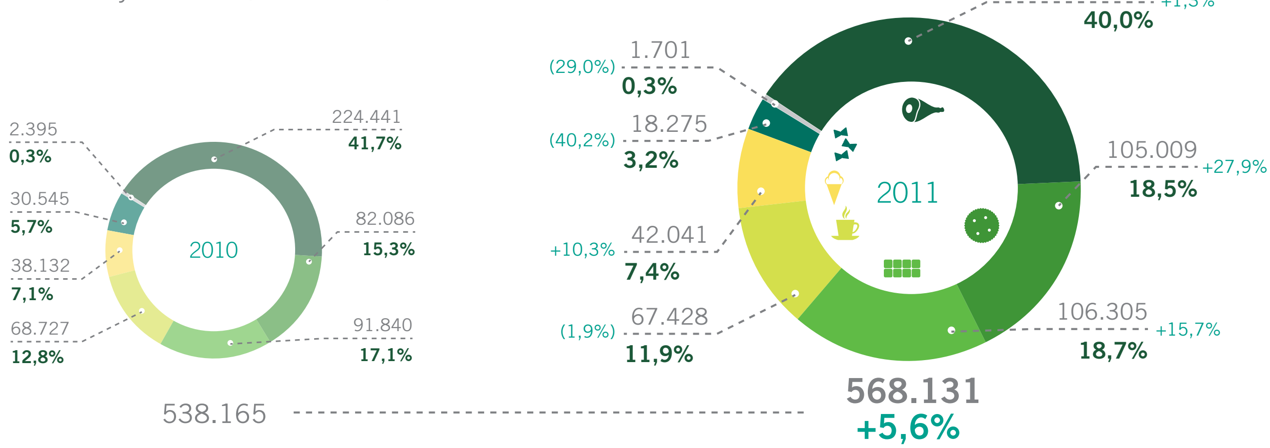
Sales by Business (COP Million)



International Sales by Business (US$ million)



EBITDA by Business (COP Million)



Our Businesses

Grupo nutresa

Biscuits	Chocolates	Coffee	Pasta	Cold Cuts	Ice Cream
Colombia	Colombia	Colombia	Colombia	Colombia	Colombia
Costa Rica	Peru	Colombia	Colombia	Colombia	Dominican Republic
United States	Costa Rica	Colombia		Venezuela	
	Mexico			Colombia	
				Panama	

Comercial nutresa

International sales and distribution network

Costa Rica, Ecuador, El Salvador, United States, Guatemala, Mexico, Nicaragua, Panama, Peru, Venezuela.

Panama
Venezuela

Dominican Republic

Servicios nutresa

Our
2011 Indicators

INCREASING VALUE GENERATION

Consolidated Sales
COP5,1
trillion

Sales outside Colombia
US$834
million

Consolidated sales Growth
13,4%

Consolidated market share in Colombia
60,6%

Consolidated EBITDA
COP568.131
million

EBITDA Margin
11,2%

EBITDA Growth
5,6%

23
Production plants in Colombia

10
International production plants

+243.000
points of sale in Colombia

+335.000
points of sale outside Colombia

+23.900
employees in Colombia

+6.100
employees abroad

Our
2011 Indicators

FOR A BETTER SOCIETY

Our People

Investment in Life Quality (Million)

COP38.292

Investment in Training (Million)

COP10.779
(education and training)

Investment in Wellness (Million)

COP7.441
Aids

COP5.389
Investment in Mutual Funds (Contributions of the companies)

Community Management

Investment (Million)

COP13.660
in Nutrition, Education, Income Generation and Entrepreneurship, Support to the Arts and Culture and Customer and Supplier Development

Beneficiaries

4.482
Entities

3.416.008
Persons

Volunteer Work

7.150
Volunteer Actions

Our Value Chain

302.955
Suppliers and Clients participating in Training Programs and Consulting

Satisfaction Indicator

4,45
National Customers

4,39
International Customers

(Measurement Scale of 0,0 – 5,0)

OUR PLANET

Investment (Million)

COP11.913
Investment and Environmental Management Expenditures

Utilization of Resources
Energy Consumption Reduction

4,5% (kWh/t.p.)

Water Consumption Reduction

3,9% (m^3/t.p.)

Compared to 2010

Direct Greenhouse – Gas (GHG)
Emissions

113,9 (kg CO_2 eq./t.p.)

Variation from 2010 -2,1%

GRUPO NUTRESA FORMS PART OF THE DOW JONES SUSTAINABILITY WORLD INDEX 2011 – 2012

Grupo Nutresa was recognized as one of the leading companies in corporate sustainability in the food sector by being included in the Dow Jones Sustainability World Index (DJSI), in its annual invitation to more than 2,500 companies in 58 industries around the world.

THE SAM SUSTAINABILITY YEARBOOK

The Sustainability Yearbook is the world's largest sustainability yearbook, published by Sustainable Asset Management, SAM.
In 2011, Grupo Nutresa was catalogued as the Sector Mover in the food – producing sector by achieving the largest proportion of improvement in our sustainability performance over the previous year.
In 2012, we were awarded Bronze Class, together with 10% of the food companies with the best sustainability performance in the world.

GLOBAL REPORTING INITIATIVE

Grupo Nutresa's sustainability report has used the Global Reporting Initiative (GRI) Guideline G3.1 and the food suplement. According to this organization, our report complies with the highest level of application in sustainability issues, A+.

This report has been printed on paper certified by FSC (Forest Stewarding Council A.C.)

This report corresponds to the management of Grupo Nutresa S.A., formerly Grupo Nacional de Chocolates S.A.

Content

Information Regarding this Annual and Sustainability Report

Grupo Nutresa's 2011 Annual and Sustainability Report assembles our performance in the three dimensions of sustainability: Economic, Social and Environmental. The report is aimed at readers interested in any of these three areas.

THE REPORT IS ORGANIZED AROUND THREE LARGE CHAPTERS:

1. **Increasing Value Generation:** includes *Grupo Nutresa*'s consolidated financial summary, the strategy from emerging markets, and, finally, our model of innovation, investigation and nutrition.
2. **For a Better Society:** includes the commitment to our people, whose indicators are available to all *Grupo Nutresa* companies, except Fehr Foods, Inc., which only reports the number of employees, wages and benefits. In terms of community management, we have excluded the indicators of Cargo Management, *Nutresa S.A. de C.V. de Mexico, Compañía Nacional de Chocolates de DCR S.A de Costa Rica* and *Cordialsa USA* in the United States. Finally, we describe our value chain with suppliers and clients.
3. **Our Planet:** includes our environmental commitment and the consolidated indicators, the results of implementing eco – efficiency projects, optimization in using resources and management in terms of climate control, emission controls and the water resources of the companies that have production plants in Colombia. We have excluded the agroindustrial plants for *Setas Colombianas* and *Meals* in *Armenia* and *Litoempaques S.A.S* in Medellín from the consolidated measurement of some indicators, as these companies have a production process that is different from that of the core businesses. We have also incorporated the environmental advances made in Peru, Costa Rica and Mexico.

In 2011, we identified the most important issues for our various stakeholders. To do this, we worked with experts using an analysis of materiality. This exercise allowed us to reaffirm our strategic priorities and identify new opportunities.

We see further opportunity to improve the learning and human – rights training of our employees, strengthen innovation management and nutrition, advances in the field of our water footprint and continue extending the management elements in the social and environmental operations outside of Colombia.

The financial information of the Parent Company and its subsidiaries observe generally accepted accounting principles that are prescribed by law and by the respective entities of surveillance and control in Colombia. Without prejudice to these, the group of companies applied accounting practices and policies adopted by the Parent Company, which, in the case of subsidiary companies located abroad, do not differ substantially from the accounting practices used in the countries of origin and/or that have been approved for those that generate a significant impact on the consolidated financial statements. PriceWaterhouseCoopers – PWC, audited this information. The sustainability information is aligned with Global Reporting Initiative's (GRI) guideline G3.1 and the food supplement. KPMG audited this information.

Grupo Nutresa reaffirms its commitment to the United Nations Global Compact. The sustainability report corresponds to our third Progress Report and reflects the principal actions and goals achieved by the organization on the fronts recommended by the Global Compact.

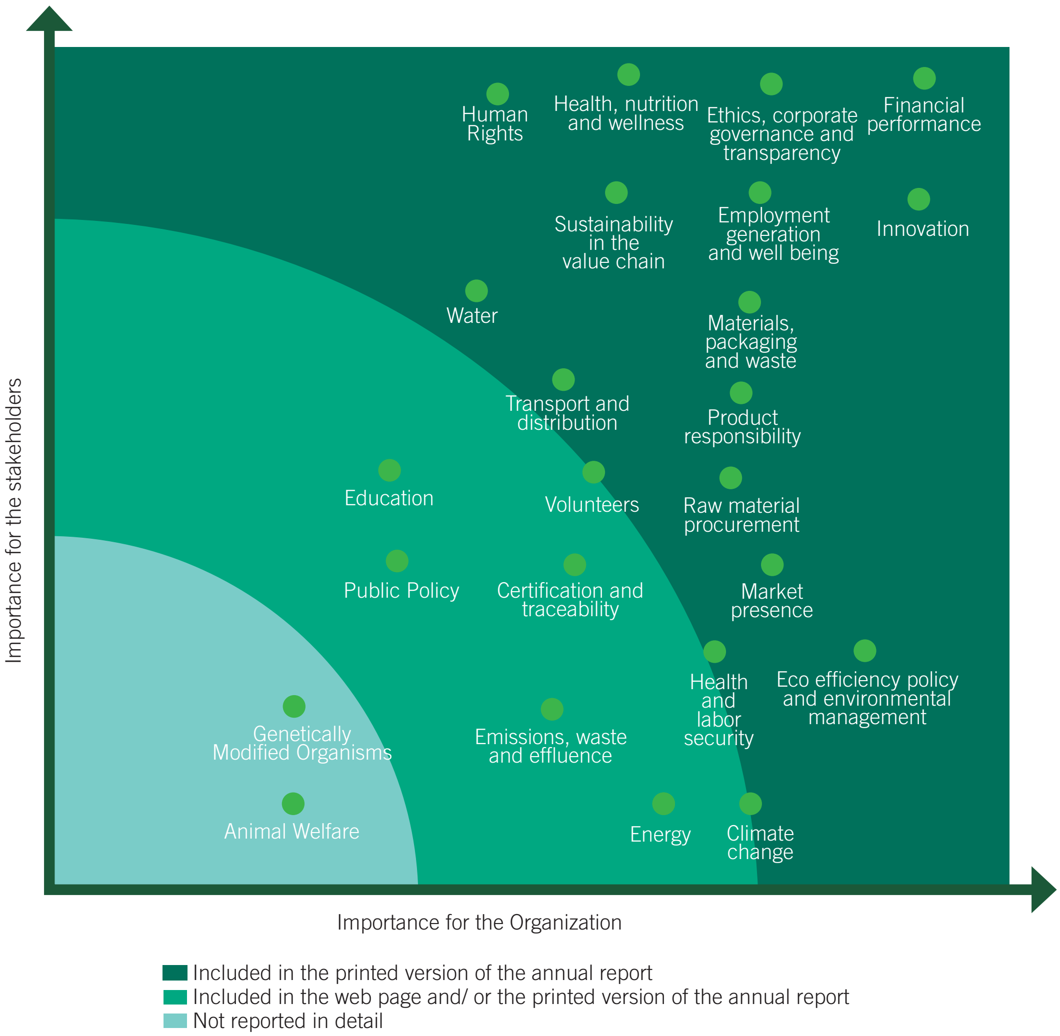
In fiscal year 2011, there were no relevant events involving failure to meet targets. Some 2010 figures were reexpressed, in order to achieve comparability.

- The 2011 Report can be found at www.gruponutresa.com/es/informes_anuales.
- The opinion of the financial auditors is on page 152 and 202.
- The opinion of the auditors of the sustainability information is on page 82.
- The GRI level of application is on pagea 80.
- The GRI Indicator information is in the GRI Content Index on page 232-245.

Materiality
Analysis

In 2011, we perfected our analysis of materiality as an important step to identify, reinforce and prioritize the most important issues for the organization and our stakeholders. We performed this process with the accompaniment of an independent consulting firm. The methodology allowed for a direct dialogue with related groups, as well as the collection, review and analysis of internal and external information. This input was sufficient to develop the materiality matrix that reflects the priority that the different issues evaluated have for stakeholders and *Grupo Nutresa*.

The approach to relationships with *Grupo Nutresa* stakeholders includes establishing communication channels, assessing existing information derived from surveys, workshops and conducting focus groups.



Our Organizational Thought

MULTI – LATIN VISION, 2005-2015

Together, we will double our food business in 2010 and triple it by 2015, by providing quality of lift to consumers with products that satisfy their aspirations for wellness, nutrition and pleasure.

* With EBITDA Margin in a range between 12% and 14%.

MISSION

- The mission of our company is creating increased value, achieving an outstanding return on investment, greater than the cost of capital employed.
- In our food business, we always seek to improve consumer quality of life and the progress of our people.
- We look for profitable growth with leading brands, superior service and excellent national and international distribution.
- We are committed to managing our activities with Sustainable Development, with the best human talent, outstanding innovation and exemplary corporate behavior.

PHILOSOPHY AND CORPORATE ACTION PERFORMANCE

- Autonomy with strategic coherency
- Good corporate governance
- Responsible corporate citizenship
- World – class competitiveness
- A culture of innovation and knowledge
- Development of our people
- Ethics
- Collaborative participation and management
- Respect
- Food safety

STRATEGIC OBJECTIVES

OUR COMPETITIVE ADVANTAGES

1. Distribution in Colombia.
2. Brands and their leadership in Colombia.
3. Human talent, the work climate and the passion for what we do.
4. The ability to capture synergies.
5. Strategic clarity and coherence with good execution.

Board of Directors

PRINCIPAL DIRECTORS

David Emilio Bojanini García
Chief Executive Officer, Grupo de Inversiones Suramericana S. A..
Mauricio Reina Echeverri*
Research Associate, Fedesarrollo
Antonio Mario Celia Martínez-Aparicio*
Chief Executive Officer, Promigas S.A.
Jaime Alberto Palacio Botero*
General Manager, Coldeplast S.A. and Microplast S.A.
Alberto Velásquez Echeverri*
General Manager, Prosantafé S.A.
Gonzalo Alberto Pérez Rojas
Chief Executive Officer, Suramericana S.A.
José Alberto Vélez Cadavid
Chief Executive Officer, Inversiones Argos S. A.

SUBSTITUTE DIRECTORS

Juan David Uribe Correa
Regional Vicepresident Colombia Cementos Argos S.A.
Martha Lilian Jaramillo Arango
President Tuya S.A.
Juan Fernando Botero Soto
Special Proyect Manager Suramericana S.A.
Margarita María Mesa Mesa*
Independent Attorney
Luis Javier Zuluaga Palacio*
Manager Alternativa de Moda S.A.
Lucía Margarita González González*
Independent Advisor
Luis Eduardo Carvajal Restrepo*
Partner Alejandro Carvajal y Cía. Ltda.

*Independent Director

Steering Committee

On foot: Diego Medina Leal • Jairo González Gómez • Alberto Hoyos Lopera • Carlos Enrique Piedrahíta Arocha • Álvaro Arango Restrepo • Carlos Ignacio Gallego Palacio • Mario Alberto Niño Torres • Jorge Eusebio Arango López • Fabián Andrés Restrepo Zambrano
Sitting: Sol Beatriz Arango Mesa • Ana María Giraldo Mira.

Carlos Enrique Piedrahíta Arocha
Chief Executive Officer

Ana María Giraldo Mira
Chief Financial Officer

Diego Medina Leal
President Cold Cuts Business
Vice President Grupo Nutresa Logistics

Alberto Hoyos Lopera
President Biscuit Business
Vicepresident Grupo Nutresa North Strategic Region

Sol Beatriz Arango Mesa
President Chocolate Business
Vice President Grupo Nutresa South Strategic Region

Jorge Eusebio Arango López
President Coffee Business
Vice President Grupo Nutresa Sustainable Development

Mario Alberto Niño Torres
President Ice Cream Business
Vice President Grupo Nutresa Innovation and Nutrition

Fabián Andrés Restrepo Zambrano
President Pasta Business

Álvaro Arango Restrepo
President Comercial Nutresa
Vice President Grupo Nutresa Sales and Marketing

Carlos Ignacio Gallego Palacio
President Servicios Nutresa
Managing Director Fundación Nutresa

Jairo González Gómez
Vice President Legal Counsel Grupo Nutresa
Manager, Legal Assistance, Servicios Nutresa

Management and Sustainability Report

Dear Shareholders:

Sustainable Development frames our strategic objectives and corporate performance to obtain results that achieve a mutually beneficial balance for all parties involved in the organization: you, the shareholders; our clients, suppliers, employees and their communities; and the governments of the countries where we operate. This forces us to incorporate into all our strategic decisions the economic, social and environmental effects that we may have.

This vision has been reflected in our corporate philosophy for several years, in the course of which we have made great progress in the three dimensions of sustainability mentioned. The year 2011 marked a major milestone in the history of *Grupo Nutresa* as we were recognized as one of the nine food companies with best practices in sustainable development in the world, with our inclusion in the *Dow Jones Sustainability World Index* (DJSWI). Furthermore, *Grupo Nutresa* is the only food company in Colombia, in Latin America and in an emerging country that is included in the index.

In addition, and as a significant event after the 2011 year end, for the second year in a row *Grupo Nutresa* was included in the *Sustainability Yearbook* by *Sustainability Asset Management* (SAM) for being within 15% of food businesses with the best sustainability performance in the world. This year, as a result of improving our sustainability indicators with respect to other companies evaluated, *Grupo Nutresa* was included in the *SAM Bronze Class* category, together with companies whose sustainability performance falls within the 5% - 10% range of food – industry leaders. This places us among the top seven companies in this sector in sustainability in the world.

These two awards reaffirm the business model we have developed, where our economic, social and environmental plans point in the same direction. Likewise, we are committed to work continuously so that all our related groups proceed sustainably to build solid, long – term foundations.

Our sustainability report underwent a process of verification in accordance with ISAE3000 international standards, carried out by KPMG, which issued a favorable opinion. Moreover, this was revised by the *Global Reporting Initiative*, which renewed its A+ rating obtained the year before.

In this Annual and Sustainability Report, we have developed in detail our performance in the three dimensions of sustainability: the Economic, the Social and the Environmental, which we invite you to review in the chapters Increasing Value Generation, For a Better Society and Our Planet, respectively. The following reports the highlights of each in 2011.

INCREASING VALUE GENERATION

Grupo Nutresa's 2011 sales dynamics were very positive. We achieved outstanding growth in consolidated sales, 13,4%, reaching COP 5.057.383 million. Excluding the companies acquired, growth was 10,0%.

Sales in Colombia were COP 3.496.189 million, with a growth of 8,2%. This is the result of the successful business strategy we have implemented in recent years with the creation of *Comercial Nutresa*, the power of our brands and the innovation component of our Businesses.

Effective innovation is integral to our corporate objectives and an important key driver for growth. We work on all fronts to generate innovations in products, processes and business models. To do this, we dedicated significant investments that represented – in 2011 – 0,5% of sales.

We have our own innovation model – *Imagix* – whose consolidation allowed our new products to represent 17,4% of total sales. Furthermore, we achieved a consolidated market share of 60,6% in Colombia and the presence of our products in more than 243.000 points of sale.

Internationally, sales grew 29,4%, reaching US$834 million, which represents 30,5% of total sales. The most outstanding growth was in the United States (77,9%), Mexico (18,5%), Peru (15,1%) and Central America (10,8%). Excluding the sales of acquired companies, organic growth was 16,7%. *Grupo Nutresa's* products reached more than 335.000 points of sale outside of Colombia.

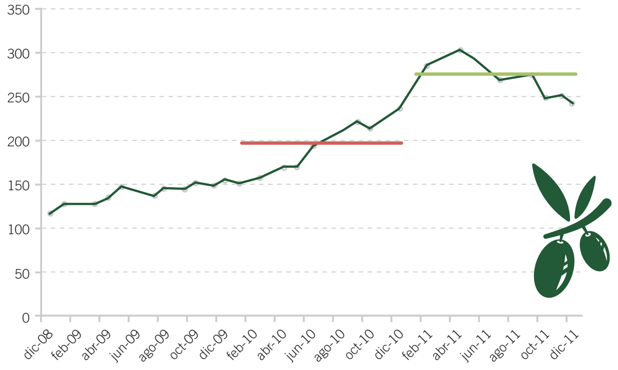
It is worth noting the performance of *Grupo Nutresa's* exports from Colombia. In 2011, our colombian companies exported US$251 million, 26,6% more than in 2010, with our Coffee Business achieving growth of 43%. This figure positions Grupo Nutresa as the largest exporter of consumer products in Colombia.

On the other hand, the pressure on the prices of natural resources and agricultural commodities continued during 2011. As we stated in our last Annual Report, this is one of the main challenges of the global food industry. Climate change, population growth in the emerging world, demand for and utilization of natural resources for other uses such as energy and speculation have affected the sustained increase in prices. Additionally, protection of the agricultural sector in Colombia reduces the competitiveness of the processed – food industry that operates in this country.

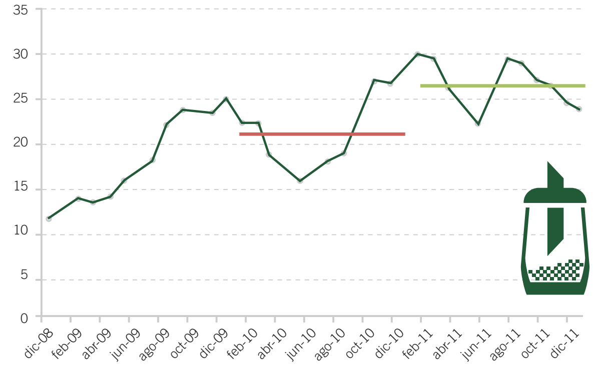
COP 568.131 million

was Grupo Nutresa's consolidated EBITDA

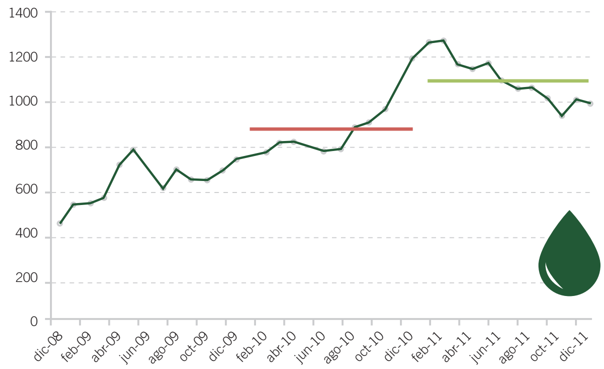
PRICE OF COFFEE (US$ CENTS/ POUND)
DEC 08-DEC 11.



PRICE OF SUGAR (US$ CENTS/POUND)
DEC 08 – DEC 11.



PRICE OF PALM OIL (US$ / TON)
DEC 08 – DEC 11.



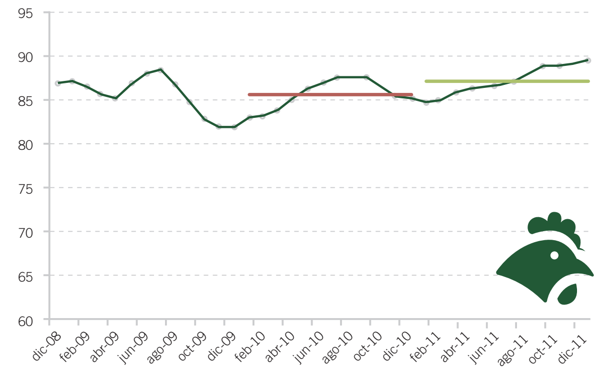
Average Price 2010

average price 2011

Source: Indexmundi,
except for beef and pork.

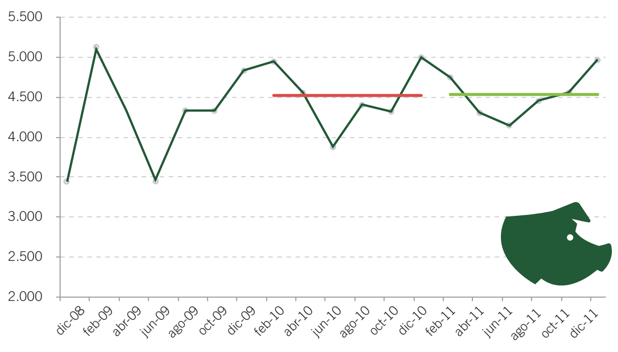
Regarding *Grupo Nutresa's* operational profitability, the consolidated EBITDA totaled COP 568.131 million, which represents an EBITDA margin of 11,2%, down from 12,1% obtained in 2010. The previously mentioned effects caused the costs of our raw materials to increase 13,2%, of which only 2,7% was passed on to consumers through price increases and higher added value in our product portfolio. Additionally, we achieved a 6,9% increase in the consolidated productivity of our plants. At the same time, the consequences of the extended rainy season in Colombia generated significant cost overruns in the logistics and transport operations, which were absorbed by efficiency plans in operative expenses, which is reflected in its growth of 10,9%, which is lower than sales growth.

PRICE OF CHICKEN (US$ CENTS / POUND)
DEC 08 – DEC 11.



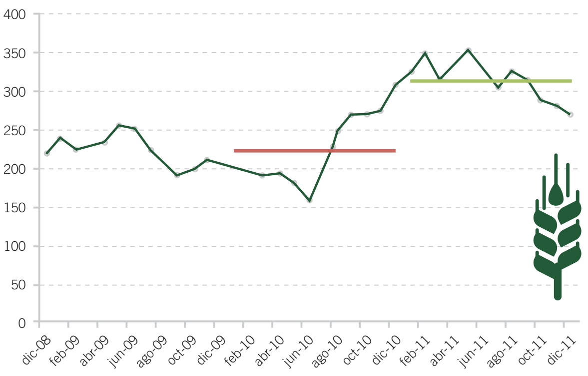
To mitigate the high prices of our raw materials, we were able to increase productivity and carry out efficiency plans in our operating expenses.

PRICE OF PORK ($/ KILOGRAM)
DEC 08 – DEC 11.

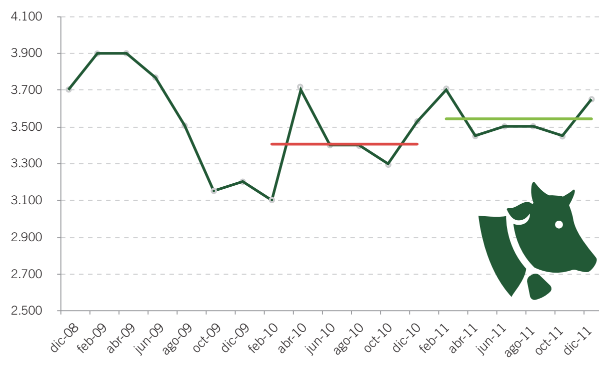


Source: Asociación Colombiana de Porcicultores

PRICE OF WHEAT (US$/ TON)
DEC 08 – DEC 11.

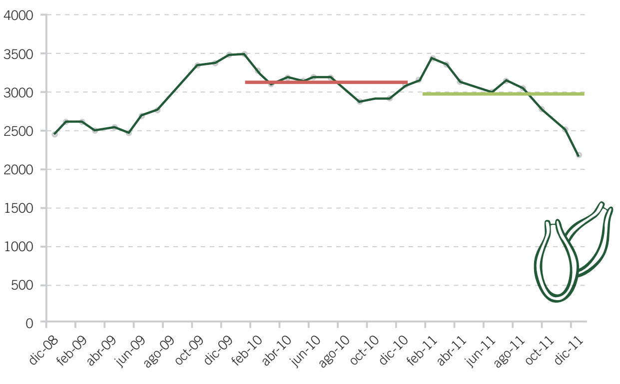


PRICE OF BEEF ($/ KILOGRAM)
DEC 08 – DEC 11.



Source: Feria ganados Medellín, Colombia.

PRICE OF COCOA BEANS (US$ / TON)
DEC 08 – DEC 11.



Grupo Nutresa's consolidated sales were

COP 5,1 trillion.

Meanwhile, consolidated net income reached COP 253.511 million, 3,7% less than 2010. To the higher cost of raw materials, previously mention is added the post – operative effect of higher spending, more than COP 50.000 million, for the tax on financial movements and the provision of income tax, leading to lower net income.

ACQUISITIONS AND OTHER RELEVANT PROJECTS

- In February, we completed the acquisition of 73,11% of *Helados Bon* in the Dominican Republic. This is the first step in internationalizing the Ice Cream Business and the incursion in the attractive Dominican market.
- In March, we changed our name from *Grupo Nacional de Chocolates S.A. to Grupo Nutresa S.A.*, to reflect the business that this organization is developing more adequately.
- In July, we issued 25 million new shares, which allowed us to obtain resources for COP 522.500 million, to continue with the growth strategy; this transaction allowed us to receive more than 20.000 new shareholders. The injection of new shares allowed increasing the liquidity of the stock on the Colombian Stock Market.
- In September, we inaugurated the new coffee drying tower in Colcafé, which was designed and built entirely by our own engineering staff. This project demonstrates our capacity to develop and implement cutting edge technology and positions us as a leading company in the world in the production of ground coffee.
- In October, we consolidated the entire Central American biscuit operation into one factory; this process allowed us to achieve efficiencies in asset utilization and increased productivity. Likewise, we unified *Comercial Pozuelo's* distribution network for this region.
- In the same month, we completed the merger of the two cold cut companies in Panama, creating a single company, *Alimentos Cárnicos de Panama S.A.* This merger allows us to strengthen our position as category leaders and have a more – robust operation where we can serve this market more efficiently.

THE PERFORMANCE OF THE BUSINESSES

In an environment like the one mentioned, which was marked by excellent commercial dynamics and a challenging environment in terms of profitability, we were very active in the pursuit of productivity, the capturing of synergies, the generation of effective innovation and international expansion. These activities allowed us to achieve greater levels of growth and more – appropriate levels of profitability and efficiency. We will now summarize the principal results of the Businesses, which are explained in more detail in the next chapter.

OUR SIX BUSINESSES

BUSINESS	Total sales		Sales Colombia		International sales		EBITDA		EBITDA margin	Sales from innovation
	COP million	change	COP million	change	US$ million	change	COP million	change	%	% of sales
Cold cuts	1.632.465	12,0%	1.199.844	7,8%	224	24,6%	227.373	1,3%	13,9%	16,7%
Biscuits	1.028.724	17,6%	596.613	10,8%	233	31,9%	105.009	27,9%	10,2%	9,0%
Chocolates	940.665	8,8%	640.233	9,4%	162	10,1%	106.305	15,7%	11,3%	6,7%
Coffee	825.785	16,9%	480.150	5,4%	187	41,6%	67.428	(1,9%)	8,2%	27,4%
Ice cream	318.972	21,4%	283.322	7,8%	19	NC	42.041	10,3%	13,2%	30,4%
Pasta	191.637	2,0%	191.637	2,0%	0	NA	18.275	(40,2%)	9,5%	67,8%

The *Colcafé* Plant; Medellín, Colombia

OUR CROSS ACTIVITY COMPANIES

As for *Grupo Nutresa*'s cross – business companies, we now present their main indicators. The performance of each one will be developed in the next chapter.

With regard to Servicios Nutresa, the administrative cross – activity company, we present a description of its performance in a chapter further on in this report.

	Total sales COP million	Change %	Level of Service[1]
Comercial Nutresa	1.754.201	6,7%	4,5
Novaventa	177.725	9,7%	ND
La Recetta	147.161	19,4%	4,45

(1) *Level of Service:* the evaluation of customer satisfaction within the service cycle includes negotiation, order request, relation with the sales representative, order delivery and billing, relation with the person who delivers the order, complaint and claim management, advertising material, and promotional and momentum activities.

13,4%

Sales increase, excluding the acquired companies, the increase was 10,0%.

INDIVIDUAL RESULTS OF GRUPO NUTRESA S.A.

Complying with Colombian regulations, we now report the individual results of *Grupo Nutresa S.A.*: We registered operational income for COP 276.979 million, of which COP 223.644 million correspond to profit by the equity model of our investments in food companies and COP 33.432 million in dividends from portfolio investments. Net income was COP 255.982 million.

SPECIAL REPORT OF THE BUSINESS GROUP

In compliance with Article 29 of Law 222 of 1995, we now present the Special Report of the Business Group.

GRUPO NUTRESA S. A. is the parent company of Grupo *Empresarial Nutresa,* which was composed – at the end of 2011 – of 41 companies, which are grouped for administrative purposes in i) the six food business and their productive platforms in Colombia and abroad in which we participate; ii) an international distribution network; iii) three national distribution companies; and iv) a share – services company that provides administrative support to all *Grupo Nutresa* companies.

Following the same numeration of the law cited in the introduction, we can observe the following aspects:

1. Economic relations of the parent company with its subsidiaries mainly consist of charging management or administration fees and receive the profits from the subsidiaries' business as dividends. The parent company received the amount of COP 7.217 million for fees and dividends amounted to COP 43.145 million.
2. There were no operations with third parties in the interests of the subsidiaries, or those under the influence or in the interest of the parent company.
3. During 2011, the *Grupo Empresarial Nutresa* parent company decided to guarantee the financial obligations of its subsidiaries for US$111,4 million and COP 556 million in interest on this sum.

Finally, during 2011, *Grupo Nutresa S.A.* did not stop making decisions to attend any interest or influence of any of its subsidiaries, not did any of its subsidiaries stop making decisions to attend any interest or influence of *Grupo Nutresa S.A.*

CORPORATE GOVERNANCE AND LEGAL DISPOSITIONS

The Board of Directors fully exercised its functions; the Board's support committees met regularly and fully complied with their responsibilities, especially the revision of internal – control policies and procedures of the Audit and Finance Committee, along with the financial statements for the financial year. The Committee gave its approval to these documents before being considered by the Board and disclosing them to the investing public in accordance with disclosure policies.

In 2011, the Board of Directors created the Strategic – Planning Committee and added new functions to the Audit and Finance Committee, which strengthened the Company's good – governance practices and achieved new world standards.

We achieved a better result in the chapter on Corporate Governance in the survey done for the 2011 D*ow Jones Sustainability Index.*

During 2011, we had no conflicts of interest that could have affected the Company. Likewise, the ban for Board of Directors' members and executive staff – to acquire or dispose of Company shares until the time when the quarterly results are officially in the public domain – was fulfilled.

The Money – Laundering Prevention Handbook was duly observed, and there were no deficiencies in the design and operation of internal controls.

The contents of this report details the transactions with shareholders and persons referred to in Article 47 of Law 222 of 1995 and concurrent regulations. Those that took place under market conditions correspond to those performed by each entity within its purpose or the relations between a shareholder and the issuing company and were made on behalf of each company considered individually.

The Appointment and Retributions Committee supported the Board of Directors in evaluating the performance of the director, providing the necessary criteria to establish their management goals, review the

The *Compañía Nacional de Chocolates* Factory; Rionegro, Colombia.

assessment of the positions, verify that staff remuneration was made based on the principles of internal equity and external competitiveness, and adopted the parameters and evaluations for the variable - compensation schemes that are applied in the business group companies. Likewise, it endorsed the appointment of managers in the organization.

The Company preserves the integrity of the intellectual property laws and copyrights and it has no complaints or lawsuits of consideration, which means that there are no contingent liabilities that may impair the consolidated year end accounting results of 2011. The licenses for software installed in the Company are valid and have been obtained through contracts celebrated between the licensors and the affiliate *Servicios Nutresa S. A. S.* for use in all *Grupo Nutresa* Companies.

In accordance with that established in Article 46 and 47 of Law 964 of 2005, the financial statements and other reports that we are providing do not contain defects, inaccuracies or errors that prevent knowing the true financial situation of the Company. The reporting and financial control systems in place are appropriate and assure the adequate presentation of information.

Grupo Nutresa employees performed 7.150 volunteer actions in time or money.

FOR A BETTER SOCIETY

In our corporate management, we work to build an environment that promotes productivity and the integral development of employees, where we combine the implementation of wellness programs with training for self improvement.

We always seek to maintain work relations based on respect and compliance of regulations in the countries where we operate.

Consistently, we continue our work to have safer work environments. In 2011, we achieved an accident – frequency rate of 3,24% for Grupo Nutresa, well below the average for our industry.

Grupo Nutresa's external corporate management is carried out with criteria of ethical behavior and transparency, with the participation of Fundación Nutresa as articulator, in alliance with NGOs, government organizations and other private sector actors. This is complemented by a strong, high impact volunteer program, with the participation of 7.150 employees from the different companies, whose contribution is in knowledge and/or resources for mutual benefit programs.

In principal, we participate in programs and projects with clear objectives, measurement and monitoring systems that generate greater social value. Focusing on lines of nutrition, education, income generation and entrepreneurship and support for the arts and culture.

In nutrition, we contribute in cash and kind for COP 3.102 million, seeking to reduce conditions of malnutrition and contribute to the adoption of good food practices, with actions focused on strengthening Food Banks, support nutritional projects and consolidate the Food – Bank Network in Colombia.

In education, we contribute to improving the quality of processes, the training of teachers, the use of technology in classrooms and the inclusion of students. Outstanding are our programs *Líderes Siglo XXI* (XXI Century Leaders), which reached 688 schools in 78 municipalities in Colombia and held the *Congreso Nacional de Gestión Integral en la Educación* (National Congress of Integrated Education Management) in Cali with the participation of more than 800 teachers, as well as the *Oriéntate el Mundo a un Clic* (Find the World in a Click) that celebrated 10 years of training in information technologies, with more than 1.000 teachers from 101 schools. This investment reached COP 3.312 million.

In income generation and entrepreneurship and development of our value chain, we have made investments for COP 3.527 million. Most outstanding are the development of the cocoa sector, the shopkeeper and supermarket schools, and the progress of Novaventa with the inclusion of 66.008 mother entrepreneurs.

To facilitate the access of different communities to different forms of arts and culture, we made contributions for COP 2.812 million.

The total social investment of *Grupo Nutresa* and its subsidiaries amounted to COP 13.660 million.

Packing Operation, *Galletas Noel*; Medellín, Colombia.

Grupo *Nutresa* participates in the Business Partner Alliances for Development (*Alianzas Empresariales para el Desarrollo*, AED) with *Corporación VallenPaz*, which works with communities in Buenaventura and northern Cauca in Colombia.

OUR PLANET

Within the climate change strategy, we completed the measurement of greenhouse gases for all the productive operations outside of Colombia and the associated international distribution centers. Thus, we have completed the measurement for all *Grupo Nutresa* operations nationally and internationally. We also calculated the local impact on primary distribution itself. In this report, detailed information is presented regarding *Grupo Nutresa's* greenhouse gas emissions, a process verified by GAIA, the Global Alliance for Incinerator Alternatives. Additionally, we adjusted the corporate goal so that those with greater impact in foreign markets lead the strategy of offsetting their emissions.

The carbon footprint was calculated for representative products in several of the Businesses; in 2012, we will complement this activity, with a corporate measurement program, to determine the environmental performance of our portfolio.

We have given high priority to calculating the water footprint of each Business and the corporation in 2012, to determine the impact – direct and indirect – of water use in the preparation of a product.

We surpassed corporate goals of resource use, by reducing water and energy consumption per ton produced by 3,9% and 4,5% respectively. There was a total of 118 Innovators for Environmental Success, the result of effort, motivation and creativity around the environmental culture. We have moved forward in the process of motivation and commitment of our suppliers in sustainability and the development of packaging with a lesser environmental impact.

All Businesses conduct their activities under environmental management systems, with eco- efficiency criteria and energy-efficiency plans. We made environmental related investments for the amount of COP 11.913 million.

PERSPECTIVES

Growth in Latin America will continue to exceed that of developed countries. With the structures and strategies that we have implemented in our strategic region, we are well positioned to capture this economic development and the eventual increased consumption of its inhabitants.

Parallel to this, we will continue to invest in our capabilities – both physical and human –, distribution, research and innovation, the development of our people and, of course, in our brands. Thus, we will ensure we remain in the position of market leadership in Colombia and in the other countries where we are leaders, while continuing to strengthen our presence in others. Our financial strength allows us to leverage this strategy seriously and responsibly.

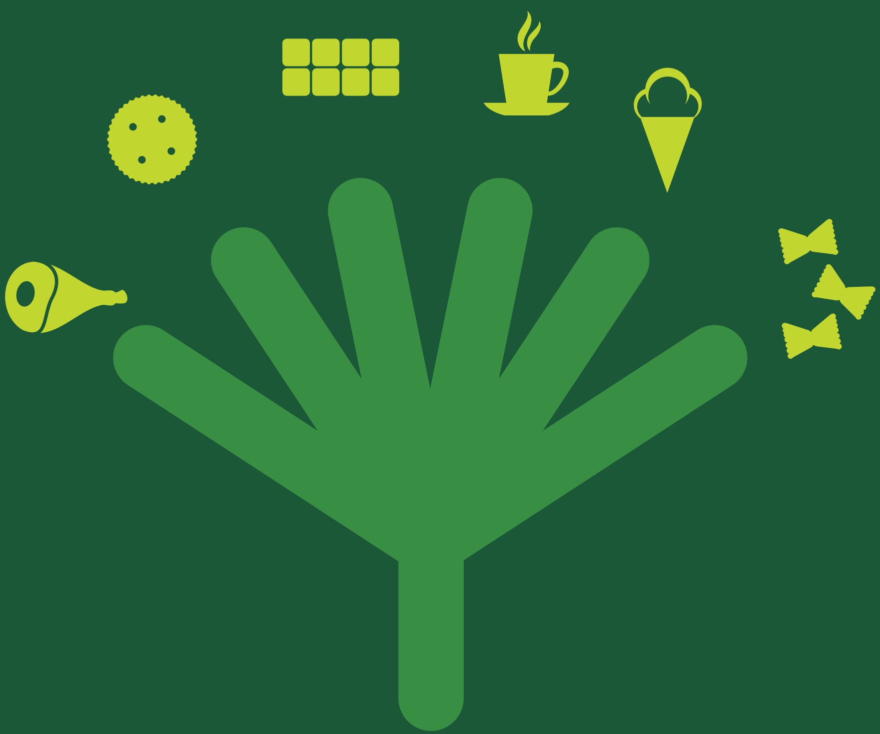
Likewise, we will maintain our efforts to keep our corporate performance sustainable. The support initiatives to suppliers, clients and employees are an integral part of this strategy. Thus, the objective of increasing value creation transcends the strictly economic sphere and includes all parties related to *Grupo Nutresa.*

GRATITUDE

We wish to thank the thousands of shareholders who enthusiastically welcomed our issuance of shares, and – in general – all the shareholders for the confidence and support for the efforts we have made. We also thank our employees, clients and suppliers for their commitment and support. We will continue to work to achieve *Grupo Nutresa's* objectives, maximizing value for all.

David Bojanini García
José Alberto Vélez Cadavid
Gonzalo Alberto Pérez Rojas
Alberto Velásquez Echeverri
Jaime Alberto Palacio Botero
Antonio Mario Celia Martínez - Aparicio
Mauricio Reina Echeverri
Carlos Enrique Piedrahíta Arocha - CEO

Our Businesses



COLD CUTS

COP1,6 trillion

Total sales

US$224 million

International sales

13,9%

EBITDA margin

Presence in

3 countries

Factories in

Colombia, Panama, Venezuela

The cold cuts category in Colombia continued its positive trend, with a 10,5% growth in value.

Cold Cuts Business

The Cold Cuts Business generated revenues of COP 1.632.465 million, an increase of 12,0%. The business obtained 26,5% of its sales outside of Colombia, in Panama and Venezuela. The EBITDA reached COP 227.373 million, 1,3% higher than 2010, representing an EBITDA margin of 13,9%.

COLOMBIA

The category of cold cuts grew 10,5% in value, continuing with the positive trend presented in recent years. The Cold Cuts Business is the market leader, with a 72,4% market share.

The commercial management focused on strengthening the *Zenú* brand as a good source of protein. *Rica* strengthened its value proposal with new presentations and flavors. *Pietrán* strengthened its position as a healthy brand with reduced sodium products. *Ranchera* concentrated on promoting its portfolio for indulgence products, with high impact activations that permitted living the flavorful experience of the brand.

The macro category of frozen foods ended the year with an increase of 7,6%, led by the *Sofía Express* brand, with a market share of 34% and a 19,8% growth, with sales reaching COP 15.041 million. This is the result of the consolidation of the brand and the strategies directed toward improving consumer perception and knowledge of the category.

Advancing in the implementation of the distribution vision project, unified client attention in traditional direct channels and distributors was begun.

For the specialized large chain account team, the Cold Cuts Business was awarded the "*Carrefour* Best Business Ally" in the category of free consumption Products. In addition, we were recognized as Category Management leaders by *Grupo Éxito, Carrefour* and *Olímpica,* thus contributing to improving the level of service.

In 2011, the new products in Colombia contributed more than COP 270.000 million in sales, representing 16,7% of total revenues.

Operationally, we obtained certifications in Food Safety (HACCP) for the plants in Bogotá and Medellín. We increased productivity by 7,7%; we decreased total energy consumption and we kept the water consumption index constant, in spite of the increase in tons produced.

At the same time, we made important investments in infrastructure, which reached COP 44.999 million.

SETAS COLOMBIANAS S.A.

Setas Colombianas S. A. presented positive results in 2011, contributing COP 41.061 million in sales to the Business, an increase of 4,0% over 2010, and generated an EBITDA of COP 6.934 million, 16,9% on sales.

VENEZUELA

The macroeconomic environment in Venezuela was very demanding in 2011. In this context, sales reached VEF 815,9 million, an increase of 30,4% over 2010. The EBITDA stood at VEF 58 million, representing 7,1% of sales, 5,1 points less than last year. The sharp increases in raw materials and the macroeconomic pressures affected the profitability of the Business. Internally, work was focused on achieving operational efficiencies and reducing costs, which contributed to minimize the impacts caused by the difficult environment of the country.

PANAMA

Consolidates sales in Panama reached US$31,3 million, equal to the value of 2010.

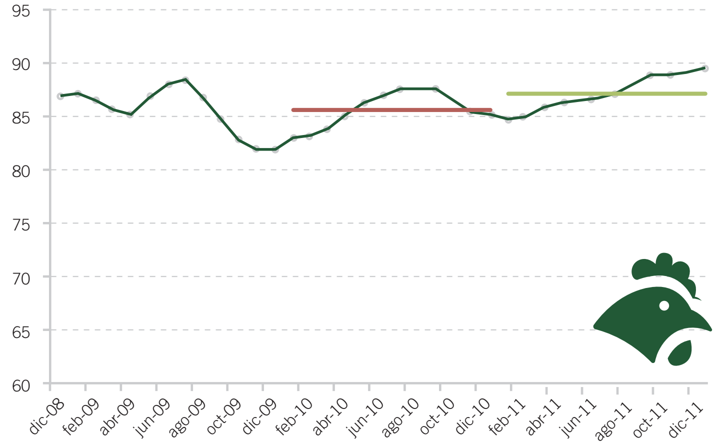
In 2011, the Blue Ribbon Products and Ernesto Berard companies *merged*, which led to *Alimentos Cárnicos Panama S.A.* As part of this merger, there were transfers of product lines from their plants and the SAP operating system was implemented for operations in the country.

In terms of profitability, there was high pressure on costs due to increases in raw materials. In addition, extraordinary expenses were also incurred to improve the conditions of operations, which was reflected in a negative EBITDA of US$427.628.

Ranchera brand products.

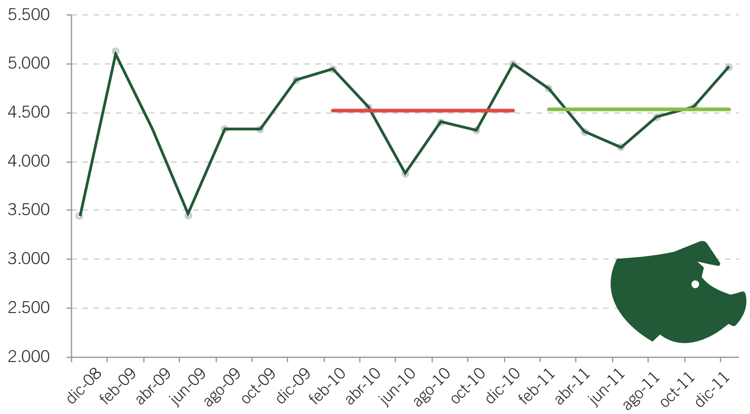
Pietrán brand ham.

PRICE OF CHICKEN (US$ CENTS / POUND)
DEC 08 – DEC 11.



Source: Indexmundi

PRICE OF PORK ($/ KILOGRAM)
DEC 08 – DEC 11.



Source: Asociación Colombiana de Porcicultores

We received the Carrefour Best Commercial Partner, in the category of free – consumption products in Colombia.

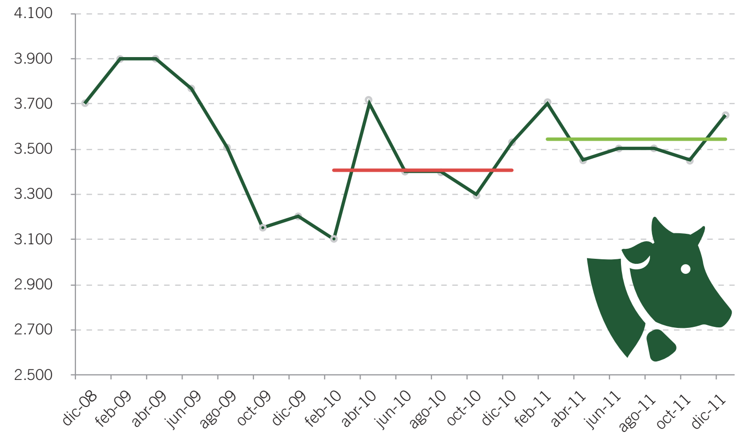
In Panama, we merged the two cold cuts companies, to create Alimentos Cárnicos de Panama S.A.

Average price 2010
Average price 2011

The *Suizo* Plant; Bogotá, Colombia.

OUR BRANDS

PRICE OF BEEF ($/ KILOGRAM)
DEC 08 – DEC 11.



Source: Feria ganados Medellín, Colombia.

OUR PEOPLE

The Cold Cuts Business directly employs 5.034 people in Colombia, Panama and Venezuela. Convinced of the importance of our people and their contribution to the achievement of results, major investments are made in the development and welfare of the people. In 2011, these investments surpassed COP 25.800 million.

In 2011, there was an emphasis on strengthening teamwork, technical training programs and deployment of the strategy at all levels of the organization. This allowed us to achieve a shared vision and the commitment of our people with the Business strategy and objectives.

BISCUITS

COP1,0 trillion

Total sales

US$233 million

International sales

10,2%

EBITDA margin

Presence in

51 countries

Factories in

Colombia, Costa Rica, United States

The Business grew 17,6% in sales.

Biscuits Business

The Biscuits Business ended the year with a very important growth dynamic, which surpassed COP 1 trillion in sales and achieved an increase of 17,6%, compared to 2010. In Colombia, sales were COP 596.613 million, representing 58,0% of total business and an increase of 10,8%. International sales totaled US$233,4 million, representing a growth of 31,9%, mainly by the Fehr Foods operations in the United States.

In Colombia, Noel achieved a 54,8% share of the biscuit market, with a 5,8% growth in volume compared to 9,8% of the total category. The specialty, healthy and simple sweets segments stood out, as opposed to children's cookies, crackers, flavored cookies and wafers, where Noel faces strong competitive intensity, high levels of investment and global competitors that continue to benefit from the mainstreaming of their brands. In Central America, Pozuelo earned 1,7 points, reaching a 35,9% market share.

The Fehr Foods business in the United States is becoming one of the most important growth engines for the Business, reaching sales of US$66 million and a growth of 16,2% compared to 2010 (acquisition, October 2010). The work quality and production allowed SQF (Safe Quality Foods) certification, Level 2, required to enter an important market for private levels in this country. On a commercial level, we developed the production of the Festy brand to cover local sales, as well as the production of crackers from Colombia under the Sun Valley brand, to complement the Fehr portfolio. In addition, we also began exporting the Li'l Dutch Maid brand to other markets, including Colombia.

PROFITABILITY

Profitability management of the Business was executed with discipline and very good results, through a productivity plan on all fronts. The profitability of Noel exports stand out, through a valorization of 18,0% in the price per kilo in dollars and the optimization of the Cordialsa Puerto Rico and United States operations. The EBITDA of the Business was COP 105.009 million, a margin of 10,2% on sales that improved – when compared to 2010 – by 27,9%.

In Central America, the *Muralla* Project was implemented with the expansion of distribution capacity in Guatemala and El Salvador, which significantly increased the customer base in these countries. The distribution cost of 14,8% in Guatemala and 20,6% in El Salvador open the possibility of supplementing our portfolio and grow profitably in this region. With the *Next Project,* the two biscuits plants in Costa Rica were integrated, increasing productivity by 12,6% and reducing water consumption, electric and thermal energy and transformation costs by about 11,1%.

KNOWLEDGE MANAGEMENT

We have made important advanced in consolidating the knowledge of

Wafer – cookie production arch, *Galletas Noel*; Medellín, Colombia.

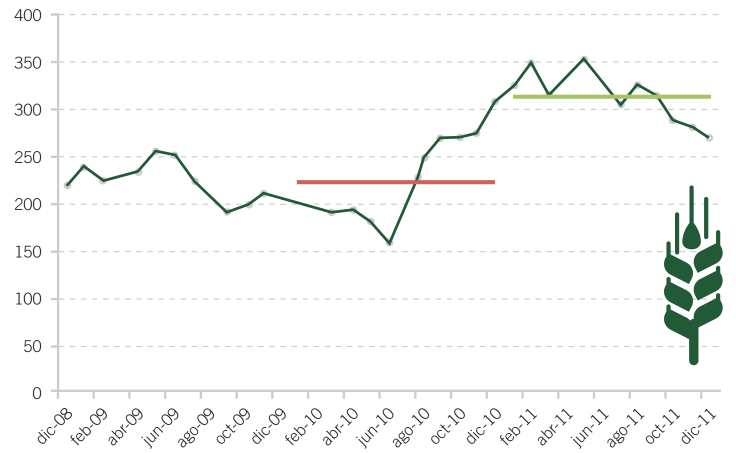
production processes in Noel in Colombia with the *Grupo Nutresa* Exemplary Practice "Learning from the Experts" award and recognition of the research project "Increasing Productivity in Ovens" in the *Vidarium* Academic Event, which is *Grupo Nutresa's* Research, Nutrition, Health and Wellness Center. Likewise, significant improvements have been recorded in the hygiene and health profile of our production platforms, reinforcing our commitment to the quality and safety of our products.

In its fourth year of creation in Colombia, *Mundo Noel* continues to contribute to the consolidation of skills and civic values with the accompaniment of the Secretary of Education in the city of Medellín. Nutrition, environmental stewardship and entrepreneurship remain the themes of the visit, which was attended by 38.573 people from public and private schools and foundations in 2011.

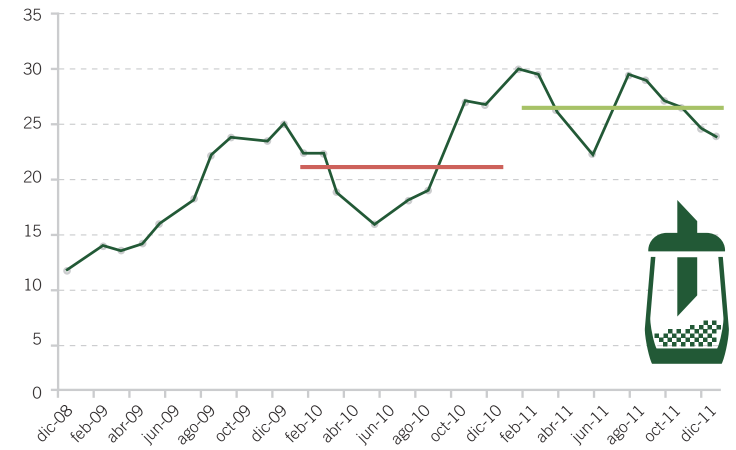
The Biscuits Business ended 2011 with 3.093 direct employees in Colombia and abroad and continues its work for integral wellness with the *Vive con Sentido* (Meaningful Living) program, a leading initiative in Grupo Nutresa, which is recognized by the Antioquia, Colombia Regional Office of the Ministry of Social Protection. In this sense, the creation of specialized schools influenced the quality of life of more than 600 persons and their families.

OUR BRANDS

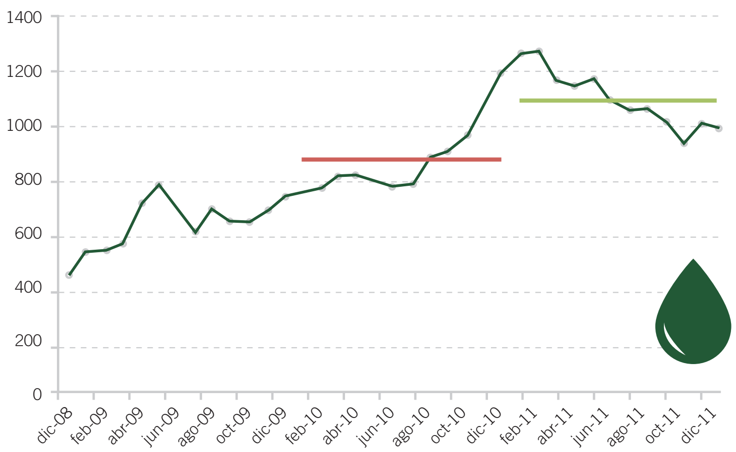
PRICE OF WHEAT (US$ / TON). DEC 08-DEC 11



PRICE OF SUGAR (US$ CENTS / POUND). DEC 08-DEC 11



PRICE OF PALM OIL (US$ / TON). DEC 08-DEC 11

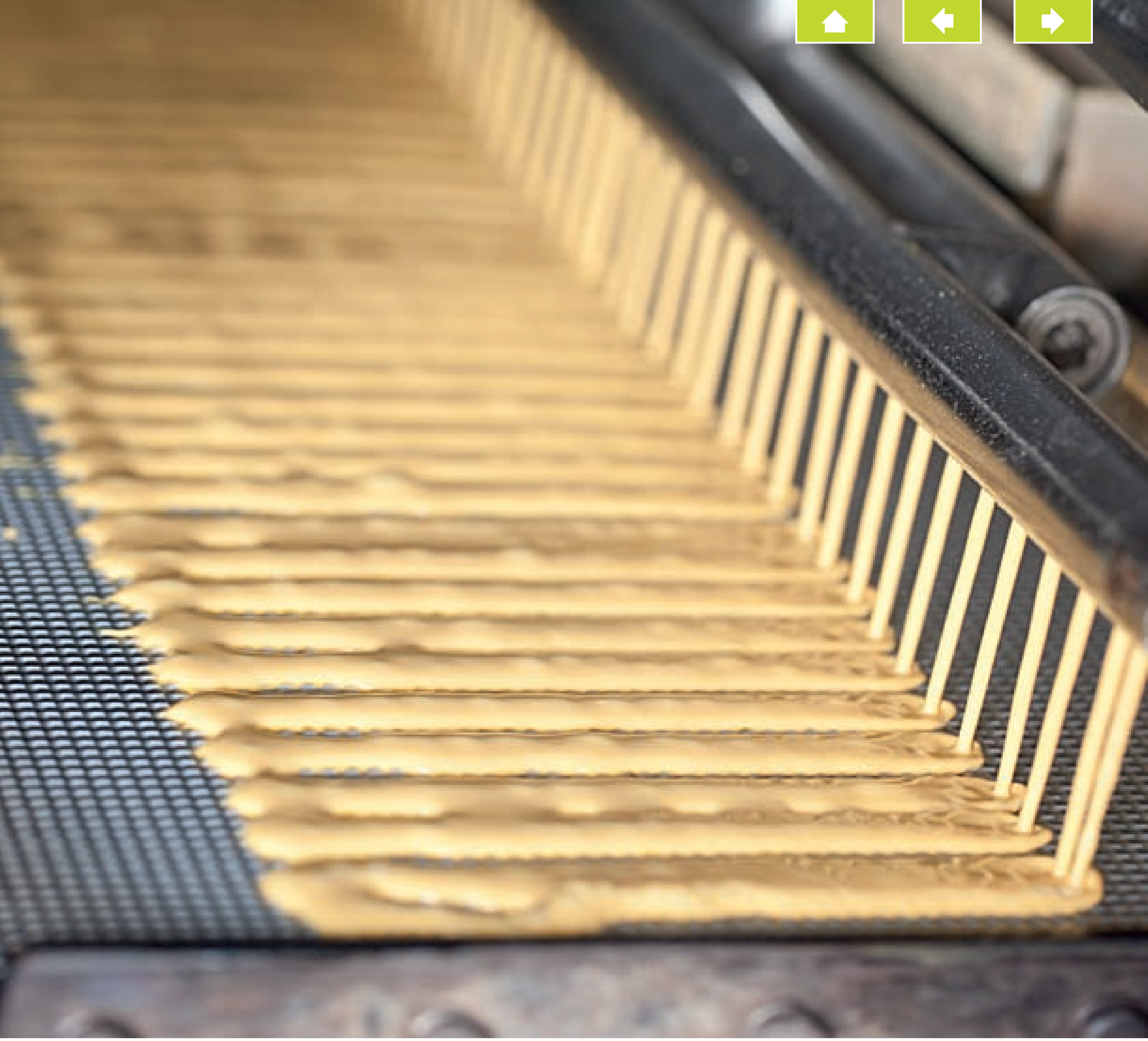


INNOVATION

Sales of innovative products totaled COP 92.200 million, 9,0% of the sales, led by two successful launches: *Saltín* Seeds and Cereals and *Tosh* Yogurt and Strawberries, which contributed sales of more than COP 2.950 million in six months. Standing out is the Noel's participation in two summons by *Colciencias* Colombia, achieving access to one of them: "*Conformación de un banco de proyectos elegibles de consolidación de capacidades empresariales para la gestión de la innovación*" ("Formation of a bank of eligible projects to consolidate business skills to manage innovation").

Fehr Foods in the United States is becoming one of the most important drivers for the Business.

Average price 2010
Average price 2011
Source:
Indexmundi



Wafer – cookie production process, the *Noel Plant*; Medellín, Colombia.

+ 38.000

school students participate in the Mundo Noel program that contributes to the consolidation of skills and citizen values.

CHOCOLA

COP940.665 million

Total sales

US$162 million

International sales

11,3%

EBITDA margin

Presence in

42 countries

Factories in

Colombia, Costa Rica, Mexico, Peru

The market share of chocolate candy in Colombia was 62,5%.

Chocolate Business

The Chocolate Business achieved sales in 2011 for COP 940.665 million, a growth of 8,8%, supported in positive performance in Colombia of 9,4%, followed by Peru, Costa Rica and Mexico, which promoted the internationalization of the Business and mitigated the impact of reduced sales to Venezuela.

In Colombia, the Business had sales totaling COP 640.233 million, an increase of 9,4%. We continue with the quest for growth of the categories we lead, with the following progress according to Nielsen: the chocolate beverage category grew 11,6%, with a record participation of the Business; the confectionery chocolate category grew 14,2% and we maintained our leadership with 62,5% of the market, despite strong competition. The growth in the nuts market was 15,9% and cereal bars, 21,4%, with marked leadership of 47,3% and 74,6%, respectively. The year 2011 was difficult for milk modifiers; even so, *Chocolisto* ended the year with a 28,6% market share.

We continue to support consumption in Colombia through the *Vive el Chocolate* (Live Chocolate) program, consolidating Corona as the lead brand of chocolate beverages. Chocolyne celebrated 10 years supporting the *Pasarela de Jóvenes Creadores Chocolyne* (Chocolyne Young Creators' Runway) and for the second year held the *Programa de Apoyo al Cáncer de Seno* (Program to Support Breast Cancer). Chocolisto was very active in promotions and licensing.

In confectionery chocolate, in 2011 we launched a new Álbum Jet, dedicated to the world of prehistoric animals and those in danger of extinction. Jumbo celebrated its fifth Jumbo Concert, which generated excitement among young people. MontBlanc established itself as the seasonal chocolate and at Christmas offered Noel Chocolate boxes. The La Especial Candied Peanuts made news and the line of Tosh Cereal Bars was reactivated as a healthy choice.

INTERNATIONAL

In international sales, we have continued regional expansion focusing on Mexico, Peru and Central America, reaching markets, such as the United States, the Caribbean, Ecuador, Chile, Bolivia and Korea, from these countries. Outside Colombia, we had sales of US$162,0 million, an increase in growth of 10,1%. Improvements were made in the models of attention in Cordialsa USA, Cordialsa Puerto Rico, the Caribbean, Guatemala and El Salvador, which will bring growth.

In Mexico, sales grew 4,8%, reaching US$53 million. It was a difficult year for the confectionery market, the result of changes in health legislation and labeling, the long summer that affected consumption and the security situation that affects our clients. Our main brands – *Nucita*, *Muibon* and *Monedas* – rose in visibility at the points of sale throughout the republic.

In Peru, we obtained sales of US$47,9 million, with an 13,5% growth. In Cocoa Winters, there were important increases in price to absorb input costs, without affecting our participation. In confectionery chocolates, we continue to promote the potential of the local *Fochis* and *Chinchín* brands in the real chocolate market, closing with a share of 9,3%.

Central America registered sales for US$20 million, an increase of

The *Jet* chocolate – candy – bar production process; the Rionegro, Colombia Plant.

12,9%, leveraged in Costa Rica with 18,5%. The support of *Choys, Johnys, Cocoa Dulce* and *Chocolisto*, added to the distribution, visibility and support of the industrial channel, are some of the reasons we achieved this growth. In Central America, we maintained our leadership of 28,9% in chocolate beverages.

PROFITABILITY

Production costs reflect the impact of high international prices for cocoa beans, cocoa, sugar and fat and the minimum prices for cocoa butter. In addition, the heavy rains in Colombia influenced the lower production of cocoa beans and the increased logistics costs, which kept domestic prices high and above parity.

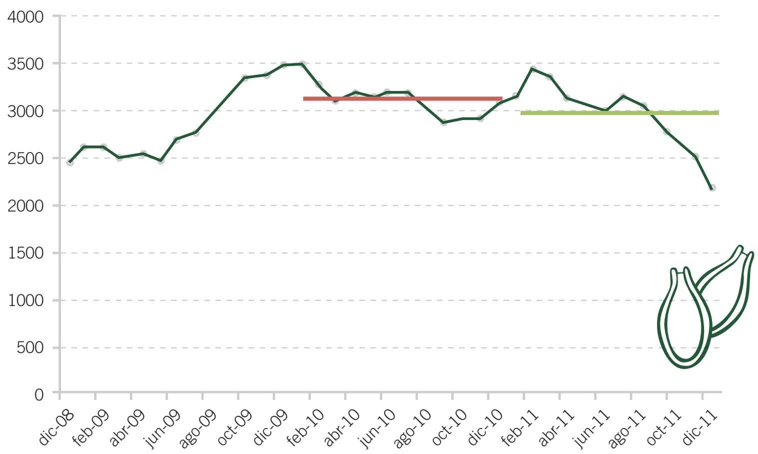
In 2011, the Chocolate Business obtained a consolidated EBITDA of COP 106.305 million, equivalent to 11,3% of sales, with an increase of 15,7%.

OUR PEOPLE

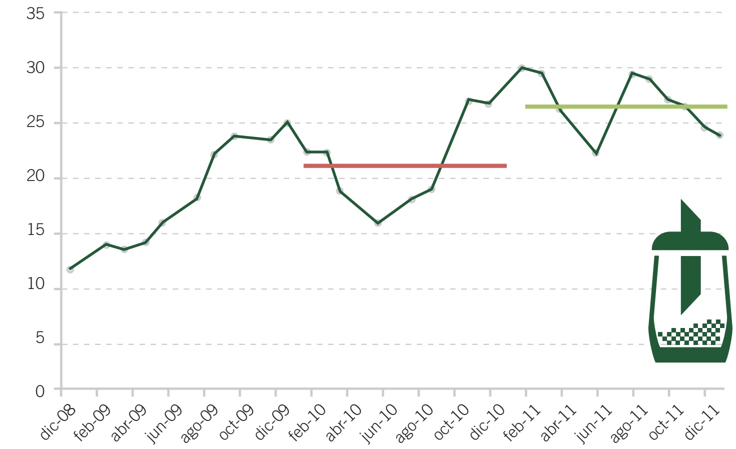
With regard to our personnel, in 2011 they were accompanied by important processes in innovation, knowledge management and wellness that benefitted more than 2.920 collaborators. We were recognized in occupational health management in Colombia for achieving a minimum of 2,2% in accidents. The commitment of our people was also evidenced after the first measurement made by outsiders, obtaining 92,0% in the result.

In 2011, we certified the candied fruit bread plant in Peru; in Colombia, we recertified the plants in Bogotá and Rionegro under ISO 9001, 14001 and OSHASS 18001 standards. In Rionegro, we renewed the BRC Certification and Nutresa Mexico received AIB auditing.

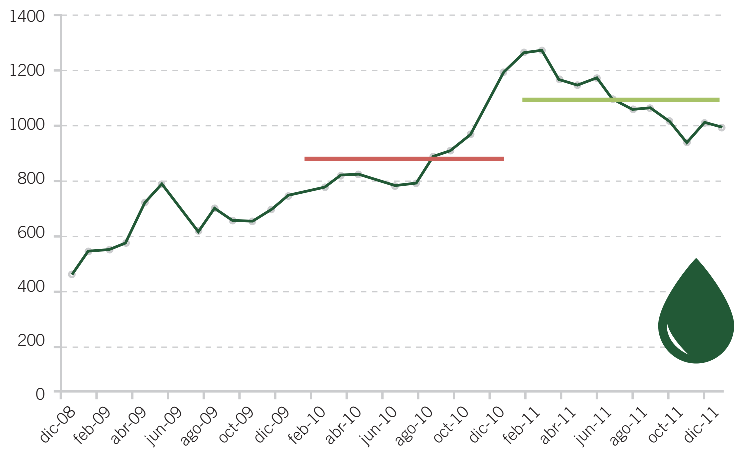
PRICE OF COCOA BEANS (US$ / TON). DEC 08-DEC 11.



PRICE OF SUGAR (US$ CENTS / TON). DEC 08-DEC 11.



PRICE OF PALM OIL (US$ / TON). DEC 08-DEC 11.



COMPETITIVENESS

To search for competitiveness, we have focused on operational efficiency, productivity, progress in TPM (Total Productive Management) and optimizing portfolios. On this front, we had many advances: a 28,3% reduction in references, a 15,0% decrease in brands, a 4,2% improvement in efficiency of equipment and a 6,8% increase in productivity. In addition, we implemented the SAP operating system in Peru and are preparing for the change in Mexico in January 2012.

We conducted operational – efficiency plans and portfolio optimization to achieve greater productivity.

Average price 2010
Average price 2011
Source:
Indexmundi

COP 106.305 million,
was the consolidated EBITDA
equivalent to 11,3% of sales.

Tesalia brand beverage chocolate.

COFFEE

COP825.785 million

Total sales

US$187 million

International sales

8,2%

EBITDA margin

Presence in

46 countries

Factories in

Colombia

We are market leaders in Colombia in the coffee category with a 51,7% market share in value.

Coffee Business

The Coffee Business achieved sales for COP 825.785 million, with an increase of 16,9%, of which 58% were obtained in Colombia, for a value of COP 480.150 million, an increase of 5,4%. Internationally, sales reached COP 345.635 million, which represents 42% of our sales and a remarkable increase of 38,0%. The EBITDA was COP 67.428 million, for a margin of 8,2%, significantly impacted by extra costs in the value of the raw material consumed.

MARKET

According to Nielsen, the coffee category in Colombia broke the downward trend in volume in recent years and achieved a growth of 2%, reflecting the good dynamics of roast coffee, 5%, and ground coffee, 0,5%. Colcafé, with its different brands, continues to lead the category with a value share of 51,7%, an increase of 1,3 points in the year. In the ground coffee segment, the share of the Business achieved 58,2% in value, and in instant coffee, 41,1%, a maximum historical level of participation. For the first time, the *Colcafé* line of instant coffee achieved the lead in volume, reaching a 34,1% share in this segment.

At the international level, we spotlight the significant increase in exports for US$187 million, with growth of 41,6%, achieved with value added products and differentiation: instant, ground, mixed and private brand coffee. We made sales to 45 countries, 35 of which sold the *Colcafé* brand.

RAW MATERIAL

As for our main raw material, coffee production in Colombia in 2011 was the lowest in the last 30 years, 7,8 million bags, a decrease of 12% compared to 2010. For the fourth consecutive year, production has been below 12 million bags, the average level of coffee production in Colombia. With this critical view of coffee shortage, Colombian coffee prices internationally reached a historic maximum of the last 33 years. In this context, the cost of our raw material consumed increase 35,2% over 2010, adding great complexity to the operation of the Business, as only a fraction of the cost increase was transferred to consumers in the Colombian market. This is reflected in the financial result of the year.

INNOVATION AND RESEARCH

The culture of innovation is central to our strategy of differentiation in products and processes and represents a competitive advantage. For the *Grupo Nutresa Éxitos Innovadores* (Grupo Nutresa Innovation Success) Program, our collaborators presented 470 ideas, of which 226 became hits. In the history of the program, we have obtained 1.111 innovative achievements that have strengthened or competitiveness in global markets, with new products and more efficient processes. Thanks to the continuing process of business innovation, 27,4% of our sales were innovative products.

As a result of the excellent dynamics in new product development, in 2001 our R&D team obtained recognition as a Research, Technology and Innovation Group from *Colciencias* in Colombia. In this way, we continue

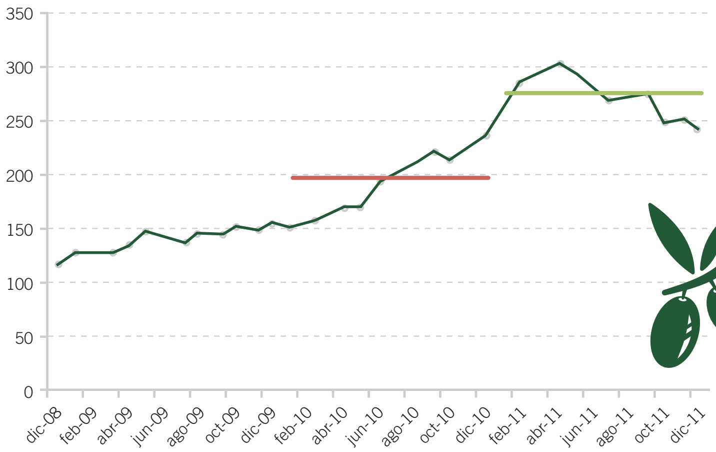
Colcafé brand Cappuccino.

to strengthen the innovative capacity, one of our main competitive advantages. This reinforces the trust, satisfaction and guarantee to our clients and consumers, with an integrated management system supported by recognized national and international organizations. Altogether, we have 16 certifications in quality, food safety, environmental, occupational health and safety systems and specific certifications for major international clients.

In terms of projects, we completed the construction of a new drying tower, which was designed and built by our own engineering staff and the contribution of technology from Colombian companies. This project incorporated significant design improvements that will result in increase productivity; thus, we have strengthened our cutting-edge technology and we stand as one of the best companies in the world in the production of ground coffee.

For the measurement of organizational climate carried out by the *Centro de Investigación* y Corportamiento *Organizacional, Cincel* (Organizational Behavior Research Center), *Colcafé* maintained the standard of outstanding among Colombian companies surveyed. Another highlight is the 1,56% accident frequency rate in occupational health.

PRICE OF COFFEE (US$ CENTS/ POUND)
DEC 08-DEC 11.



Our products are consumed in **46 countries** worldwide, which represent 42% of sales

Average price 2010
Average price 2011
Source:
Indexmundi

The *Colcafé* Plant; Medellín, Colombia.

Production of *Colcafé* brand instant coffee, the *Colcafé* Plant; Medellín, Colombia.

OUR BRANDS

PRODUCT CERTIFICATIONS

Colcafé remains committed to the export of certified coffee and Fair Trade products, which allows the generation of additional benefits for coffee communities and families, with the transfer of bonuses for COP 2.170 million for educational programs, health, infrastructure improvement and productivity. Since we began selling products under this certification, we have transferred resources for COP 13.487 million.

Innovation products accounted for

27,4% of sales

ICE CREAM

COP318.972 million

Total sales

US$19 million

International sales

13,2%

EBITDA margin

Presence in

2 countries

Factories in

Colombia and Dominican Republic

Innovation products generated sales for COP 97.188 million, which represents 39,5% of sales of the Business.

Ice Cream Business

The Ice Cream Business ended 2011 with sales of COP 318.972 million, a growth of 21,4%. Colombia participated in this result with sales of COP 283.322 million, corresponding to 88,8% of total sales, while Dominican Republic sales reached COP 35.650 million, representing the remaining 11,2%. Sales of innovative products, which included 49 launches, generated income for COP 97.188 million and constituted 30,4% of total sales. The Business total EBITDA was COP 42.041 million, with a margin of 13,2%, which means a growth of 10,3% over the previous year; of this total, 8,2% is generated abroad.

It is important to highlight the fact that, in spite of the difficult weather that Colombia suffered during most of the year with heavy rains, the implementation of successful business strategies in the summer months with outstanding performances – as well as the synchronization of new product launches in these seasons – were fundamental in generating the result. Among these new products it is important to mention the launching of *Helado Artesanal* (Handcrafted Ice Cream) and *Tortas Sinfonía* (Sinfonía Ice Cream Cakes), which allowed us to advance toward the consolidation of two segments of great potential in the Ice Cream market in Colombia. Similarly, and responding to consumer trends that seek more nutritional and natural products, we introduced the *Fruti* popsicle, with very good levels of acceptance. In addition, in partnership with the Mattel Toy Company and breaking schemes in children's popsicles, we launched the Barbie and Hotwheels popsicles, with sales that surpassed the level of similar products of this category aimed at this market. Within the commercial activities to highlight and seek the development of alternative channels that allow us to mitigate the effects of weather, we began the process of selling through *Novaventa* and the home delivery plan, a development opportunity that allows us to reach the homes of our clients directly.

MARKET

We maintained the leadership of the ice cream market in Colombia with 78,4% in volume, despite yielding 2,2 share points explained by the restructuring of the sales channel. Sales in indoor channels, which is not our focus, increased their share, compared to the street channel, in which winter made customer affluence and consumption difficult. Likewise, competitors undertook aggressive price actions that mainly affected the north and southwest of the country.

Aligning growth strategies and technological renovation, the Business developed projects for COP 5.976 million, of which COP 3.220 million were focused on technological

Chococono production process, the *Meals de Colombia* Plant; Bogotá, Colombia.

improvements in production processes and the supply chain; COP 2.433 million were focused on the growth of the cold chain to expand customer coverage. This investment included the increase in the commercial asset network of *Helados Bon* in the Dominican Republic.

PRODUCTIVITY AND QUALITY

The implementation of the TPM (Total Productive Management) methodology was a breakthrough, reaching overall equipment efficiency (OEE) of 79,5%, 0,5% higher than 2010. Consumer complaints about product quality improved 45%; deliveries of production schedules were met in 98,5%. Likewise, this methodology was launched in store and cold storage logistics areas with excellent results achieved during the year.

To support the management of processes and improve Business effectiveness and productivity, we continued to work in management systems. A result of this is the recertification of *Meals* in the ISO 9001 standard of quality management by ICONTEC, the Colombian Institute of Technical Standard and Certification, whose audit did not report any failure to conform. Additionally, we received second place for best management in safety and occupational health in the competition organized by *SURATEP* (professional risk administrator), in which over a thousand companies in Colombia participated.

Sinfonía red – fruits ice cream.

The successful implementation of business strategies and timing in the launching of products were critical to mitigate the effects of the rains in Colombia.

PEOPLE AND COMMUNITY

During 2011, the Ice Cream Business continued to work on developing the management skills of directors and other positions, which has allowed a strengthening of the organizational climate.

A new collective agreement was established for the period 2012-2014, which allowed the mechanisms of participation and personal development that the organization has proposed within its philosophy to come true.

Socially, we continued to develop the *Proyecto Educativo Líderes Siglo XXI* (XXI Century Leaders Educational Project) in Colombia, aimed at improving the quality of management of 688 educational institutions. In addition, the volunteer money program was begun, with high involvement of employees.

Sales grew

21,4%

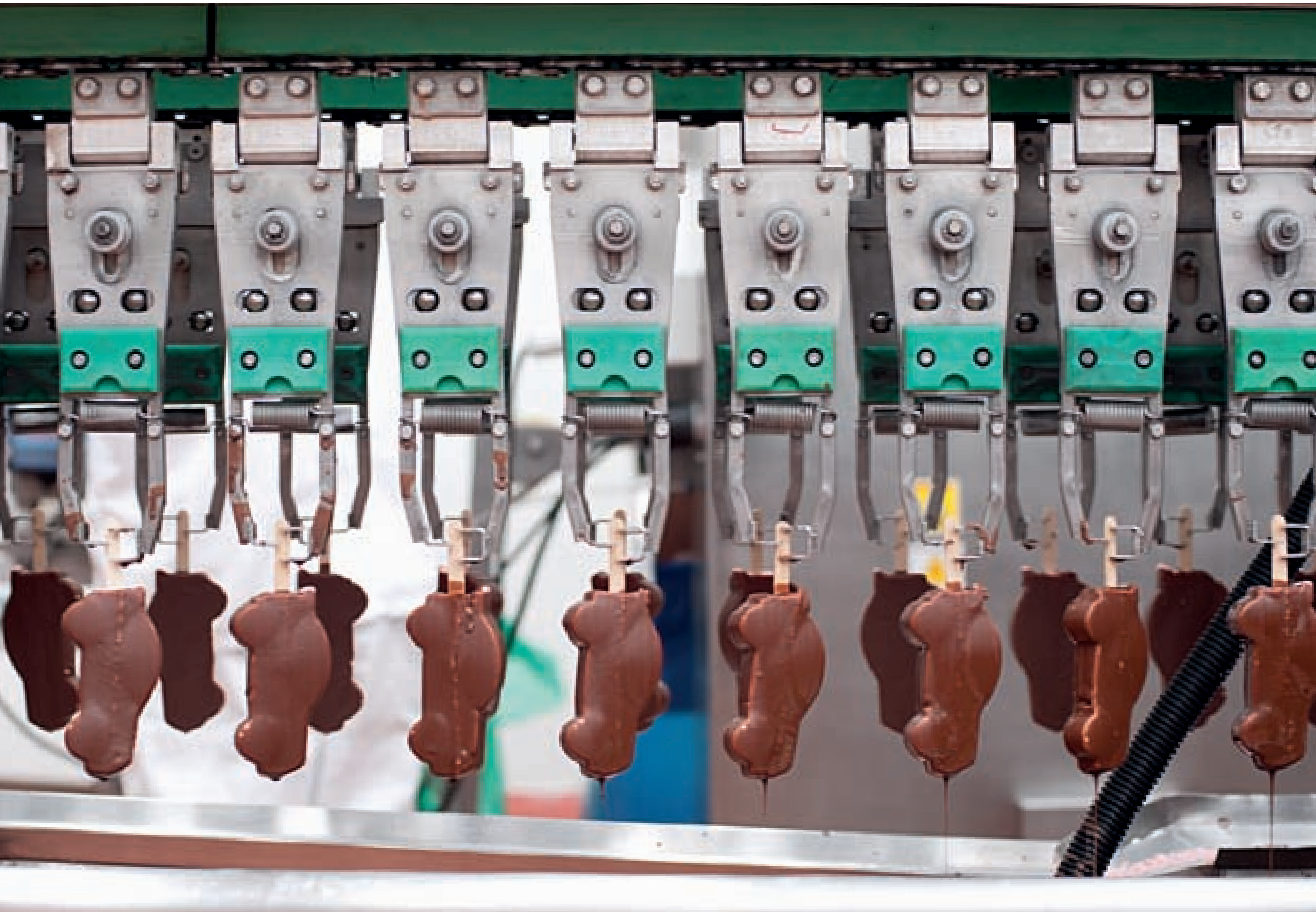
OUR BRANDS

DOMINICAN REPUBLIC

The *Helados Bon* integration process during these first nine months of operation has been focused on understanding and aligning the cultures, knowledge of the business, which – although it is ice cream – has a model based on ice cream franchises with an estimated leadership of 85% of the Dominican Republic market.

The integration process with Helados Bon has been focused on understanding and aligning of cultures.

Hot Wheels popsicle production, the *Meals de Colombia* Plant; Bogotá, Colombia.



PASTA

COP191.637 million

Total sales

9,5%

EBITDA margin

Presence in

1 country

Factories in

Colombia

We maintained our market leadership in Colombia with 49 % share in value.

Pasta Business

The year 2011 was one of challenges and consolidation for the Pasta Business, by maintaining our market share in Colombia of 49% in value and 46,5% in volume through our *Doria, Comarrico* and *Monticello* brands.

The *Doria* brand obtained a share of 30,6% in volume and 35,3% in value, continuing the path of including *Nutrivit*, a blend of micronutrients designed according to the nutritional deficiencies of the Colombian population. At the same time, we worked on finding accessibility solutions to the different socioeconomic sectors for our brand through presentations adapted to consumer expenditure.

Comarrico ended the year with a share of 15,1% in volume and 11,9% in value, consolidating its position as the second brand in the Colombian market and the traditional channel. Much of this success is based on the regional communication strategy, the consolidation of national distribution and the development of different presentations, depending on the purchasing power of consumers.

Monticello continues to grow, reaching 1,8% of the value market share; it increased revenue by 39% through the development of the concept of *Momentos de Placer* (Moments of Pleasure). Based on this concept, it maintains its position of indulgence and healthy living, increasing brand awareness.

In 2011, total sales of the Business were COP 191.637 million, an increase of 2,0% in value. The EBITDA reached COP 18.275 million, which equals 9,5% of sales.

RAW MATERIAL

Wheat had an upward, volatile trend during 2011 as a result of adverse weather in major producing countries and price speculation in the market. This combination of factors pushed futures prices to US$ 324,8 per metric ton during the first semester, up 78,4% over the same period in the previous year. By year end, there was a correction with a closing price of US$297,67, a 32,8% annual increase.

PRODUCTION

As for productive activity, we continue to improve management through the TPM (Total Productive Management) methodology, positively impacting key indicators such as compliance with the production plan, mill extraction, reprocessing, waste and damage, in the Mosquera and Barranquilla plants in Colombia. As for projects, in the Barranquilla plant we launched a line of short pasta with high – temperature drying technology, which will increase Business capacity and productivity with better – quality products. In the Mosquera plant, we modernized the bagging process of raw materials and advanced work in re-empowering the short – pasta line, which recovered its capacity by 25%.

In the supply and logistics operations, cost overruns due to the rainy season in Colombia and the trucker strike in February were estimated at COP 162 million, but, in turn, significant savings were achieved that contributed to mitigating these cost overruns. Thus, the cost of primary logistics went from COP 103,2/ton to COP 90,3/ton. These improvements were made in collaborative planning for demand, redefining some logistics operations and implementing a replenishment model, without impairing the level of service, which increased from 95,7% in 2010 to 96,9% in 2011. In addition was given to the *Comercial Nutresa S.A.S.* distribution model in different regions of Colombia.

WELLNESS OF OUR PEOPLE

The comprehensive training program focused on strengthening and developing technical and organizational competencies. The emphasis was on leadership, communications and teamwork. The Business conducted 25.796 hours of training, corresponding to 70 hours per person. This represents an investment of COP 345 million.

We continued to strengthen the culture of self – care and safety, achieving the goals proposed. The main reflection of these goals is the indicator of absenteeism due to occupational accidents of 2,05% against a target of 2,8% for *Doria* and 5,04% for *Comarrico,* whose goal was 8,8%. The consolidated Business indicator was 2,7; the goal was 4,0.

This strengthening contributed to the outcome of the evaluation of the work environment, in which *Doria* obtained a rating of 87,5% – corresponding to a superior level – surpassing the goal of 83,3% and 86,6% of evaluations made in 2009; in general, almost all the variables measured improved their result. Similarly, for the first time we evaluated work commitment and identified a health result for the good performance and desire to remain in the company, factors that contribute to productivity.

Doria brand vegetable *Fusilli.*

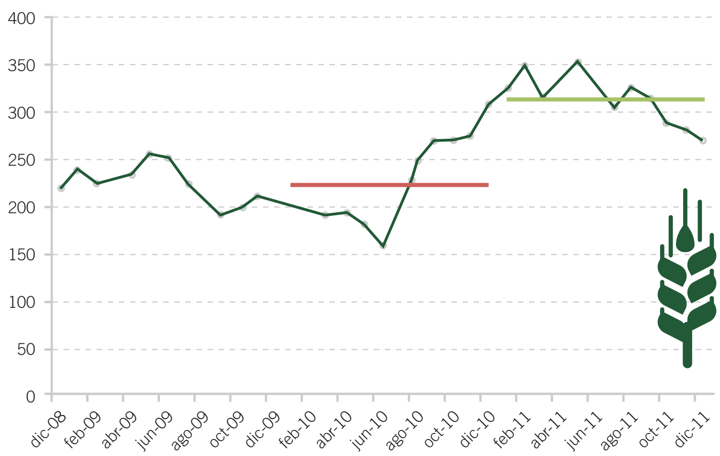
Pastas Doria Quality Lab; Mosquera, Colombia.

INNOVATION

For the *Grupo Nutresa Éxitos Innovadores* (Grupo Nutresa Innovation Success) Program, 407 ideas were generated of which 88 became innovation successes, whose final result was savings for approximately COP 2.299 million in the productive process. Likewise, the Business invested COP 1.481 million in wellness programs, COP 199 million in safety and self – care and COP 1.338 million in additional benefits. At the end of 2011, the Pasta Business has 667 employees, between direct staff and third – parties.

We invested **COP 1.481 million** in the welfare of our employees.

PRICE OF WHEAT (US$ / TON). DEC 08-DEC 11.



Average price 2010
Average price 2011
Source:
Indexmundi

Production of long pasta, *Pastas Doria Plant.* Mosquera, Colombia.

CERTIFICATIONS

With regard to quality and environmental management, the Pastas Comarrico S.A.S. plant in Barranquilla received certification in ISO 9001:2008 standard from ICONTEC in making pasta and ratified the certification in the Mosquera and Barranquilla plants with the ICONTEC Quality Seal. The results of the sanitary hygienic profile, carried out by Grupo Nutresa, stood above 90% for both plants. We worked on maintaining a low level of unit energy consumption, reducing the unit water consumption by 6,9% and exploiting 85,4% of the waste generated.

The EBITDA was
COP 18.275 million,
equivalent to 9,5% of sales.

Our Transversal Activities: Commercial and Administrative

Comercial Nutresa reaches more than 207.000 points of sales with a broad portfolio of products.

Comercial Nutresa

As we mentioned in our previous Annual Report, in March 2010, *Cordialsa Colombia S.A.*, the largest sales and distribution company in Colombia, was created. With the Grupo Nutresa name change, we are now called *Comercial Nutresa S.A.S.*

The *Comercial Nutresa* model is based on client segmentation according to their characteristics, needs, business environment and their buyers, in order to offer the correct portfolio. This model allows providing clients with the best commercial activations and proposals, thus serving them with specialized structures by segment.

After implementing the new business model in the *Eje Cafetero* and Tolima regions and the large chain store channel in 2010, during 2011 we implemented this model in the rest of Colombia, thus reaching 207.523 clients with all the products in the Biscuit, Chocolate, Coffee and Pasta Businesses and the long life Cold Cuts Business.

It was a challenging year, as we simultaneously had regions of Colombia operating with the new business model and, at the same time, we had areas of Colombia operating with the previous business models (the heritage of the *Nacional de Chocolates*, *Noel*, *Doria* and *Comarrico* distributions schemes). This activity required a great team effort of our organization to preserve the business dynamics and achieve results.

Our operational structure is currently based on three specialized sales channels: traditional sales, which account for 56% of total sales; supermarkets, 24% and large chains, 20%. The supermarket and traditional channels serve the country through seven regional trade structures and large chains serve the country with a specialized structure by account. We are found in 967 municipalities, of which 203 (81% of sales) have weekly attention with specialized sales forces according to the portfolio and brands.

Commercial Nutresa generated total net sales during the year for the *Grupo Nutresa* business for COP 1.754.201 million, an increase of 6,7%. The numerical distribution of our consolidated businesses rose from 61,0% to 65,2%, according to Nielsen figures by category, weighted by the market share.

The rate of customer satisfaction was partially measured in 2011 among the regional offices with more than six months of having implemented the marketing model (Pereira, Cali, Ibagué and the totality of the large chain channel). The result was 4,5, placing us in a high level, preserving the high marks we brought from the previous model.

We wish to highlight the recognitions we received from our large chain customers, with whom we had a year long relationship under the new business model, in "Éxito's 2011 Best Supplier" in the category of mass consumption products and the "Carrefour 2011 Best Commercial Partner" award in the rancho category.

For the first time, our 2.100 employees rated the organizational climate with a rating of 88,3%, considered a "High Level," which is significant, given the recently creation of this company.

Comercial Nutresa has commercial developers to enhance the growth of its clients.

In 2011, there were 66.008 women entrepreneurs in Novaventa, our direct – sales channel, 15% more than in 2010.

Novaventa

Through the direct catalogue sales and retail sales channels in Colombia, *Novaventa* achieved revenues for COP 177.725 million, a growth of 9,7%.

In the direct catalogue sales channel, the number of entrepreneurs rose from 57.414 in 2010 to 66.008 in 2011, an increase of 15,0%. Channel revenues reached COP 145.530 million, a growth of 4,6%. The following projects were completed for this sales channel: a technological solution with an investment of COP 7.650 million to increase process productivity. The second phase of the *El Carmen de Viboral* Operations Center was implemented, installing the third picking line, worth COP 790 million. The motivation and incentive program for women entrepreneurs was consolidated through a strategy of points.

In the vending machine channel, we continue to be the first vending operator in Colombia, with 2.651 snack machines and 2.886 coffee machines, for a total of 5.537 vending machines, which represent an increase of 27,5% over 2010. Revenue increased 40,1% to reach COP 32.200 million. This channel executed the following projects: adjusting the picking and storage infrastructure to improve the operation in the Medellín and Bogotá regional offices, with an investment of COP 944 million, which will improve productivity by 20% in units/ hour dispatched. In addition, we acquired our own fleet of vehicles, which will reduce transportation costs.

La Recetta

La Recetta business model in Colombia, whose focus is specialized and geographical customer attention, is reflected in the results. In the third year of operations, sales reached COP 147.161 million, an increase of 19,4%. The specialized channel represents 46% of sales; the geographic channel, 25%; the government channel, 17%; and the distributor channel, 12%.

In line with the business plan and responding to customer needs, the Company coded other product lines. This new portfolio of third parties – added to those already existing – generated revenues in excess of COP 4.200 million.

La Recetta ended the year with 420 employees. In the measurement of organizational climate, the company obtained a grade of 3,64 (in the very good range).

Our clients have a perception of excellent service, which is evidenced in a satisfaction survey, achieving an indicator of 4,45 (high real satisfaction).

La Recetta provides integrated solutions to the institutional market in Colombia.

Servicios Nutresa

Servicio Nutresa employees; Medellín, Colombia.

Servicios Nutresa is a company that provides shared services to the *Grupo Nutresa* companies. In 2011, we celebrated our first five years, during which time we have holistically supported the competitive strategy of the Businesses.

The business services we provide in the financial, administrative, legal, human development, information technology, risk management and audit processes are supported by a competent, committed team that manages continuous improvement processes and the efficient use of technology.

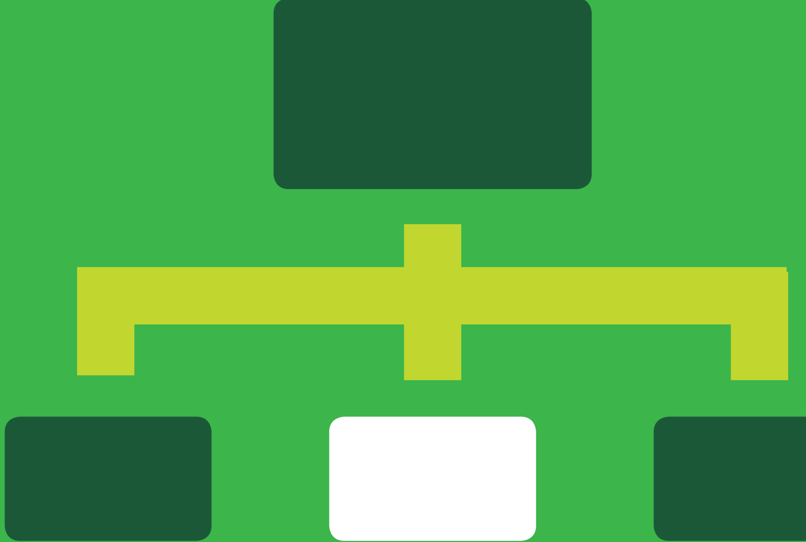
In 2011, Servicios Nutresa focused its efforts on increasing productivity and maintaining an appropriate level of service.

In developing the technology and productivity plans, we successfully implemented the SAP operating system in Peru, Ecuador and Panama. We have concluded the implementation of this system in the different regions of Comercial Nutresa in Colombia and we are preparing for the change in Mexico en January 2012.

With a multi-disciplinary team, we initiated a review of the planning, budgeting and financial forecasting model, which will culminate in 2012. This model aims to provide better information for decision making.

Services Nutresa recorded costs and expenditures for COP 92.285 million in 2011.

Corporate Governance



Board of Directors




David Emilio Bojanini García, 2005
Chief Executive Officer, Grupo de Inversiones Suramericana S. A.
Appointment and Retribution Committee
Board of Directors' Issue Committee
Strategic Planning Committee
Previous Experience
Chief Executive Officer, Protección S. A., Pension and Severance Fund
Actuary Manager, Suramericana de Seguros S.A.
Education
Industrial Engineer, Universidad de los Andes
Masters in Administration with an Emphasis in Actuary, the University of Michigan

José Alberto Vélez Cadavid, 2005
Chief Executive Officer, Inversiones Argos S. A.
Board of Director's Issue Committee
Strategic Planning Committee
Previous Experience
Chief Executive Officer, Inversura S.A.
Chief Executive Officer, Suramericana de Seguros S.A.
Education
Administrative Engineer, National University of Colombia
Masters of Science in Engineering, the University of California at Los Angeles, UCLA.

Gonzalo Alberto Pérez Rojas, 2007
Chief Executive Officer, Suramericana S.A.
Corporate Government Committee
Previous Experience
Vice President, Insurance and Capitalization, Suramericana de Seguros S.A.
Vice President, Corporate Business, Suramericana de Seguros S.A.
Education
Attorney at Law, University of Medellín
Specialization in Insurance, Swiss Re.

Alberto Velásquez Echeverri, 2007
General Manager, Prosantafé S.A.
Appointment and Retribution Committee
Independent Member
Previous Experience
Secretary General of the Presidency of the Republic of Colombia 2002-2004
President, Heritage Minerals Ltd.
Education
Business Administrator, EAFIT University
Masters in Business Administration, the University of California at Los Angeles, UCLA.

Jaime Alberto Palacio Botero, 2005
General Manager, Coldeplast S.A.
and Microplast S.A.
Independent Member
Previous Experience
Deputy General Manager, Microplast S.A.
Education
Business Administrator, EAFIT University.

Antonio Mario Celia Martínez-Aparicio, 2005
Chief Executive Officer, Promigas S.A.
Appointment and Retribution Committee
Strategic Planning Committee
Independent Member
Previous Experience
Financial Vice President, Promigas S.A.
Manager, Terpel del Norte.
Education
Engineer, Worcester Polytechnic Institute.
Executive formation in MIT, Wharton and
the Universidad de los Andes.

Mauricio Reina Echeverri, 2007
Research Associate, Fedesarrollo
Financial and Auditing Committee
Corporate Government Committee
Strategic Planning Committee
Independent Member
Previous Experience
Assistant Director, Fedesarrollo
Deputy Minister of Foreign Trade
of the Republic of Colombia.
Education
Economist, Universidad de los Andes
Masters in Economics, Universidad
de los Andes
Masters in International Relations,
Johns Hopkins University.

The year indicated after the name of the directors corresponds to
the date on which they became a member of the Board of Directors.

Steering Committee






Carlos Enrique Piedrahíta Arocha, 2000
Chief Executive Officer
Previous Experience
CEO, Corfinsura S.A.
CFO, Compañía Suramericana de Seguros S.A.
Vice President, Personal Banking, Banco Industrial Colombiano
Education
Economist, University of Keele
Masters in Finance, London School of Economics.

Ana María Giraldo Mira, 2005
Chief Financial Officer
Previous Experience
Director of Projects and Requirements, Bancolombia S.A. Vice President, Corporate Finance, Bancolombia S.A. Investment Bank • Technical Risk Engineer and Corporate Business Executive, Suramericana de Seguros S.A.
Education
Civil Engineering, Escuela de Ingeniería de Antioquia Specialization in International Business, EAFIT University.

Diego Medina Leal, 1997
President Cold Cuts Business
Vice President Grupo Nutresa Logistics
Previous Experience
CFO Inveralimenticias Noel S.A. • Manager, Financial Engineering, Corfinsura S.A.
Manager, Cali Regional Office, Corfinsura S.A.
Education
Electrical Engineer, Universidad Tecnológica de Pereira • Specialization in Finance, EAFIT University.

Alberto Hoyos Lopera, 1993
President Biscuit Business
Vice President Grupo Nutresa North Strategic Region
Previous Experience
General Manager, Compañía de Galletas Pozuelo, Costa Rica • Manager, International Business, Galletas Noel S.A. • Manager, Purchasing, Compañía de Galletas Noel S.A.
Education
Mechanical Engineer, Universidad Pontificia Bolivariana • MBA with an Emphasis in International Business, EAFIT University.

Sol Beatriz Arango Mesa, 1992
President Chocolate Business
Vice President Grupo Nutresa South Strategic Region
Previous Experience
Vice President, Corporate Planning, Grupo Nacional de Chocolates S.A. • CFO, Industrias Alimenticias Noel S.A. • Financial Manager, Susaeta Ediciones S.A.
Education
Production Engineer, EAFIT University
Specialization in Finance, EAFIT University
Specialization in Strategic Management, Pace University, New York

Jorge Eusebio Arango López, 1991
President Coffee Business
Vice President Grupo Nutresa Sustainable Development
Previous Experience
International Vice President, Compañía Nacional de Chocolates S.A. • Financial Manager, Compañía Nacional de Chocolates S.A.
Education
Economist, Universidad de los Andes
Specialization in Finance, EAFIT University
Masters in Financial Studies, University of Strathclyde, Glasgow, Scotland





Mario Alberto Niño Torres, 2006
President Ice Cream Business
Vice President Grupo Nutresa Innovation and Nutrition
Previous Experience
General Manager, Meals de Colombia S.A.
Financial Manager, Meals de Colombia S.A.
Marketing Manager, Meals de Colombia S.A.
Education
Business Administrator, Universidad de La Sabana
Specialization in Strategic Marketing, Colegio de Estudios Superiores de Administración, CESA.

Fabián Andrés Restrepo Zambrano, 1996
President Pasta Business
Previous Experience
Manager, Special Business Projects, Servicios Nutresa
General Manager, Pastas Comarrico
Coordinator, Customer Development, Compañía Nacional de Chocolates.
Education
Systems Engineer, EAFIT University
Specialization in Systems and Database Management, University of Antioquia
Studies in Artificial Vision and Industrial Robotics, Universidad de Cartagena, Murcia, Spain.
MBA in eCommerce, Tecnológico de Monterrey.

Álvaro Arango Restrepo, 2001
President Comercial Nutresa
Vice President Grupo Nutresa Sales and Marketing
Previous Experience
President, Pasta Business, Grupo Nutresa
President, Meals de Colombia S.A.
Vice President, Marketing, Postobón S.A.
Education
Business Administrator, EAFIT University.

Carlos Ignacio Gallego Palacio, 1991
President Servicios Nutresa
Managing Director Fundación Nutresa
Previous Experience
Industrial Vice President, Compañía Nacional de Chocolates S.A.
Director, Production Division, Compañía Nacional de Chocolates S.A.
Factory Manager, Compañía Nacional de Chocolates S.A.
Education
Civil Engineer, EAFIT University
Masters in Business Administration, EAFIT University.

Jairo González Gómez, 2007
Vice President Legal Counsel Grupo Nutresa
Manager, Legal Assistance, Servicios Nutresa

Previous Experience
Founder and Director, González Gómez Abogados
External Legal Advisor, Grupo Nutresa
Member of the Ignacio Sanín Bernal & Cía. Law Firm.
Education
Law and Political Science, Universidad Pontificia Bolivariana
Specialization in Commercial Law, Universidad Pontificia Bolivariana

The year indicated after the name of the directors corresponds to the date on which they became part of the Organization

Corporate Governance

Grupo Nutresa S.A.'s good corporate – governance practices are supported by tools, such as the Code of Good Governance, the Code of Ethics, the Assets Laundering Prevention Manual, the Internal – Control Systems, the Ethics Hotline and the Board of Directors' Support Committees, which establish a set of actions to strengthen the transparency and responsibility of the Organization, achieving the trust and credibility of the various stakeholders.

The main objective of the Code of Good Governance is to ensure the conditions of administration and government that create confidence for shareholders, clients, suppliers and employees of the companies that form part of *Grupo Empresarial Nutresa.* It serves as a guideline of behavior for daily activities with the national and international companies that make up Grupo Empresarial Nutresa and clearly define the commitment to respect ethical principles with their related groups.

The *Grupo Nutresa S.A.* Board of Directors is composed of seven (7) principal members and seven (7) alternates, all of whom have extensive professional careers, education and experience. The Board of Directors has a majority of independent members; that is, four principal members and their alternates, representing twice the number of independent members required by law.

During 2011, the Board of Directors satisfactorily complied with the functions established by law, the statutes and the Code of Corporate Governance. With the support of its committees, it approved quarterly financial statements, overseeing the internal – audit programs; it proposed ideas aimed at improving its functioning, accompanied and approved administration management related to the acquisitions made during the year, and oversaw the compliance with timely, complete and truthful disclosure of information to the market.

The Financial and Auditing Committee is composed of four (4) members of the Board of Directors, all of whom are independent members. It supports the Board in making decisions related to the financial situation, risks and internal control and its effectiveness.

The Appointment and Retributions Committee is composed of three (3) Board members, two (2) of whom are independent members. Its purpose is to establish the policies and systems related to human resource remuneration and management.

The Board of Director's Issues Committee is composed of two (2) members of the Board of Directors and the Company's Legal Representative. It is in charge of overseeing the Board processes and making suggestions for the Board's best performance, as well as recommending the scheme of communications with the market in general.

The Corporate Governance Committee is made up of three (3) members, two (2) of whom are independent. It is in charge of ensuring compliance with the dispositions of the Code of Good Governance, as well as reviewing and assessing the manner in which the Board of Directors complied with its duties during the period.

In 2011, the Board of Directors created the Strategic Planning Committee, added new functions to the Financial and Auditing Committee, reformed the Board's Internal Regulations and updated the functions of this body, which strengthened the good – governance practices of the Company.

REFERENCE TO ASSESSMENT MATRICES FOR CORRUPTION RISKS AND ASSOCIATED MAJOR INITIATIVES

As part of *Grupo Nutresa*'s Integral Risk Management, 18 risk matrices were updated for the Companies in Colombia and the operations in Costa Rica, Panama, Venezuela, Ecuador and Peru. These included the identification and assessment of risks associated with corruption, as well as defining the prevention and control measures, to avoid this type of occurrences.

To support this effort, we integrated the functions of Employee Compliance to Risk Management, articulating the activities aimed at the Prevention of Risk for Assets Laundering and Financing of Terrorism (*Prevención del*

Riesgo de Lavados de Activos y Financiación de Terrorismo, LA/FT for its initials in Spanish) with *Grupo Nutresa*'s integrated risk management. Likewise, the Responsible, Safe Business (Negocios Responsables y Seguros, NRS for its initials in Spanish) initiative was begun; this is supported by the United Nations Office on Drugs and Crime (UNODC). Its purpose is to analyze inter institutional actions, legislative proposals and self regulation measures to strengthen the supervision, control and regulation of LA/FT risks in the real sector, which will take place in the first half of 2012.

Pasta Business employees; Mosquera, Colombia.

ANTI CORRUPTION MANAGEMENT

Grupo Nutresa has a Code of Good Governance, which includes the rules of conduct in which there is an obligation for employees to comply with the laws, dispositions and regulations issued by the authorities, as well as the policies established by the Company. Within these policies is the Anti – Corruption Policy, according to which the actions of employees must occur within a framework of transparency and ethics. It prohibits all kinds of corrupt practices in the operations carried out with customers, suppliers, government authorities and other persons.

THE ETHICS HOTLINE: FOR THE TRANSPARENCY OF OUR ACTIVITIES

Grupo Nutresa strengthens the policies and practices that enable the transparent management of its operations through its Ethics Hotline, an additional mechanism that ensures timely reporting of actions contrary to law and the Code of Good Governance. It is a confidential channel available to employees, shareholders, clients, suppliers and third parties in general – operated by an independent body – which allows them to report irregular situations that go against the interests of the Organization.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Grupo Nutresa** has presented its report "INFORME ANUAL Y DE SOSTENIBILIDAD 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, March 2nd 2012

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

The "+" has been added to this Application Level because **Grupo Nutresa** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on February 27th 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*

Medellín, March 2012

MR.BAN KI-MOON
Secretary General
THE UNITED NATIONS

Our commitment with the Global Compact is reflected in the economic, social and environmental strategy that we have implemented, in which we have made advances in executing actions in line with the ten principles promulgated by the United Nations. This Annual and Sustainability Report corresponds to the third communication of progress and refers to the main practices and achievements of our organization in this area.

Human rights, the environment, labor practices and fighting corruption are a fundamental part of our philosophy and corporate performance. It is for this reason that we reaffirm our commitment to adhere to the Global Compact, providing scenarios with all of our related groups to meet the commitment we have to make our society sustainable.

We continue to make advances in the challenges imposed on us by sustainability, where we have achieved relevant facts:

- Given the importance of the concept of sustainability, in 2011 we moved from having it as a specific objective of *Grupo Nutresa* to being a transversal objective that frames all our management.
- We have perfected our analysis of materiality as an important step to identify, reaffirm and prioritize the most relevant topics for our organization and our stakeholders.
- Our information and actions in terms of sustainability are aligned with Guideline G3.1 and Global Reporting Initiative's (GRI) food supplement.
- To achieve a broader scope of our sustainability management and support, we are affiliated with and support the local Global Compact network in Colombia.

We reiterate our active participation in the adoption of the Global Compact principles in all the countries in which our companies are present..

Sincerely,

Carlos Enrique Piedrahíta Arocha
Chief Executive Officer

THE GLOBAL COMPACT
WE SUPPORT

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact.**

We welcome feedback on its contents.

KPMG Advisory Services Ltda.
Calle 90 No. 19C - 74
Bogotá, D. C.

Teléfono 57 (1) 6188100
Fax 57 (1) 6188127
www.kpmg.com.co

Independent Auditor Limited Assurance Report to Management of Grupo Nutresa S.A.

We were engaged by Management of Grupo Nutresa S.A. to provide limited assurance on the Sustainability Report for the year ended December 31, 2011 of Grupo Nutresa S.A. ("the Report").

Management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.1 (G3) of the Global Reporting Initiative and food processing sector supplement as described in the sub-chapter "Information regarding this Annual and Sustainability Report" of the Report. In the mentioned sub-chapter, there is a detailed description of the level of application self-declared, which has received confirmation by the Global Reporting Initiative. Management is also responsible for the information and assertions contained within it; for determining Grupo Nutresa S.A. objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of management to gain an understanding of Grupo Nutresa S.A. processes for determining the material issues for Grupo Nutresa S.A. key stakeholder groups.

- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.

- Interviews with relevant staff of Grupo Nutresa S.A. at corporate and business unit level responsible for providing the information in the Report.

- Visits to sites of Alimentos Cárnicos, Noel and Meals, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria.

- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report.

KPMG

- Analysis of the collection processes and internal control of quantitative data reflected in the report, regarding to reliability of the information, using analytical procedures and testing based in samples.

- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Grupo Nutresa S.A.

- Verification that the financial information reflected in the report has been extracted from the annual accounts of Grupo Nutresa S.A., audited by independent third parties.

- Verification that emission data reflected in the report corresponds with the data of Greenhouse Gas Emissions verified by an independent third party.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Sustainability Report of Grupo Nutresa S.A. for the year ended December 31, 2011 is not presented fairly, in all material respects, in accordance with the Sustainability Reporting Guidelines version 3.1 (G3) of the Global Reporting Initiative and food processing sector supplement as described in the paragraph "Information regarding this Annual and Sustainability Report" of the Report.

Our limited assurance report is made solely to Grupo Nutresa S.A. in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Grupo Nutresa S.A. those matters we have been engaged to state in this limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than Grupo Nutresa S.A. for our work, for this limited assurance report, or for the conclusions we have reached.

In a separated document, we will provide to Grupo Nutresa S.A. Management an internal report that contains our findings and areas of improvement.

KPMG Advisory Services Ltda.

Luis Orlando Delgadillo A.
Partner

March 12, 2012

Increasing Value Generation

Financial Synthesis

For *Grupo Nutresa,* growing value generation is a dimension that does not focus exclusively on creating economic value for our shareholders, but in managing a sustainable model, which gives environmental and social balance. Only then is it possible to contribute to a better future for future societies.

Compañía Nacional de Chocolates employees; Rionegro, Colombia.

Direct Economic Value Generated (COP Millions)	2011	2010
Revenue from net sales	5.057.383	4.458.858
Revenue from financial investments	52.246	39.936
Revenue from sales of property, plant and equipment	9.088	3.766
Total	**5.118.716**	**4.502.560**

Direct Economic Value Distributed (COP Millions)	2011	2010*
Payments to suppliers	2.843.637	2.496.292
Employee salaries and benefits		
Salaries and Benefits	677.390	608.164
Social Benefits (subsidies, contributions to mutual investment funds, support for higher education, training and entertainment, wellness and quality of life)	61.897	54.982
Gross taxes and fees	171.205	139.773
Investments in the community	13.660	15.146
Payments to fund providers		
Dividends paid to shareholders	150.292	139.534
Interest paid on loans	64.191	62.608
Total	**3.982.272**	**3.516.499**

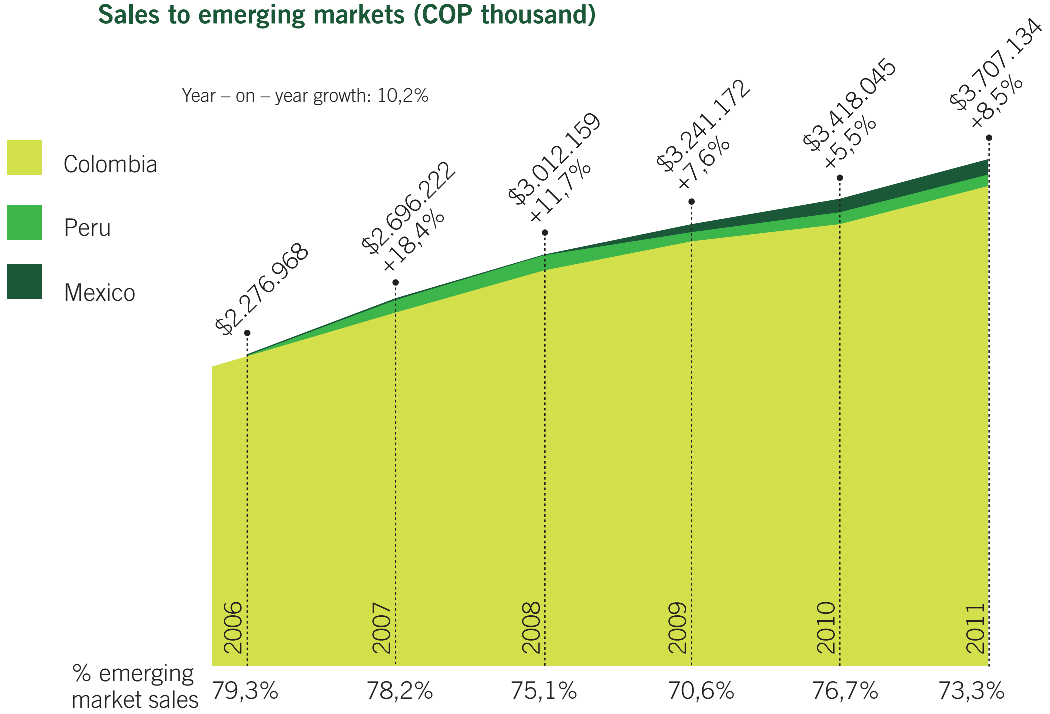
*Some 2010 figures were reexpresed, in order to acheive comparability.

Strategy in Emerging Markets

Grupo Nutresa is a multi Latin organization whose principal market – in terms of sales – is Colombia. We have continued our process of international expansion with a focus on our strategic region, including Peru, Central America, the Caribbean, Mexico and the United States mainly.

Of total sales, 73,3% are to emerging markets, which represents COP 3.707.134 million. In 2011, we grew 8,5% in these markets, led by healthy increases in Colombia, Peru, Ecuador and Mexico, which compensates for the reduced sales in Venezuela, due to foreign – exchange restrictions.

Sales to emerging markets (COP thousand)



*According to Dow Jones definition.

Emerging markets accounted for

73,3% of our sales.

PRODUCT STRATEGY

Grupo Nutresa is a business group composed of mass consumption food companies. As such, we focus our products on a large portion of the population. To do this, we have a portfolio of brands with a variety of prices and solutions with respect to quality and nutrition. This has allowed up to have great closeness to consumers and brand leadership in countries such as Colombia, Peru, Mexico, the Dominican Republic and Central America.

In relation to the nutrition, health and wellness strategy, in Colombia we stand out with *Doria* with *Nutrivit*, which responds to the principal nutritional deficiencies of the population; Tosh Yogurt and Strawberries *(Tosh Yogurt y Fresas)* with the addition of anti – oxidants; *Pietrán* with a reduction in sodium; and *Heladino*, with the addition of calcium.

Each business adjusts its value proposal for the consumers in the markets in which it is present, considering a preferably differentiated portfolio of products, in accordance with the needs for quality, nutrition, fractional money and purchasing power, taking into account the recognition of brands used. In the cases of Peru, Mexico and Central America, market entry is strengthened through the acquisition of local companies with brands recognized by consumers.

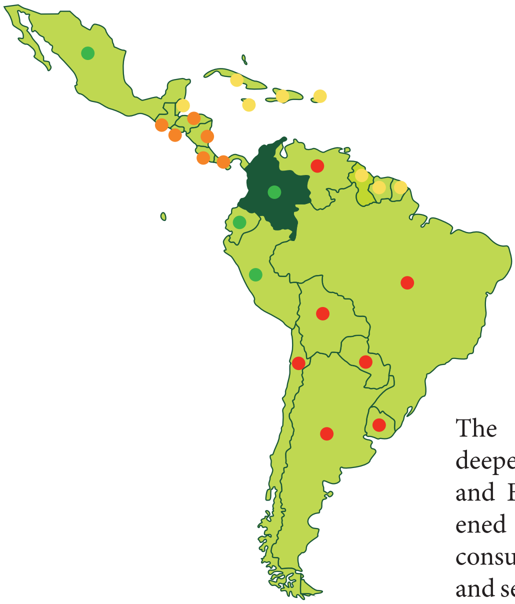
DISTRIBUTION STRATEGY

In the different countries where we operate, we distribute our products through commercial networks that reach consumers in different channels, from large – chain supermarkets to convenience stores. Outstanding are our alternative methods of sales, such as *Novaventa* catalogue sales in Colombia, where housewives get additional income for their families or street sales of ice cream.

For the regional expansion process, we consistently follow a strategy focused on areas where we have competitive advantages, and among these, emerging markets such as Mexico and Peru occupy an important position.

Similarly, we developed this strategy in Central America, the Caribbean and Ecuador and in the United, for the Hispanic consumer. In each case, we have penetration strategies based on the opportunities identified in each one of the target markets and we have developed distribution networks and business partners, which allows us access to consumers with products and prices in accordance with the type of population to which we aim.

% sales breakdown in Latin America



Country	% share
Colombia	69,1%
Other Latam	8,3%
Central America	6,6%
Mexico	2,2%
Peru	1,9%
Caribbean	1,5%
Ecuador	1,0%

The 2011 strategy had significant deepening in countries like Guatemala and El Salvador, where we strengthened the route to reach clients and consumers with portfolio proposals and service fully adapted to their needs and purchasing abilities. Similarly, the Caribbean market had a positive performance, seeking to enhance sales growth and developing relationships with the brands of the group companies in these markets.

KNOWLEDGE – TRANSFER STRATEGY

In *Grupo Nutresa*, we transfer knowledge and best practices to the operations of our strategic region through a Multi – Latin Agenda, which details the plans and programs that are migrated from the organization in Colombia to all our own industrial and commercial operations. This agenda focuses on improving processes, incorporating best sustainability practices, migrate the knowledge generated through our *Vidarium Nutrition*, Health and Wellness Research Center, and promote *Grupo Nutresa's* international expansion.

Innovation and Research

Our companies create spaces to develop a culture of innovation in their employees, *Pastas Doria* Plant; Mosquera, Colombia.

Grupo Nutresa has considered Effective Innovation as a strategic corporate priority; being an objective of all our actions, it supports the implementation of the other objectives and becomes an important leverage of our results. Our *Imagix* innovation model, designed and implemented by *Grupo Nutresa* professionals, has allowed us to manage innovation holistically, by incorporating important elements into the culture of each one of the businesses, with processes that permit the systemic promotion of innovation.

Effective innovation in the last year yielded outstanding results in new – product sales, optimization of productive and administrative processes, knowledge management generated within the organization, and inclusion of science and technology in the system, among others.

We facilitate the generation, conservation, protection, transfer and application of knowledge throughout the organization and during the year, we made investments in innovation that totaled

0,5%

of sales in innovation.

Team of long – life line collaborators, the *Zenú* Plant; Medellín, Colombia.

INNOVATION WITH OUR PEOPLE

THE TPM MODEL: IMPROVEMENT AND PRODUCTIVITY IN MANUFACTURING PROCESSES

Innovation projects related to process optimization made it possible to increase the capacity of some of the production lines, improve production processes, reduce energy and water consumption and improve management of external entities.

Grupo Nutresa has 33 production plants in the strategic region, 21 of which have incorporated the Total Productive Management (TPM) model, which focuses on continuous improvement of processes. For this, we have an implementation model unified by a consultant and we take advantage of synergies to share experiences and good practices.

A total of 4.672 small improvements were made and 19.300 at – point lessons were learned, which strengthen and support the management systems and help to connect the strategy with the day-to-day operations, made by 217 Small TPM Teams. We provided external training to 116 persons and internal training for 15.107 assistants, which facilitated the transfer of knowledge through replication processes.

PROMOTERS OF INNOVATION

The promoter team, made up of 174 employees, continued to support all the *Imagix* initiatives. We began by compiling the Corporate Memory, which has allowed us to document important events in the development of the businesses, such as the creation of the company, acquisitions and organizational transformation.

INNOVATION MANAGEMENT IN THE CORPORATE CULTURE

Innovation management in the corporate culture focuses on three pillars: innovative people, education and applied training and participation in the Innovation Success Stories (*Éxitos Innovadores*). A total of 1.706 innovative success stories presented by the work teams in the different businesses were recognized.

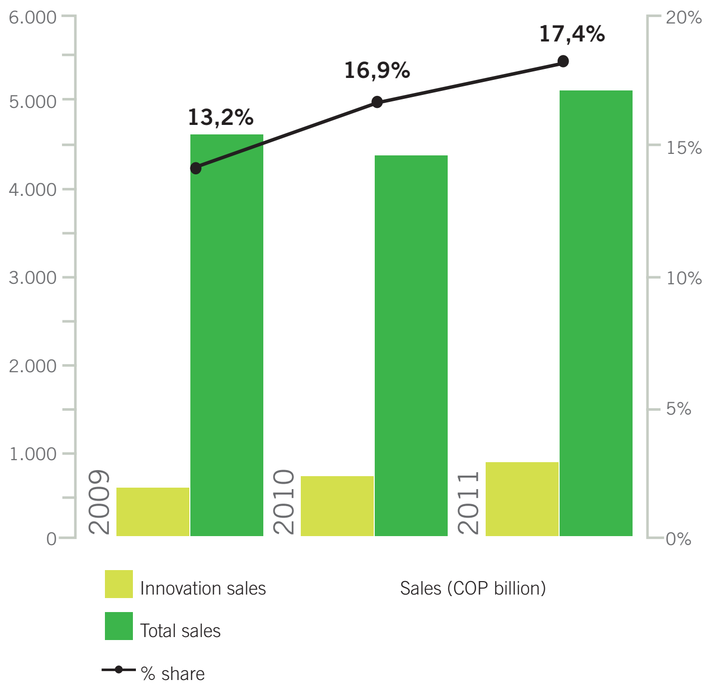
Exemplary Practices (*Prácticas Ejemplares*) recognizes superior management experiences that have shown effective results and impacted the business strategy. Since 2007, we have shared 16 Exemplary Practices with all the businesses, fulfilling the goal of knowledge migration and shortening the learning curve. The fifth version of the Exemplary Practices program in 2011 recognized the teams from the Cold Cuts Business with “Quality of Life Agreements”; we also recognized the “Learning from the Experts” presentation in the Biscuit Business. Both experiences have direct input in the development of human talent, by proposing a participatory scheme that streamlines labor relations and is a model of knowledge management.

INNOVATION SALES

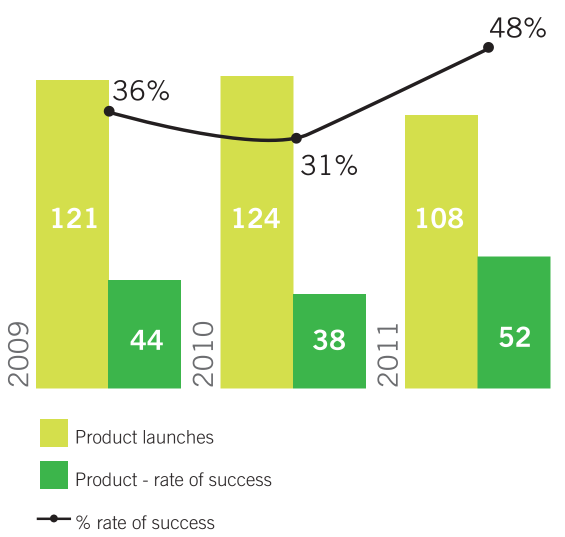
In the previous period, new – product sales reached 17,4% of Grupo Nutresa’s total sales in Colombia, maintaining a growing trend since 2009, the year in which the implementation of our innovation system began. Innovation related to the launch of new products in Colombia had a success rate of 48%.

This indicator establishes the relationship between the total number of products launched on the market and those that surpassed the net margin and projected total sales.

% INNOVATION SALES / TOTAL SALES



% SUCCESS
(sales accomplishment and gross margin)



PRODUCT INNOVATIONS

COLD CUTS

Zenú Frankfurter Bi – Pac

The *Zenú* brand strengthened its offer for convenience – store buyers with the new bi – pack, a presentation of two units of traditional frankfurters, which will allow consumers to have great taste and a good source of protein for less cost.

Zenú Premium Products

Zenú's European Frankfurter is a delicious combination of pork, spices, smoky flavor, thick cut and crispy bite for those who prefer gourmet products. This product is developed by *Zenú* for Delicatessens, in the *Premium* segment.

BISCUITS

Noel Semillas y Cereales Crackerss

Noel Seeds and Grain Crackers have five grains: wheat, oats, rye, corn and rice, and two seeds: sesame and linseed, which provide fiber to help proper digestion, along with being delicious. They come in two forms: taco that includes three packages and the bag with nine individually wrapped portions. *Saltín Noel Semillas* y *Cereales* is part of the wheat crackers, a sub – segment that is led in Colombia by *Saltín Noel Integral.*

Festival WOW

Festival, the preferred brand in children's cookies, added *Festival WOW*, a creamy, dark – chocolate – flavored cookie, vanilla cream, pieces of cookie and a new square shape, to its portfolio. It comes in a multi – pack presentation of 10 individual potions, each one with four cookies.
Festival WOW Pozuelo is Pozuelo's innovation for the Costa Rican and Central American market. This cookie comes in a multi – pack presentation of 12 individual potions, each one with four cookies.

Seasonal Products

At Christmas, the Cold Cuts Business offered the following products:

- *Zenú* Roasted Combo (sausage, smoked bacon and ribs), an alternative for the different Christmas celebrations; the 500 gram pork loin, ideal for Christmas baskets; and stuffed chicken, a product that complements Zenú's delicatessen portfolio.
- Rica offered three meats, pork, chicken and turkey – a combination to share with the family – for its Christmas Dinner. The 500 gram turkey breast was an ideal option for the Christmas basket.

Tosh Yogurt y Fresas (Tosh Yogurt and Strawberries)

Tosh Yogurt y *Fresas* has yogurt cream and chunks of strawberries; it is a multi – grain cookie with anti – oxidants, no artificial flavors or preservatives. It is available in multi – pack presentations of six individual, two – cookie portions. *Tosh* is aimed at all people who have a healthy life style and are looking for delicious options that allow them to do something good for themselves.

Christmas *Noel* (*Navidad Noel*)

Navidad Noel is the seasonal line that annually renews its portfolio – in products, packaging and designs. In 2011, it offered the "Square Red Chest" (*Cofre Cuadrado Rojo*) and the *"Piggybank Chest"* (Cofre Alcancía), as well as the "Folding Gift" *(Plegadiza Regalo).*

Christmas *Pozuelo* (*Navidad Pozuelo*)

Navidad Pozuelo is the marketing migration of this concept from Colombia to Central America under *Pozuelo* brand, which is the market leader. Important to highlight the circular and octogonal chests and the *Noche Buena* bag.

PRODUCT INNOVATIONS

CHOCOLATE

Jet Album: The World of Prehistoric and Endangered Animals

Thinking about children's fun, we developed the new *Jet* Album: The World of Prehistoric and Endangered Animals, an evolution of the *Jet* Album, which has 250 depictions of the journey through the history of dinosaurs

Jet Saurios

Jet Saurios is a Jet product. It has five milk – chocolate figures in the shape of prehistoric animals, each one filled with strawberry and *tutti – frutti.*

Chocolate Candy Seasons

The Love and Friendship Season

In order to relive the magic of love and friendship, all the brands of the Chocolate Business united under a single concept: Discover your Secret Friend. There were a total of 15 references, full of color, hearts and best wishes. We offered new flavors in the *Montblanc* truffles: cherry liqueur, coconut – lemon, vanilla – macadamia, caramel; the new *Roletto* fillings: tangerine and green apple; as well as the new *Jumbo Carotas* with caramelized almonds and faces with different emotions.

The Christmas Season

The Chocolate Business was present at Christmas with the *Jet, Montblanc and Roletto* brands and, for the first time, *NOEL* brand boxes of chocolate.

COFFEE

Colcafé Iced Cappuccino

Colcafé Iced Cappuccino, the first instant – coffee beverage to prepare and drink in cold milk or water in Colombia. The two alternatives are vanilla and caramel flavor. This product was developed especially for adults and young people who want to consume refreshing, easy – to – prepare beverages. "Iced Cappuccino invites you to discover a new way to cool off."

Special Packagings for Different Formats

The market received new presentations: *Jet Piñata,* an option stocked with five Jet brand references, very practical for any occasion; and La *Especial Rumba Pack* for supermarkets, a product for the snack section containing six units of 2 packages of Salted Peanuts, 1 package of Peanuts and Raisins, 1 package of Mixed Nuts, 1 package of Roasted Corn and 1 package of Candied Peanuts.

The Line of *Tosh* Cereal Bars

Tosh Cereal Bars are a healthy option to enjoy anytime, anywhere. These cereal bars come in six different flavors: Lyne (Diet), Strawberries, Chocolate Chip, Nuts, Peanuts – Raisins and Oats – Almonds in boxes of six units.

La Especial Candied Peanuts

La Especial Candied Peanuts is a sweet flavor that complements the *La Especial* portfolio. Its highest – quality candied peanuts, make sure the product is always crisp. It comes in the *On the Go* presentation.

Sello Rojo Espresso

Sello Rojo Espresso Bean is a product in the Roasted Coffee Bean Line, ideal for institutional market businesses that have an espresso machine. The quality of the bean and its formula generate an excellent cup profile.

PRODUCT INNOVATIONS

ICE CREAM

Crem *Helado*'s Barbie Popsicle

The Barbie Popsicle meets girls' taste and evokes the fantasy offered by the Barbie brand, joined to the indulgence of *Crem Helado*, creating a "Magical Moment." This star – shaped product is made from a smooth strawberry ice cream, covered with chocolate and the color and flavor of strawberry, becoming the favorite popsicle of girls in 2011. *Crem Helado*'s Barbie has collectible stickers inside.

Crem *Helado*'s Hot Wheels Ice Cream Bar

The Hot Wheels Ice Cream Bar meets boys' taste and highlights the fun that Hot Wheels and Crem Helado offer in one product. This car – shaped ice cream bar is made from strawberry and chocolate ice cream, covered with chocolate and has collectible stickers that invite boys to live a special moment where they revel and indulge their childhood fantasies.

PASTA

Doria Egg Pasta with Omega 3, 6 and 9

Doria launched the only product in the category of pastas with additions of Omega 3, 6 and 9, essential acids for the body that – within a proper diet – can help reduce cholesterol and triglycerides.

Doria Butter Pasta with Omega 3, 6 and 9

The benefits of Omega 3, 6 and 9 are now in the *Doria* Butter Pasta. These nutritional additions are part of a balanced diet and provide nutrition and wellness that contribute to a balanced life.

Fruti Popsicle

Very popular among youth and adults, products containing fruit are the origin of the new *Crem Helado Fruti* Popsicle. Its shape evokes nature and its high fruit content makes it highly pleasurable. *Fruti* has become the ideal treat for those who want pleasant, refreshing, natural fruits. Low in calories, it comes in pineapple and strawberry flavors.

Crem Helado Handcrafted Ice Cream *(Helado Artesanal)*

The new *Crem Helado* Handcrafted Ice Cream mixes an abundance of rich ingredients such as creams, sauces and fruits. In combinations inspired by typical Colombian deserts and sweets, Handcrafted Ice Cream was launched on the market in new flavors including coconut with ***arequipe***, three milks, strawberries and cream and passion fruit with sweetened condensed mils.

Crem Helado Sinfonía Ice Cream Cakes *(Tortas de Helado Sinfonía)*

The *Sinfonía* ice cream cakes, with the flavors of three milks and red fruits, are the perfect product to share at home or take as gifts for those special moments. They are also an alternative to the ready – made dessert, highly enjoyable and finely presented. "With the new *Sinfonía* cakes, you always look good."

Doria Vegetable Pasta with Vivo Plus

Doria Vegetable Pasta with *Vivo Plus* contains Vitamin A and C, selenium and zinc. The nutrients provided by *Vivo Plus*, included in a balanced diet, contribute to strengthening the immune system, maintaining and repairing body tissues and protecting our bodies against the effects of oxidative substances.

Doria Ravioli

Pasta filled with meat, it is a product that is easy to prepare and enjoy, ideal to make any occasion special.

Doria 200 Grams

Consumers can enjoy the quality and fortification of the Doria brand, at a price appropriate to their purchasing capacity with the presentation of *Doria* 200 grams, that offer spaghetti, noodles, shell pasta, angel – hair pasta and short macaroni.

Nutrition, Health and Wellness

OUR NUTRITION POLICY

In *Grupo Nutresa*, we provide our consumers with quality of life through alternatives for products that meet their expectations for nutrition, health and wellness; we endorse strategies promoting health life styles and balanced nutrition, as well as making informed decisions. During the year, we advanced in disclosing our Nutrition Policy and we began to implement strategies with defined priorities in:

Develop Options for Affordable Products

In developing our portfolios, we involve strategies in line with our policy for nutrition, health and wellness. We have a segmentation of products and prices that ensure accessibility for the low - income population.

To meet the needs of the population of the countries in the strategic region, we established innovation goals with healthy, nutritional products and we generated commitments to improve the nutritional characteristics of the current portfolio. Last year we highlighted the launching of *Doria* with *Nutrivit, Tosh* Yogurt and Strawberries (*Tosh Yogurt y Fresas*) with the addition of anti-oxidants; Pietrán with a reduction in sodium; and *Heladino*, with the addition of calcium. These products are added to those already existing in the portfolios of the businesses.

We innovate with healthy, nutritional products.

Doria with Nutrivit is fortified with iron, zinc, folic acid and Vitamin A to help meet the needs of these nutrients in the Colombian population.

With these new products, we expect to offer alternative foods with a healthy profile and accept the guidelines of the World Health Organization (WHO) regarding its strategy on diet, physical activity and health, which calls for food companies to innovate health products and improve the nutritional profiles of existing products.

Provide consumers with appropriate, understandable product and nutrition information and adapt responsible labeling:

The advertising self-regulation policy for communication is applied in marketing management in all the companies and was disclosed internally to all the work teams. We are advancing in implementing the voluntary labeling system to inform and guide consumers in selecting nutritious, healthy options.

Provide employees with access to information, health education and disease prevention and support and promote physical activity:

Promoting healthy diets and physical activity as part of wellness and occupational- health programs of the companies is one of the strategies to help improve the quality of life for employees and control the major health risks identified.

Our companies promote healthy lifestyles for our employees, the *Zenú* Plant Gym; Medellín, Colombia.

COMERCIAL NUTRESA HEALTH AND WELLNESS PROGRAM

"Years ago, I saw a message that said 'healthy mind in healthy body' and I have always practiced this. *Comercial Nutresa* has contributed to keep this motto in my job. Medical examinations and evaluation, good nutrition through the restaurant, rumba classes in the company's facilities or spinning, among others, help me to be physically and mentally healthy."

Gladis de María Posada Serna
Head, ERP Solutions
Comercial Nutresa

RESEARCH MANAGEMENT

The results of the research projects are becoming increasingly more important in the development of new products, process optimization and generation of support information that build confidence in our consumers. For the research process in the businesses, we have six innovation laboratories, three research, development and innovation (RDI) centers and the *Vidarium* Nutrition, Health and Wellness Research Center.

Research teams developed projects with significant results that allowed them to participate in international academic events in the food sector and publish in high impact journals for the international scientific community. These results allowed the research groups from the Cold Cuts Business and the Coffee Business to be included in the ranks of research groups in the Colombian system of science and technology. This permits the research groups to be visible and participate as implementers of projects financed with resources from different open summons by *Colciencias* and *Sena* in Colombia.

Centro de investigación en nutrición, salud y bienestar

THE *VIDARIUM* NUTRITION, HEALTH AND WELLNESS RESEARCH CENTER

Vidarium advances in its process of strengthening and consolidation in *Grupo Nutresa* and the Colombian scientific community. Its vision for 2015 is "Be a research center recognized for the contribution to the development of the strategy of the *Grupo Nutresa* businesses through the creation and transfer of knowledge in nutrition and healthy eating; highlighted as a major player in the National Science, Technology and Innovation System, with established relationships with the research and academic community, articulated with *Grupo Nutresa's* Innovation Network and a promoter of its scientific culture."

VIDARIUM IN THE SCIENTIFIC AND ACADEMIC COMMUNITY

Through Resolution 00842, dated August 8, 2011, Colciencias recognized *Vidarium* as a scientific research center. As part of its integration process, it has signed agreements, extended to all of Grupo *Nutresa's* businesses, with the following Colombian institutions: the *Corporación Universitaria Lasallista*, the *Universidad de La Sabana*, CES University, the University of Antioquia, the Plastic and Rubber Training and Research Institute (*Instituto de Capacitación e Investigación del Plástico y del Caucho*), and the International Physics Center (*Centro Internacional de Física*).

The study "Metabolic Syndrome in Overweight Youth: Identification of Risk Factors and Evaluation of an Intervention" received the Mayor of Medellín Award as one of the most significant investigations in 2011.

Nutrition Research, a Strategy to Benefit Consumers and *Grupo Nutresa's* Sustainability

Vidarium defined obesity, cardiovascular disease and gastrointestinal – tract diseases as its research topics. Regarding the issue of obesity, in partnership with three research groups at the University of Antioquia, *Vidarium* participated as co- investigator in two studies on the prevalence of metabolic syndrome in overweight adolescents. The first study ended its research and the results have been presented at various national and international scientific events and have received the Mayor of Medellín Award as one of the most significant investigations in 2011.

Grupo Nutresa Research Award

To promote research management in its companies, Grupo Nutresa instituted the "*Grupo Nutresa* Research Award". In its first Edition, it brought together the research teams of its companies to present their research papers. A total of 10 investigations were presented; they were evaluated by experts and the top three were recognized as follows:

- **First Place:** Application of Vegetable Oils in Meat Products, carried out by Juan Camilo Ospina E. and Óscar Alberto Ochoa G., from the Cold Cuts Business.
- **Second Place:** Effect of Roasting Parameters in the Antioxidant Capacity of Roasted *Coffee*, carried out by Mauricio Naranjo C., of the Coffee Business.
- **Third Place:** Measurement of Antioxidant Activity and Content of the *Colcafé* Line of Products and Construction of Scientific Information as Support to Be Stated on Labels, carried out by Mónica María Quintero O. and Mauricio Naranjo C., of the Coffee Business.

"The challenges of research in our businesses are framed in the creation and protection of knowledge to make use of it; generating value in our processes and products allows us to meet the needs of our consumers, as well as those of our investors".

Juan Camilo Ospina E., Cold Cuts Business
Recipient of the First – Place Award
First Edition of the Grupo Nutresa
Research Award

FOOD SAFETY

Ensuring quality and food safety is a premise of our business performance with our clients and consumers. We carry out programs and practices that are developed under the concept of integrated management systems, consistent quality work, safety risk management and occupational health, environmental management and commercial safety, which are evaluated by qualified internal and external auditors.

The companies have established high standards in their production, marketing and distribution processes. They have certifications, which are renewed periodically, in ISO9001, ISO 14001, HACCP – Hazard Analysis and Critical – Control Points, OHSAS 18001, BASC – Business Alliance for Secure Commerce, BRC – British Retail Consortium, Kosher (food that is fit or allowed to be eaten in accordance with Jewish law), Fair Trade, IFS – International Featured Standards, Rain Forest, Halal (food that is permissible in accordance with Islamic law) and AIB (American Institute of Banking) International.

For a Better Society

Beneficiary students from the *Orient Yourself: The World a Click Away* Program, led by *Fundación Nutresa*; Santa Marta, Colombia.

Committed to Our People

Servicio Nutresa employees; Medellín, Colombia.

COMMITTED CREATING VALUE WITH OUR PEOPLE

Developing our people is one of *Grupo Nutresa*'s Strategic Objectives. Therefore, actions are aimed at attracting and retaining the best talent and strengthening organizational settings to enhance the commitment and productivity of people.

COMMITMENT, JOB SATISFACTION AND PRODUCTIVITY

We have consolidated a comprehensive approach that articulates the importance of managing the work environment and commitment through effective, genuine practices that link our employees with the objectives of the Organization. To achieve this purpose, in 2011 we incorporated a new dimension that identifies the level and type of commitment that prevails in the businesses into the measurement of organizational climate.

In 2011, the result of *Grupo Nutresa's* consolidated organizational climate was 83,1%, placing us in an outstanding level, which continues to characterize us as a good place to work.

"*Comercial Nutresa* is an excellent place to work because it allows us to contribute value through our actions and decisions; it is coming to work every day with great happiness to learn and contribute. It is a company that cares about my welfare because they treat me more than as an employee; they treat me as a person.

Mauricio Madrid Cadavid
Development Manager,
Convenience – Store Categories
Comercial Nutresa S.A.S.

INCENTIVES AND RECOGNITION FOR OUR EMPLOYEES

We celebrate and recognize the achievements of our people. To do this, we have programs that encourage compliance with the strategic objectives of the Businesses and high-impact projects; the most notable are Innovation Success Stories (*Éxitos Innovadores*), Exemplary Practices (*Prácticas Ejemplares*), Volunteers (*Voluntariado*) and incentives for permanence in the Company.

PERSONEEL TURNOVER

We have achieved a good retention of talent, as evidenced in the low rates of resignations, with a 6,87% rate in Colombia. The *Grupo Nutresa* consolidated rate was 19,27%, a higher turnover due to the seasonality and legislation in some countries.

Doria Plant employees; Mosquera, Colombia.

Turnover in Colombia

Employee Turnover	Age Range			TOTAL
	< 30	30 - 50	> 50	
Men	1,20%	2,65%	0,85%	4,69%
Women	0,49%	1,45%	0,24%	2,18%
TOTAL	1,69%	4,10%	1,09%	6,87%

Total Turnover

Employee Turnover	Age Range			TOTAL
	< 30	30 - 50	> 50	
Men	4,94%	4,65%	0,71%	10,30%
Women	4,10%	4,64%	0,23%	8,97%
TOTAL	9,04%	9,29%	0,94%	19,27%

Marketing employees, the Biscuit Business; Medellín, Colombia.

LEADERSHIP THAT PROMOTES INNOVATION, LEARNING AND HIGH PERFORMANCE

Convinced of the importance of having integral leaders who align their employees' life goals with those of the Organization, we have been consolidating *Grupo Nutresa's* Leadership Model toward a vision centered on values and the ability to undertake challenges in a changing global environment, which aims for the sustainability of the Businesses. 64% of *Grupo Nutresa's* companies have incorporated the leadership-development process and 48% of the leaders have participated in this process.

In 2011, we contributed COP 5.389 million to our employees' savings, benefitting 9.141 persons.

COMPREHENSIVE QUALITY OF LIFE: RECONCILIATION BETWEEN WORK AND PERSONAL AND FAMILY LIFE

We continue to promote the welfare of our employees and their families through programs to strengthen their safety, health and conditions that minimize psychosocial risk. In addition, we encourage savings, making economic contributions to mutual investment funds. We encourage the purchase and improvement of housing. In 2011, we provided loans to 688 employees totaling COP 8.983 million. Today, 7.988 employees have their own home.

We promote activities for the welfare of the families of our employees, *Colcafé*; Medellín, Colombia.

LOANS

	2011		2010	
	No. Persons	COP Million	No. Persons	COP Million
Housing	688	8.983	578	8.209
Domestic problems	811	1.185	975	1.711
Education	881	1.164	965	1.203
Cars	213	2.472	134	926
Health	472	398	534	437
Other	971	1.410	2.317	1.739
Total	**4.036**	**15.612**	**5.503**	**14.225**

SUBSIDIES

	2011		2010	
	No. Persons	COP Million	No. Persons	COP Million
Education (Relatives)	6.586	3.152	6.184	2.762
Health	3.805	1.132	3.611	861
Maternity	410	128	441	130
Marriage	205	83	217	104
Death	207	226	230	418
Transportation	2.064	1.679	2.113	1.655
Other	3.954	1.041	3.500	569
Total	**17.231**	**7.441**	**16.296**	**6.499**

QUALITY OF LIFE

Programs	2011	2010
	COP Million	COP Million
Integration and recreation	7.514	6.619
Restaurant	27.235	22.478
Other	3.543	5.262
Total	**38.292**	**34.359**

Our companies promote good practices in occupational health, *Novaventa*; Medellín, Colombia.

ENCOURAGING SAVINGS AMONG OUR EMPLOYEES

Our companies encourage savings and make economic contributions to our employees. In 2011, these contributions were valued at COP 5.389 million, which benefitted 9.141 people.

RETIREMENT MANAGEMENT

We have programs to prepare our employees for retirement, providing them with the tools to assume this new stage in their lives. In 2011, 99 employees participated in these programs.

HEALTHY HABITS AND HEALTHY LIVING

Given the importance of encouraging healthy lifestyles in our employees, we continue to promote programs to minimize occupational hazards, with the greatest interest focused on the management of absenteeism and accidents, through surveillance and the promotion of healthy habits and healthy living.

The following results show the impact of actions taken during 2011. The accident- frequency rate was 3,24%, with an improvement over the previous year.

INDICATORS

	Men	Women	Total
Average of direct employees exposed	11.836	5.320	17.156
Number of work accidents	438	118	556
Number of days of incapacity for work accidents	6.017	2.281	8.298
Number of sick leaves due to common illness	11.707	4.984	16.691
Number of days absent due to common illness	62.899	24.203	87.102
Accident – frequency rate	3,70%	2,22%	3,24%
Absenteeism – frequency rate due to common illness	98,91%	93,68%	97,29%

INVESTMENT IN SAFETY AND OCCUPATIONAL HEALTH

Investment (COP Million)	2011	2010
Occupational Health Training	1.266	362
Copaso	422	464
Zero – Accident Management	9.030	3.887
Comprehensive Brigade	1.196	761
Health Management	3.497	1.286
Total	**15.411**	**6.760**

COMPETENT EMPLOYEES

To encourage organizational learning and skills development of our people, we made significant investments in internal and external training programs, giving prominence to leadership, innovation, productivity and topics proper to the value chain of the Businesses.

Compañía de Galletas Pozuelo employees; San José, Costa Rica.

SUPPORT FOR HIGHER EDUCATION

	Management		Administrative		Operational		Total Persons	Total Investment COP Million
	No. persons	Investment COP Million	No. persons	Investment COP Million	No. persons	Investment COP Million		
Technical and professional studies	49	35	217	169	263	37	**529**	**241**
In – country specializations	10	147	142	479	9	4	**161**	**630**
Internship programs abroad	9	105	18	209	0	0	**27**	**314**
Virtual University	9	3	259	60	321	103	**589**	**166**
Worker education subsidies *	**	**	**	**	**	**	**2.325**	**2.465**
Total	**77**	**290**	**636**	**917**	**593**	**144**	**3.631**	**3.816**

*Only the total number of persons and investment has been reported. **NA: Not available

EDUCATION AND TRAINING (NUMBER OF PERSONS/ HOURS)

	Management		Administrative		Operational		Total persons
	Men	Women	Men	Women	Men	Women	
Personal Development	39 / 456	21 / 161	812 / 4.411	614 / 5.022	1.873 / 23.544	494 / 5.168	**3.853 / 38.762**
Development of leadership skills	123 / 5.857	114 / 1.989	981 / 453.086	629 / 56.945	490 / 3.364	67 / 303	**2.404 / 521.544**
Development of organizational skills	132 / 1.486	42 / 541	1.136 / 17.708	745 / 16.534	2.709 / 21.669	704 / 6.544	**5.468 / 64.483**
Development of specific skills	168 / 24.812	73 / 6.903	2.300 / 1.556.541	2.207 / 449.397	5.464 / 1.532.184	1.535 / 1.162.863	**11.747 / 4.732.699**
Total	**462 / 32.611**	**250 / 9.594**	**5.229 / 2.031.747**	**4.195 / 527.897**	**10.536 / 1.580.761**	**2.800 / 1.174.878**	**23.472 / 5.357.488**

In 2011, *Comercial Nutresa* had a high increase in training hours for 2.101 employees due to the implementation of the business model in all the regions of Colombia.

EDUCATION AND TRAINING (INVESTMENT IN COP MILLION)

	Management		Administrative		Operational		Total investment
	Men	Women	Men	Women	Men	Women	
Personal Development	10	9	88	130	282	75	**594**
Development of leadership skills	200	132	422	250	57	8	**1.069**
Development of organizational skills	131	28	509	474	201	46	**1.389**
Development of specific skills	99	77	890	687	1.875	283	**3.911**
Total	**440**	**246**	**1.909**	**1.541**	**2.415**	**412**	**6.963**

The *Nutresa* Logistics Team; Mexico.

SALARY AND REMUNERATION SYSTEMS

We permanently conduct studies that allow us to work for internal equity and market competitiveness, implementing wages- allocation practices grounded in the knowledge, skills and contributions of the people in different positions in the Organization.

SALARY AND REMUNERATION

Employees	Men	Women	Total	Salaries COP Million	Benefits COP Million	Subtotal Salaries and Benefits COP Million
Management	94	35	129	31.800	19.690	51.490
Administrative	5.558	3.080	8.638	253.896	168.096	421.992
Operational	6.352	1.993	8.345	121.755	82.153	203.908
Total	**12.004**	**5.108**	**17.112**	**407.451**	**269.939**	**677.390**

The Grupo Nutresa companies generated

722 new jobs.

GENERATION OF EMPLOYMENT

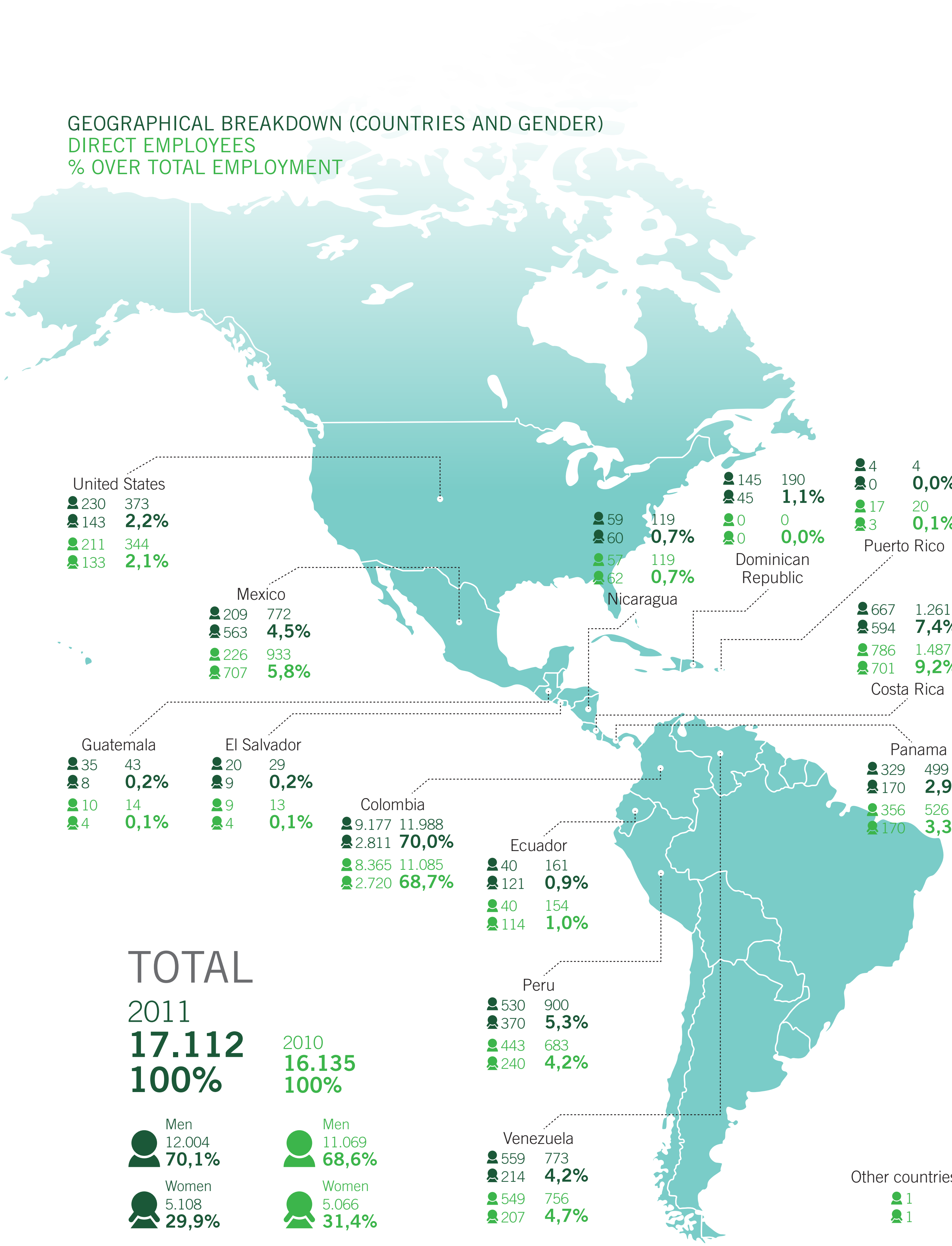
We have 30.158 employees, of whom 17.112 are directly employed by *Grupo Nutresa* companies; the remaining correspond to staff with other hiring systems and interns. Of these, 12.004 are men and 5.108 are women.

EMPLOYMENT SUMMARY REPORT

	2010	2011	Variation
Acquisitions in 2011		190	190
Total Employees Hired	16.135	17.112	977
Total Apprentices	551	554	3
Total - Other Hiring Systems	12.750	12.492	(258)
Total *GRUPO NUTRESA* Employees	**29.436**	**30.158**	**722**
Total National Employees	23.587	23.961	374
Total International Employees	5.849	6.197	348
Total National and International Employees	**29.436**	**30.158**	**722**

A Meals de Colombia Plant employee, located in the city of Bogotá, Colombia.

GEOGRAPHICAL BREAKDOWN (COUNTRIES AND GENDER)
DIRECT EMPLOYEES
% OVER TOTAL EMPLOYMENT



Country	Men 2011	Women 2011	Total 2011	% 2011	Men 2010	Women 2010	Total 2010	% 2010
United States	230	143	373	2,2%	211	133	344	2,1%
Mexico	209	563	772	4,5%	226	707	933	5,8%
Nicaragua	59	60	119	0,7%	57	62	119	0,7%
Dominican Republic	145	45	190	1,1%	0	0	0	0,0%
Puerto Rico	4	0	4	0,0%	17	3	20	0,1%
Costa Rica	667	594	1.261	7,4%	786	701	1.487	9,2%
Guatemala	35	8	43	0,2%	10	4	14	0,1%
El Salvador	20	9	29	0,2%	9	4	13	0,1%
Colombia	9.177	2.811	11.988	70,0%	8.365	2.720	11.085	68,7%
Ecuador	40	121	161	0,9%	40	114	154	1,0%
Panama	329	170	499	2,9%	356	170	526	3,3%
Peru	530	370	900	5,3%	443	240	683	4,2%
Venezuela	559	214	773	4,2%	549	207	756	4,7%
Other countries					1	1		

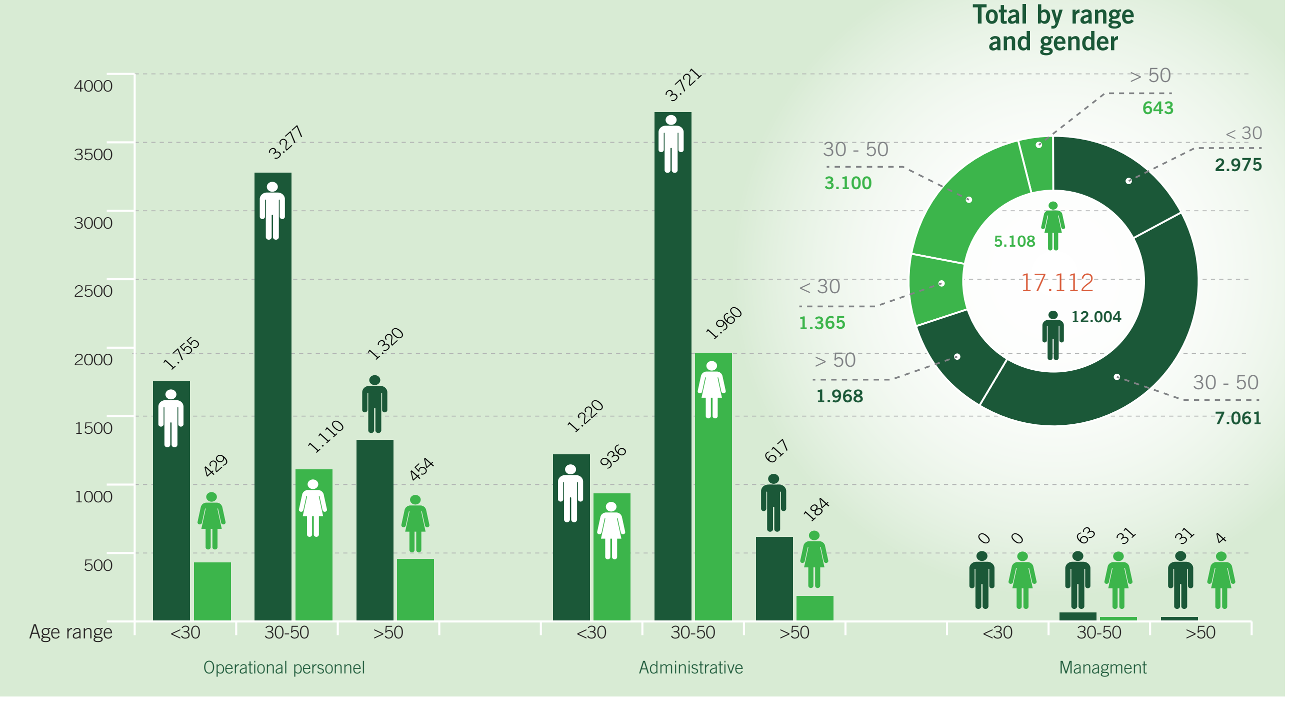
TOTAL

2011	2010
17.112	**16.135**
100%	**100%**
Men 12.004 **70,1%**	Men 11.069 **68,6%**
Women 5.108 **29,9%**	Women 5.066 **31,4%**

Grupo nutresa

A collective – agreement workshop, *Meals de Colombia* employees; Bogotá.

DIRECT EMPLOYEES BY AGE, CATEGORY AND GENDER



We actively participate in the "Right to Happiness" (*Derecho a la Felicidad*) program of the Colombian Family Welfare Institute (*Instituto Colombiano de Bienestar Familiar*, ICBF).

EMPLOYMENT FOR THE HANDICAPPED

In *Grupo Nutresa*, we promote hiring handicapped persons; we have an increase of 43 persons in 2011 against the previous year.

EMPLOYMENT FOR THE HANDICAPPED

Categories	Type of Handicap			Total
	Cognitive	Physical	Sensory	
Direct Hires	3	25	22	**50**
Apprentices / Students	0	1	19	**20**
Other forms of hiring	4	17	7	**28**
Total	**7**	**43**	**48**	**98**

HUMAN RIGHTS

We are fully aware of the importance of protecting human rights, convinced that sustainable economic and social development must be based on its promotion and respect. We structured a training program for our managers, which ensured consistency within *Grupo Nutresa* with the principles of action in human rights; 90% of them attended such training. The training contents were based on the agreements signed by Colombia with the International Labor Organization (ILO) and the guiding principles of the Global Compact.

We continue to promote scenarios for dialogue and participation with trade unions and collective bargaining, concerning the improvement of the needs of our employees.

Our staff includes 13,5% who are affiliated with trade unions and 65,7% who belong to the collective agreements of the Businesses. Through the systems that the organization has established, no Grupo Nutresa company presented any cases of work harassment or circumstances affecting our workers' dignity. Similarly, direct agreements were achieved in the different negotiation processes.

AGAINST CHILD EXPLOITATION

We make sure that none of our businesses or contractors hire minors or promote child-exploitation activities. We encourage activities within the Companies targeted at training and the welfare of our employees' children. We also continue to participate actively in the "Right to Happiness" (*Derecho a la Felicidad*) program of the Colombian Family Welfare Institute (*Instituto Colombiano de Bienestar Familiar, ICBF*).

Management with the Community

FUNDACION GRUPO NUTRESA

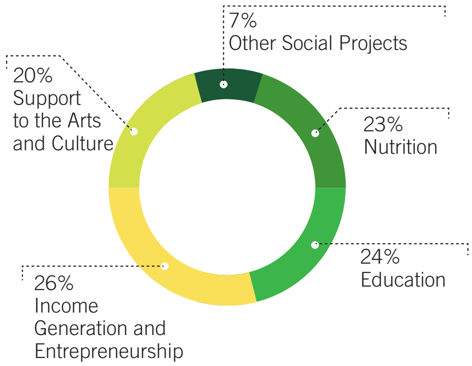
Grupo Nutresa, through its *Fundación Nutresa,* has concentrated its social management in projects with committed communities and in line with the management of the businesses. These actions are enhanced by the accompaniment of volunteers who build networks of communications and community relations.

We add value to local communities with whom we interact, focusing our social work in the management lines of Nutrition, Education, Income Generation and Entrepreneurship, and Support to the Arts and Culture. Together with the network of social organizations, we strengthen our work and leverage programs and project to benefit these communities.

Students from the *La Magdalena* Educational Institution, an entity involved in the XXI Century Leaders project, developed by *Fundación Nutresa*; Barranquilla, Colombia.

SOCIAL INVESTMENT

Management line	2011			2010*		
	Institutions	Persons	COP Million	Institutions	Persons	COP Million
Nutrition	2.595	389.398	3.102	2.138	165.940	3.555
Education	1.618	1.928.339	3.312	1.366	1.725.566	2.662
Income Generation and Entrepreneurship	10	1.532	312	422	201.917	633
Support to the Arts and Culture	175	749.537	2.812	119	846.352	1.566
Other Social Projects	84	44.247	907	203	24.616	2.690
Client Development	N/A	256.800	776	N/A	5.679	1.457
Strengthening of Providers	N/A	46.155	2.439	N/A	722	2.583
Totals	**4.482**	**3.416.008**	**13.660**	**4.248**	**2.970.792**	**15.146**



* The 2010 information was reexpressed to achieve comparability.

The decrease in investment from 2011 to 2010 is explained by the extraordinary campaigns that the Group pursued in 2010 for helping the Haiti community and the damages in Colombia due to the rainy season

Of this investment, COP 3.659 million were provided in cash through *Fundación Nutresa;* COP 2.904 million in contributions of products and COP 7.097 in other contributions made directly by the Businesses.

THE MERGER OF THE FOUNDATIONS

At the end of 2011, *Fundación Crem Helado* and its XXI Century Leaders Program (*Líderes Siglo XXI*) was incorporated into Fundación Nutresa, achieving important synergies and the strengthening of social management. Fundación Nutresa's XXI Century Leaders Program (Líderes Siglo XXI) will continue its important contribution to improving the quality of education.

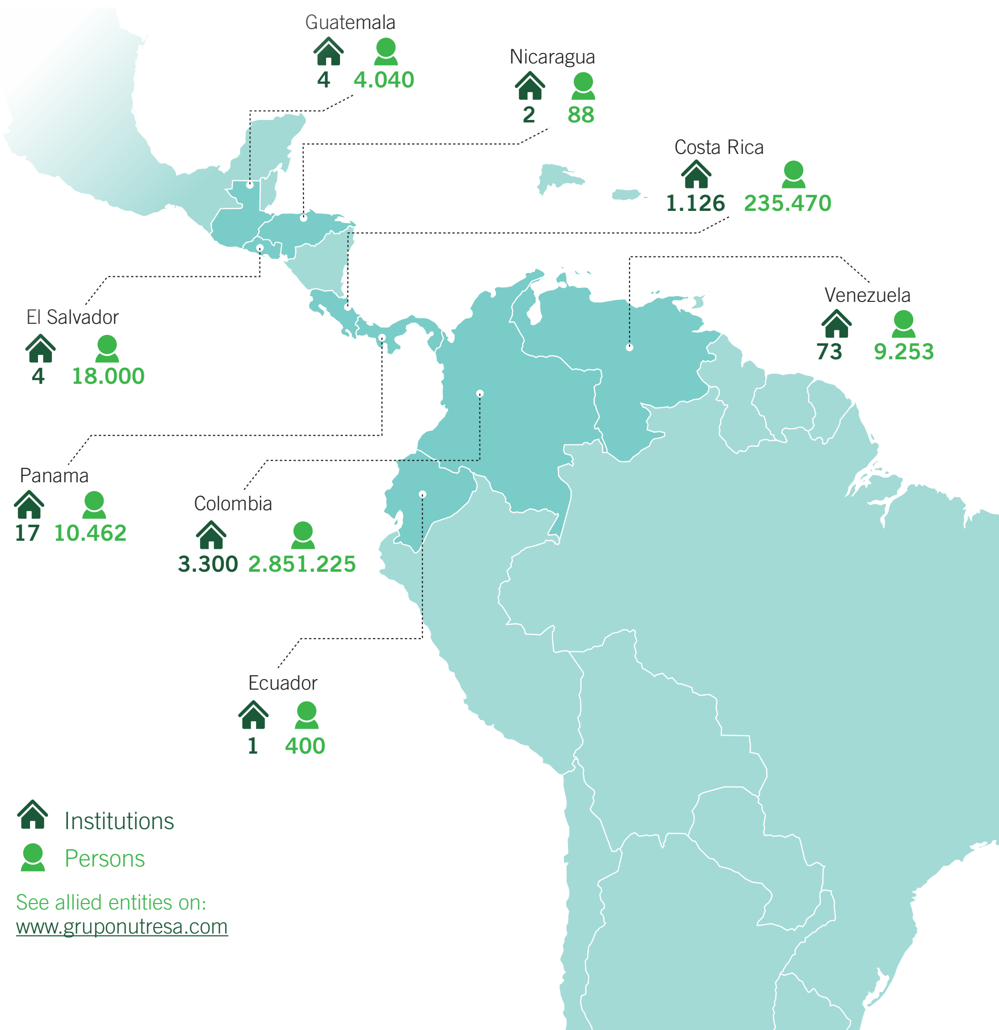
OUR FOCUS

Social management of *Grupo Nutresa* companies, which is channeled through its Foundation, is characterized by criteria of ethical, transparent behavior and a model to build local capacities. Hence, its main objective is oriented toward empowering persons in the social and community entities with whom we interact, promoting self - management and development of skills focused on improving the quality of their lives.

This management model has, among its pillars, strengthening partnerships with the community, NGOs, the private sector and Government organizations. At the same time, it has a monitoring and measurement system that optimizes the scope of social profitability and promotes the development of structured initiatives with significant social value.

Another important aspect in social management is the transfer of successful business practices implemented at the community level, through the support of the corporate volunteer program. These actions are configured as one of the main strategies of *Grupo Nutresa* to share the value it generated with society.

Community Social Investment



See allied entities on:
www.gruponutresa.com

Investment in nutrition totaled COP 3.102 million. These contributions were made in cash and products from the different companies within Grupo Nutresa.

MANAGEMENT LINE: NUTRITION

Fundación Nutresa also supports populations that present unfavorable conditions of nutrition, this being one of its priority management lines. Investment in nutrition totaled COP 3.102 million. These contributions were made in cash and products from the different companies that make up *Grupo Nutresa,* in order to reduce malnutrition and contribute to the adoption of good dietary and healthy lifestyle practices. Alliances with food banks and social entities are the strategy to advance the work on nutrition in the strategic region where Grupo Nutresa has a direct presence. In this sense, we wish to highlight the experiences in Guatemala, Ecuador, Colombia and Venezuela.

The *La Cruz* community, beneficiaries of the soup kitchens sponsored by *Fundación Saciar*, an entity supported by *Fundación Nutresa*.

THE FIGHT AGAINST MALNUTRITION

Examples of this focus are the 28 nutritional-reinforcement projects provided throughout the year to boys, girls and the elderly who have nutritional deficiencies and are located in eight Departments in Colombia. These programs have contributed to improving the quality of life of the beneficiaries, through the prevention of nutritional deterioration and improving some nutrition indicators. Also, we have worked in the field of family relationships with activities to promote human development and community participation, to empower the population in the implementation of measures to boost their development.

"I live here in the *Manrique la Cruz* neighborhood. I have participated in the soup kitchen for two years. The truth is that it is a blessing for us, as it helps us in feeding our children and their education.

Alba Miriam Rendón Ocampo, a mother who works in the *Santa Cruz de la Misericordia* Parish Soup Kitchen Medellín, Colombia.

“We would like to create food security in those people who lack food and at least ensure that people are not hungry. The community received everything very well, since they see the food bank as a blessing and they are very grateful, aware that we reach all kinds of people: children, adults, the elderly“.
Paul Herbert Torres, Pereira Food Bank Coordinator.


The Archdiocesan Food Bank; Pereira, Colombia.

In nutritional projects, food delivery is done with the active participation of the community, with direct responsibility to prepare food and organize the community soup kitchens. The periodic control of children's size and weight tracks their development.

ALLIANCES TO DISTRIBUTE FOOD

In the social management of nutrition, we have achieved significant advances in consolidating the food – bank network in Colombia. Last year, the I Latin American Food Bank Conference was held, which gathered in sustainable management models from Colombia, Guatemala, Mexico, Argentina and Chile, aimed at mitigating the consequences of hunger and strengthen efforts in the framework of food security. This initiative created a space to share experiences and established a support base among the various food banks in Latin America. The event was supported by the Global FoodBanking Network, *Grupo Nutresa* and other private companies.

This effort joins the standardization process of good manufacturing practices in Food Banks in Colombia, an arrangement supported by the volunteers of our companies and by *Fundación Nutresa*, through Sanitary Hygiene Profile (SHP) assessments, which will more adequately meet the nutritional needs of communities.

MANAGEMENT LINE: EDUCATION

In the XXI Century Leaders educational project, 373 volunteers from 177 Colombian companies participated. A *Meals de Colombia* volunteer; Barranquilla.

Understanding the importance of education for community development and aligned with the United Nations Millennium Development Goals, we contribute to improving the quality of the educational process, teacher qualifications, access to technology applied in the classroom, and support for communities with limited resources. In 2011, the investment in education totaled COP 3.312 million, benefitting more than 1.000 institutions.

XXI CENTURY LEADERS

Since 1994, its XXI Century Leaders Education Project (P*royecto Educativo Líderes Siglo XXI*) has accompanied improvements in school management in public and private institutions in Colombia. The Project contributes to improving the performance of participating school and is reflected in administrative as well as academic indicators.

The XXI Century Leaders business volunteers, composed of 373 volunteers from 177 Colombian companies, advise educational institutions on process improvement and quality management. This collaborative work migrates professional competencies from the private sector to the management teams of schools. In 2011, the XXI Century Leaders management was conducted in 688 schools located in 78 Colombian municipalities.

NATIONAL EDUCATION CONGRESS

The National Congress on Integrated Education: A Contribution to the Country. Since 2001, the XXI Century Leaders Education Project has held the National Congress on Integrated Education: A Contribution to the Country, which gathers people from business and academia. This event brings together principals, teachers, business volunteers and local leaders to present the results of joint work between companies and educational institutions to implement comprehensive management models.
Last year, the Congress was held in Cali, Colombia, with more than 800 persons attending. During the event, the *Crem Helado* award was given to the *Celmira Bueno Orejuela* Educational Institution in Cali, for its outstanding results.

In 2011, our investment in education totaled COP 3.312 million, benefitting more than 1,000 institutions.

ORIENT YOURSELF: THE WORLD A CLICK AWAY

The Program celebrated 10 years of work, during which time it has contributed to decrease the technological divide in public schools, fostering the utilization of Information and Communication Technologies (ITCs) in educational environments, preparing teachers to use technology and providing technology classrooms.

The program has trained more than 1.000 teachers to use technology applied in the classroom and has contributed to improving the infrastructure of schools. Altogether, 101 schools, in 11 Colombian cities, have been benefitted.

Thanks to the *Fondo Lumni* sponsorship, Yonaila Sánchez Perea is registered in occupational – health studies at the University of Tolima, Colombia.

In 2011, 403 teachers in 41 schools participated in the Orient Yourself Program; they designed 74 digital education contents and 38 Web micro sites. In addition, 171 members of the communities were trained in the basic use of computer applications. The Orient Yourself Program is present in the cities of Medellín, Barranquilla, Santa Marta, Cali and the populations of Carmen de Viboral, La Ceja, Rionegro and Turbo in Antioquia, as well as in Caloto, Cauca, and Montes de María, Córdoba.

EDUCATION FOR A BETTER FUTURE

Education contributed to better living conditions for people; it qualifies the social capital of communities and contributes to equity. We promote access to education through the delivery of educational aid to 1.062 young people in Colombia.

Grupo Nutresa, together with *Bavaria*, contributes resources to the social inclusion fund for education, promoted by LUMNI Colombia, to facilitate the access of the Indigenous and African – Descent population in the country to undergraduate studies. This program is backed by the Inter American Development Bank.

Likewise, *Grupo Nutresa* co-sponsored with other companies and in partnership with the Fundación Empresarios por la Educación and McKinsey, a study that allowed the Ministry of Education to strengthen educational planning in Colombia.

In Latin America and the Caribbean, the digital divide has profound implications in opportunities for communities. This situation is complex as it ranges from access itself to technology, the technical conditions for its operation and the basic skills for handling, among other things.
From this perspective, the Orient Yourself Program not only permits achieving these three objectives, but also ventures into one of the key scenarios for development: the school. **This is the conclusion of the Orient Yourself Program, done by an independent social researcher.**

In 2011, the *Nacional de Chocolates* Loves Children (*Nacional de Chocolates Quiere a los Niños*) Program benefitted 5.400 children in rural areas, belonging to 122 educational institutions in Colombia, by providing them with school kits.

In the children's population, we have continued with the support for six children's libraries in different cities in Colombia. This program provides spaces for learning, promoting reading, developing skills for young children and appropriate child rearing guidelines for parents.

MANAGEMENT LINE: GENERATION OF REVENUES AND ENTREPRENEURSHIP

Contributing to improving the conditions of poverty and fostering human development in rural communities is the premise *Fundación Nutresa* employs in its productive projects. The management approach in this line is incorporating these projects into the value chain of businesses to make them sustainable.

In line with the United Nations' Millennium Development Goals, we made a special management effort with producers' associations to strengthen their cooperative work, through knowledge transfer and support in social issues, among others. We invested more than COP 312 million in programs with associations in the Colombian Departments of Cundinamarca, Bolivar, Cordoba, Valle del Cauca, Antioquia and Choco.

In 2011, 1,199 families from Cauca and Valle de Cauca participated in the Business Partner Alliances for Development (*Alianzas Empresariales para el Desarrollo*, AED). A cocoa – bean grower.

SUPPORT FOR AFRICAN – DESCENT, INDIGENOUS AND MESTIZO COMMUNITIES IN ALLIANCE WITH VALLENPAZ

Together with other private companies, in 2011 *Grupo Nutresa* continued its support of Business Partner Alliances for Development (*Alianzas Empresariales para el Desarrollo, AED*) through the Corporación *VallenPaz*, which works with African Descent, Indigenous and *Mestizo* communities in Buenaventura and northern Cauca in Colombia. In 2011, 1.199 families participated in the comprehensive technical assistance, youth training, food security, provision and improvement of education infrastructure programs.

FOREST PRODUCTS, A SUSTAINABLE COMMITMENT TO COMMUNITIES IN CHOCÓ

We support communities along the intermediate Colombian Atrato River, organized in associations, with assistance from *Fundación Espavé*, by adapting a production plant and the training of 41 people in forest management, accredited by *SENA* (the National Apprenticeship Service). We also participated in the improvement of school infrastructure to benefit 100 children from Isla de los Palacios, and the implementation of ten agroforestry plots for local food security. This project forms part of the Business Partner Alliances for Development (AED).

THE SESAME PRODUCERS' NETWORK IN MONTES DE MARÍA

In Montes de María, in northern Colombia, *Fundación Nutresa* continued supporting the Sesame Producer's Network, composed of 393 families of farmers, organized in 21 associations. This project, which has been led by *Fundación Nutresa* and Corporación PBA, is a good example of cooperation among social organizations, private companies and the community. This productive partnership promotes the consolidation of a local sesame market by integrating all the commercial chain. This partnership includes, also, *Ecopetrol and Bimbo.*

Likewise, the Sesame Producers' Network constituted operational committees to streamline business, technical and social processes, and implemented participatory research centers to develop strategies to improve the quality of the seed.

To access affordable health foods and barter food within their own communities, *Fundación Nutresa* promoted the establishment of 11 community gardens.

MANAGEMENT LINE: SUPPORT TO THE ARTS AND CULTURE

Fundación *Nutresa* promotes social projects related to cultural management. The Network of Music Schools (*Red de Escuelas de Música*) in Medellín, Colombia.

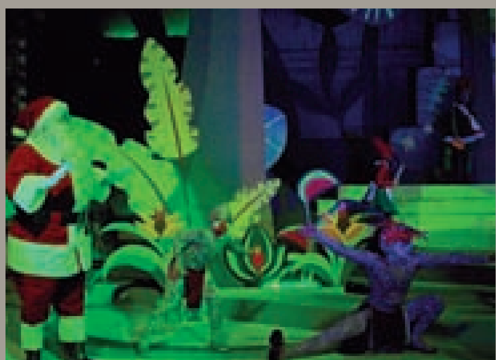
PROMOTING MORE INCLUSIVE CITIES

Grupo Nutresa joins the cultural promotion to facilitate public access to different artistic expressions. During 2011, more than 700.000 people enjoyed concerts, exhibitions and city events. In this area, we made contributions for COP 2.812 million.

In the city events, we wish to highlight the Music Festival in Medellín, which joined the commemoration of the International Year of African Descendents, as well as the *Fundación la Cueva* Arts Festival in Barranquilla, with more than 20.000 people enjoying the free programming.

MUSIC AS A TEACHING TOOL

Music as a teaching tool can stimulate creativity and reduce rates of violence. *Grupo Nutresa* supported the Philharmonic Orchestra of the *Fundación Notas de Paz* (Notes for Peace Foundation) composed of 120 children from vulnerable areas in Cali, Colombia, which – in turn – promoted the Medellín *Corporación Ensamble Vocal*, with the participation of 10.000 talented youth.



"The Unexpected and Colorful Adventures of Santa Clause on Christmas Eve when His Sleigh Disappeared" was the show that *Compañía de Galletas Noel* offered the community, which was attended by some 100.000 people. This free show, which has been held for 24 years, is characterized by its artistic quality.

SOCIAL ENTREPRENEURSHIP, THE CHALLENGE OF OUR CORPORATE VOLUNTEERS

Our companies promote corporate volunteering in their employees. A Volunteer Day in Ciudad Bolívar with volunteers from *Comercial Nutresa*, *Meals* de Colombia, *Nacional de Chocolates* and *Servicios Nutresa*; Bogotá, Colombia.

Entrepreneurship, added to high – impact volunteerism brings benefits to society. In Grupo Nutresa, there are positive experiences in managing businesses and in the interaction of our volunteers with social institutions.

Grupo Nutresa promotes transforming volunteer work among our employees as a strategy to link the human resources of the businesses to service to society. In 2011, 7.150 volunteer actions were undertaken by the employees of our companies.

VOLUNTEER ACTIONS

Program	Voluntary actions	Beneficiaries		Time	Investment COP million
		Institutions	Persons		
Volunteer Work in Time	1.705	218	26.754	9.951	123
Volunteer Work in Money	5.445	115	12.044	0	476
Total	**7.150**	**353**	**38.798**	**10.438**	**476**

Voluntary Actions Are Performed by 4,801 *Grupo Nutresa* Employees.

We wish to highlight our volunteer work in time, in which our employees advised social institutions on various topics, conducting training in processes and values, developing projects and contributing to the strengthening of the institutions. Likewise, the management conducted by solidarity committees, voluntarily formed by employees, who provide funds and participate in activities to benefit the community and the environment.

Grupo Nutresa held the event to recognize its network of volunteers, composed of employees in Colombia, Costa Rica, Venezuela, Panama and Ecuador. In addition to exalting the work of the volunteers, a conversation on social entrepreneurship was held during the event.

Our Value Chain Together with Suppliers and Clients

RESPONSIBLE SOURCING

Grupo Nutresa contracts legally constituted suppliers, who respect fundamental human rights, the environment, labor standards, the fight against corruption and compliance with current legal requirements including, among others, those relating to employee health and safety and the prohibition of child labor.

PURCHASES IN COLOMBIA VS TOTAL PURCHASES (IN COP MILLION)

Raw material	BUSINESS						Colombia Total	Total Purchases	% Colombia
	Coffee	Cold Cuts	Chocolates	Biscuits	Ice Cream	Pastas			
Coffe	403.604	0	0	0	0	0	403.604	403.604	100,0%
Packing	47.961	52.292	38.704	59.862	20.113	9.506	228.438	246.037	92,8%
Meat	0	189.393	0	0	0	2	189.395	243.014	77,9%
Other raw materials	471	67.535	6.400	18.425	14.039	1.261	108.132	194.685	55,5%
Cocoa beans	0	0	93.145	0	0	0	93.145	120.594	77,2%
Sugar	981	310	28.336	19.865	6.503	0	55.994	81.538	68,7%
Edible oils and fats	0	305	7.424	41.948	5.490	151	55.319	55.396	99,9%
Milk and by-products	292	2.430	17.403	5.074	20.286	0	45.485	50.727	89,7%
Concentrates	0	58.935	0	0	177	0	59.113	59.150	99,9%
Durum wheat	0	0	0	53	0	2	55	85.991	0,1%
Total general	**453.309**	**371.201**	**191.414**	**145.226**	**66.608**	**10.922**	**1.238.680**	**1.540.735**	**80,4%**

To share our responsible sourcing policy with our suppliers, we initiated the first stage in disclosing our Code of Conduct for Suppliers, which established the rules of engagement between this related group and our companies. This activity reaches 209 direct and indirect common materials suppliers and contracting continuous services in Bogotá, Cali, Medellín and Barranquilla, in Colombia. This Code is available to national and international suppliers on our portal www.gruponutresaenlinea.com. In 2012, we will continue with the direct socialization of this Code on the overseas platforms and in Colombia, with the suppliers of raw materials of each business.

POLICY ON GENETICALLY MODIFIED ORGANISMS

We have a program of traceability throughout the production chain that ensures the identification of genetically modified ingredients. In this process, we request that suppliers provide us with a statement of those inputs that include genetically modified materials in their elaboration to comply with labeling regulations in Colombia and internationally. In the consumer hotlines, those who are interested may consult the specific characteristics of our products, including those related to these genetically modified organisms (GMOs). For our GMO policy, please go to www.gruponutresa.com.

OUR PROGRAMS TO STRENGHTEN THE SMALL FARMER

CACAO PARA EL FUTURO PRIVATE CAPITAL FUND

The *Cacao* para el Futuro Private Capital Fund was created in 2010 by *Compañía Nacional de Chocolates* and structured by the Bolsa y Renta brokerage firm, as a new financial model and an inclusive business at the same time. Inspired by the experience of *Compañía Nacional de Chocolates* during its 90 year existence, the project includes finding for the planting of approximately 2.500 hectares of cocoa beans, initially in four municipalities in Antioquia, which will benefit 250 families of farmers who own small plots and who are associated with Ecocacao, a cooperative with ample national and international recognition, which will lead the implementation.

Cocoa – bean farmers in the Municipality of Maceo in Antioquia, beneficiaries of the *Cacao para el Futuro* Private Capital Fund, promoted by l*a Compañía Nacional de Chocolates and Bolsa y Renta*.

Farm families are favored by knowledge transfer and stable employment, which ensuring a source of medium term income, as the Fund will deliver crops for their personal benefit in approximately 10 years, once investors have recovered their investment and received the agreed upon revenues. As a commitment to the sustainability and profitability of the project, *Compañía Nacional de Chocolates* invested COP 2.500 million.

During 2011, we advanced in the development of this project, with activities of cocoa crop establishment, training, development of the technology package, meeting investor expectations and its active direct beneficiaries in its eight municipalities.

The social investment of Compañía Nacional de Chocolates to small farmers was **COP 2.087 million.**

In 2011, 32 farmers sold their Fair – Trade certified cocoa through Compañía Nacional de Chocolates.

"In the last 50 years, from its Development Area, Compañía National de Chocolates has consistently developed a management to accompany the Colombian cocoa bean farmer in various aspects, such as technical assistance, good agricultural practices, training in demonstration farms and advice on productivity, among others. The initiative that we have undertaken with the Cacao para el Futuro Fund is a new model to continue contributing this experience to the competitiveness and sustainability of the chocolate industry in Colombia, with direct benefits to the quality of life of the farmers and their families".
Sol Beatriz Arango M.
President, Compañía Nacional de Chocolates

CHOCOLATE SANTANDER WITH FARMERS

Compañía Nacional de Chocolates pays origin cocoa farmers an additional 7,5% on the value of the cocoa bean that is used in the Santander products, as a bonus for quality. Thus, this guarantees the payment of a fair price to farmers to improve their competitiveness and profitability.

PRODUCTIVE ALLIANCES

Compañía Nacional de Chocolate's projects with cocoa bean farmers include productive alliances with small producers, covering three areas of intervention: technical, social and business.

In the technical areas, we provide advice and training to farmers in cocoa crop management, in the processes of layout, planting, grafting, pruning, integrated crop management, harvesting and processing the beans. In the social area, we support integration events with farmers and encourage the consolidation of producer organizations. In the business area, we promote the marketing of cocoa and bring producers closer to the Company.

In 2011, 1.060 families, who own 1.927,5 hectares of land, benefitted from this program. Altogether, there are 12.070 hectares, benefitting 5.912 small producer families, in this program.

The Compañía Nacional de Chocolates project with cocoa – bean farmers benefitted 5.912 families of small producers, covering over 12.000 hectares.

It has also taken actions to boost the cocoa bean sector with field technicians and agronomists in Compañía *Nacional de Chocolate's* Development Area, who give advice to current and potential cocoa bean producers in the country. There were 27 technical training sessions attended by 534 producers; 183.900 seeds were provided to increase the areas planted with outstanding varieties of cocoa.

The technical team, which also carries out research, continued its evaluation of 30 new varieties of cocoa and experiments were performed to extend the knowledge on pest control.

FAIR TRADE COFFEE

Colcafé has given special priority to the international marketing of products under the Fair Trade label, which has represented additional benefits for 34.071 families belonging to 20 coffee grower cooperatives, located in eight departments, who are involved in the sale of coffee with the Fair Trade label. In 2011, COP 2.170 million in funds were transferred, which were mainly used for educational and health programs, crop productivity and coffee benefitting processes, social services for members and their families, environmental projects and basic sanitation.

Since it began selling products under this certification, Colcafé has transferred resources amounting to COP 13.511 million to the communities benefitting from this program.

Fair Trade coffee represents an additional benefit for 34,041 families belonging to 20 coffee – grower cooperatives, located in eight (8) Departments in Colombia.

MEALS DE COLOMBIA CONTINUES ITS DEVELOPMENT PROGRAM WITH BLACKBERRY FARMERS

In the development of regional suppliers, *Meals de Colombia* continued its participation in the Productive Alliances with *SENA*, the University of Quindío and the office of the Governor of Quindío, Colombia, which benefitted 31 producers with an equal number of hectares of *Salentuna* thornless blackberries, in the municipalities of Calarcá and Córdoba, Quindío, and who are associated under the *UNIMOR* joint venture. *Meals de Colombia* purchased 97 tons of blackberries from its members.

Meals de Colombia develops blackberry growers as suppliers in the municipalities of Calarcá and Córdoba, located in central Colombia.

SHARING OUR VISION OF SUSTAINABILITY

During 2011, several events were held with suppliers to share *Grupo Nutresa's* Sustainable Development philosophy and framework for action. The photograph of the event Our Commitment to Sustainable Development was held by *Compañía de Galletas Pozuelo* and Compañía Nacional de Chocolates DCR in San José, Costa Rica.

PROJECTS WITH SUPPLIERS WITH A SUSTAINABLE FOCUS

We continued to strengthen the value chain, emphasizing joint projects under the concept of sustainable development. The focus was the reduction in the consumption of packaging material, the use of environmentally friendly materials, the promotion of Small and Medium Enterprises (SMEs) and the participation in inclusive businesses.

REDUCTION IN THE CONSUMPTION OF PACKAGING MATERIAL

We have taken action to decrease the use of packaging material per ton produced, based on eco design, reduction and reuse.

"In the Biscuit Business, we are committed to Sustainable Development and the ongoing search for packaging solutions that offer the least environmental impact. We have incorporated Eco-design as part of our work philosophy, not only in developing new products, but also for existing ones. To achieve this, we have linked up with our flexible packaging and corrugated suppliers to work jointly with us to take this challenge forward"

Carlos Mario Montoya E.
Director of Research, Development and Innovation
Compañía de Galletas Noel S.A.S.

EXAMPLES OF EFFECTIVE APPLICATIONS IN THE BUSINESSES

Reduction of 25 tons of surplus plastics per year

We took advantage of 1.300 kilo reusable isotanks that were discarded by the Cold Cuts Business, to substitute the 300 kilo, non- reusable tanks used in the supply of malt extract for Noel, the Biscuit Business company.

Replacing polyethylene bags for *Big Bags* to package salt

In supplying salt for Noel, we replaced the 50 kilo polyethylene bags for 850 kilo *Big Bags*. This allowed us to stop using 24.000 bags per year, equal to 20.000 kilos of polyethylene. This action also added to improving working conditions for operators.

Paper reduction

To reduce office paper, we began a pilot program in *Industrias Alimenticias Doria* with *Ofixpres S.A.*, which replaced printed forms for digital forms, decreasing printing and inventories.

TRAINING AND ASSISTANCE FOR OUR SUPPLIERS

During 2011, we provided support and training to suppliers in collaborative tools and management systems, as well as promoting new supply models to strengthen the management of quality and commercial processes and the optimization of inventories. To do this, we made investments in Colombia for COP 271 million, with the participation of 270 suppliers, and handled 5.636 calls to the supplier hotline.

INCLUSION OF SMALL ENTREPRENEURS

Grupo Nutresa favors micro and small businesses in local communities where a good or service is offered under similar conditions of price and quality. Consistent with this policy, in 2011, 42% of the direct material purchases in Colombia were made from small and medium enterprises.

The Sesame Producers' Network

In partnership with *Bimbo*, we began a training cycle in costs and value chain for the Sesame Producers' Network in Montes de María, and supported the first sale as a Network at a fair, competitive price.

The Evolution of *Tropicoco* as a Result of Our Support since 2007

The *Servicios Nutresa* purchasing – negotiation area supports the development of suppliers. Mentoring the *Tropicoco* Company, located in the Municipality of Arboletes, Colombia.

Tropicoco managment progress

Description	2011	2010	Increase
Sales, COP Million	3.138	2.309	36 %
New Clients	62	43	44%
Families Benefitted	38	34	13%

THE COLD CUT BUSINESS, COMMITTED TO ANIMAL WELFARE

For 25 years, we have worked proactively in establishing quality assurance systems that seek animal welfare in the Cold Cuts Business' pig farms, by following not only the guidelines established by organizations and regulation and control organizations, but also the growing demands of consumers and the global trend.

Thus, the Business ensures a suitable environment for the welfare and comfort of the pigs, optimizing their performance and meat quality through the implementation of appropriate practices in nutrition, health, thermal and physical comfort, to ensure a process in which the animals are provided the best conditions with productivity in the context of sustainable development and food safety.

In its pig farms the Cold Cuts Business carries out practices that seek animal welfare.

THE SATISFACTION AND GROWTH OF OUR CLIENTS

The Cold Cuts Business has implemented an innovative customer – service model that allows it to offer comprehensive service, building collaborative relationships and added value for each distribution channel.

ANNUAL SATISFACTION MEASUREMENT

Knowing the perception of clients regarding the service offered, understanding their expectations and identifying strengths and opportunities to better business relations is the purpose of the annual satisfaction measurement among clients. The study provides two types of satisfaction: the "Real," which measures the perception of service, and the "Derivative," which is the result of the classification of all variables in the moments of truth.

In 2011, 11.654 clients were interviewed in Colombia, and a "Derivative Satisfaction" of 4,45 on a 5,00 scale was obtained. The year before, this index was 4,43, which means a rise from the average level to the high level, within the satisfaction scale defined by *Grupo Nutresa*. Comercial Nutresa is the best evaluated Company in *Grupo Nutresa,* maintaining a high level of satisfaction of 4,50.

The new Customer Engagement Index (CEI) was included in the measurement; this combines a single perceptual evaluation indicator on four fronts: real satisfaction; consideration, defined as the willingness the client has to keep us in mind as a supplier in the future; recommendation, which indicates the degree to which a client is willing to refer us to other people; and competitive advantage, which represents the added value that the customer perceives when working with us rather than with our competitors.

Satisfaction indicator
(Measurment over 5,0)

4,45
National customers

4,39
International customers

According to the survey of satisfaction, clients have a high degree of commitment to the G*rupo Nutresa* companies and their brands and maintain a high willingness to keep working with them in the near future.

The *Grupo Nutresa* companies achieved a CEI of 0,60 for its domestic clients, above the goal of 0,54 it had established, ranking above the overall average. This allows us to conclude that clients have a high degree of commitment to the *Grupo Nutresa* Companies and their brands, and maintain a high willingness to continue with them in the near future.

The 2011 measurement of satisfaction for overseas clients was applied to a total of 145 clients. The results was a "Derivative Satisfaction" of 4,39 was obtained on a 5,00 scale, which represents a significant increase over 2009 and 2010, managing to move from a low to an average level. The CEI for international clients was 0,57, in which *Colcafé* stood out with a rate of 0,72

Comercial Nutresa employees; Medellín, Colombia.

COMMERCIAL DEVELOPERS ENHANCE CUSTOMER GROWTH

Comercial Nutresa collaborators are specialists in the comprehensive development of customer points of sales; their knowledge is focused on growth issues for businesses, such as integral layout, which is understood as strategic spatial distribution in convenience stores; orientation to match variety to consumption; use and purchase, as well as advising clients on issues such as identity, image, and physical structure, among others.

The management of commercial developers consists of intervening outlets, together with the areas of trade marketing, sales, customer service and logistics, to make the business relationship dynamic and reflect a significant increase in sales, in the participation of linear spaces, ease in implementing these *Comercial Nutresa* strategies and resource optimization. These developments create proximity, credibility and trust in clients.

Results obtained in Colombia by Commercial Developers

646 points of sales advised

79% growth in visibility

COP 6.442 million incremental sales

119 additional exhibitions for consideration

32% sales growth versus previous year

THE GROCER'S SCHOOL, A MOTOR OF DEVELOPMENT

Grupo Nutresa's Grocer's Schools are training spaces that provide commercial elements of value to this group of collaborators to generate profitable growth and sustainable development in time, underpinning the strengthening of traditional and supermarket channels in Colombia.

Through qualified employees of *Grupo Nutresa*, we have transmitted all our business knowledge and experience, training 385 shopkeepers, 296 convenience store administrators and 69 wholesalers. In addition, we have assisted more than 240 stores in transforming their points of sales and the administrative management of their businesses. Since its creation in 2003, the schools have trained and certified 8.267 shopkeepers, 1.886 convenience store managers and 144 wholesalers, as well as certifying 1.266 stores.

Mayorista Corabastos; Bogotá, Colombia.

Client schools have three training programs: Grocers, Supermarkets and Wholesalers, as well as a mentoring program, which, together, totaled more than 11.560 certified merchants.

ICE CREAM UNIVERSITY

The Ice Cream University program seeks to develop and improve the management of sales of our ice cream clients, in order to make their business more profitable. The program has reached 171 clients in four Colombian cities.

TILINES, SMALL MERCHANTS

The channel of small ice cream merchants, known as *Tilines* is an alternative channel with emphasis on-foot sales, resulting in revenue generation for low income population. In 2011 we reached 576 distributors with a network of 3.850 small merchants, who were able to surpass the difficulties of the rainy season in Colombia. Investment was COP 700 million.

ALTERNATE SALES CHANNELS

ENTREPRENEUR MOTHERS, THE RATIONALE OF THE NOVAVENTA DIRECT SALES BUSINESS

The *Novaventa* Direct Sales Channel aims to awaken interest in becoming entrepreneurs in Colombian mothers, thinking about sustainability and maintaining their performance at home. The program ended the year with 66.008 Entrepreneur Mothers, as well as developing encounters for socialization and learning, led by area managers, where knowledge is imparted on sales, products, family, food, nutrition and health.

It is important to note that this good practice was extended to the Ice Cream Business, where 700 Entrepreneur Mothers have had the opportunity to participate in the sales campaigns of our brands.

Women entrepreneurs develop their commercial catalogue – sales work, allowing them to maintain their performance at home.

HOME DELIVERIES IN THE ICE CREAM BUSINESS

This new program creates added value in clients. It operates through specialized activities and personalized parts in which the client consumer contact is improved, increasing sales, offering better service and creating a differentiation from competition, as well as stimulating and reinforcing the consumption of ice cream at home. This program ended 2011 with 1.064 active clients.

The program ended the year with

66.008

Entrepreneur Mothers

Our Planet

Helados Bon contributes to the conservation of forest areas in the Dominican Republic, where Bicknell's Thrush, a bird that migrates there in winter from Canada, arrives.

Environmental Commitment

The *Alimentos Cárnicos* drinking – water treatment plant; La Ceja, Colombia.

Sustainable Development has been adopted as a priority framework and enveloping action, in line with our Corporate Philosophy and Values, supporting the strategic objectives, organizational principles and commitment of our management.

To comply with our environmental commitment, the Environmental Policy that is applied in the different businesses is:

- The harmonious relationship between profitable growth and environmental performance.
- The rational use of resources, considering environmental impact as a key variable in project planning, processes and products.
- Implementation of good environmental practices and adoption of clean technologies that minimize environmental damages and which are used under eco – efficiency criteria.
- Proactive environmental management focused on preventing and controlling damaging effects on the environment.
- Development of an environmental culture in our employees, which is transmitted to our work and social environment and to the community in general.

To develop this policy, it is essential to develop comprehensive management that:

- Promotes projects and practices with eco-efficient criteria, seeking savings and efficiencies in processes, with better industrial performance.
- Consider the use of appropriate, environmentally friendly technologies, establishing indicators and progress goals regarding the use of natural resources.

Since we care for the world, we give special priority to make sure our corporate interaction with the environment is done responsibly, contributing to its balance and the efficient use of natural resources.

CONSOLIDATED ENVIRONMENTAL – PERFORMANCE INDICATORS

The following is a summary of the main consolidated indicators of the *Grupo Nutresa* businesses, in accordance with GRI's G3.1 Guidelines:

General Summary Environmental Indicators	Units	2011	2010
Environmental expenditures and investments	COP Million	11.913	8.847
Raw materials	t	502.242	486.238
Flexible packing materials	kg / t.p.	9,9	9,4
Corrugated cardboard packing material	kg / t.p.	25,0	24,6
Total packing material	kg / t.p.	34,8	34,0
Thermal energy	kWh / t.p.	520,8	542,0
Electric energy	kWh / t.p.	204,8	217,8
Total energy	kWh / t.p.	725,6	759,8
Water consumption	m^3 / t.p.	2,2	2,3
Reused water	%	1,4	1,3
Reused water	m^3	20.569,1	19.979,4
Waste generation	kg / t.p.	24,2	26,3
Waste usage	%	85,8	80,8
DBO5: Biochemical Oxygen Demand	kg / t.p.	0,93	0,77
Number of significant accidents	Number	0	0
Volume of significant accidents	m^3	0	0
Direct CO_2 emissions (Scope 1)	kg CO_2 eq./ t.p.	113,9	116,4
Indirect CO_2 emissions (Scope 2)	kg CO_2 eq./ t.p.	21,1	40,3

The data represents the industrial plants located in Colombia for the six Businesses: the agroindustrial processes of *Meals* de Colombia in Armenia and *Setas Colombianas* have been excluded, as well as *Litoempaques*, since it is not a food – manufacturing process.

Standard calorific values used to calculate energy: Coal (22.000.000 BTU/t), Diesel (144.000 BTU/gal), Fuel Oil (147.570 BTU/gal), Gaseous LPG (88.268 BTU/gal), Liquid LPG (92.000 BTU/gal), Natural Gas (35.280 BTU/m3), and Gasoline (115.000 BTU/gal).

Calorific values used to calculate greenhouse – gases (GHG): Coal (25,23 MJ/kg), Diesel (42,67 MJ/gal), Fuel Oil (139,75 MJ/gal), Gaseous LPG (108,55 MJ/m3), Liquid LPG (98,68 MJ/gal), Natural Gas (33,80 MJ/m3), and Gasoline (118,87 MJ/gal).

MATERIALS

The consumption of the principal raw materials: green coffee, wheat and flour, meat resources, milk, sugar and cocoa beans increased 3,3%. Common packaging materials used totaled 23.741 tons, of which 56,8% are corrugated; 26,8%, flexible material; 14,9% folded and 1,9%, labels. Eighty point five percent (80,5%) of the corrugated material is manufactured from recycled fibers.

ENERGY CONSUMPTION

Continuing with the policy to promote eco-efficient projects and practices, which seek efficiency in processes and considering the use of technologies and sources that are energy friendlier with the environment, we have developed programs and projects to optimize the use of electric energy. The energy consumption indicator per ton produced (kWh/t.p.) showed a decrease of 4,5%, which is in line with the corporate goal of achieving a decrease of 10% in the 2010-2015 period.

The consolidated distribution of the energy sources used was concentrated in the use of cleaner fuels, such as natural gas and electric energy, which represented 51,8% and 24% respectively, with a cumulative value of 75,8%. We have maintained a

We lowered water consumption per ton products by 3,9%; energy consumption was reduced 4,5% from 2010 to 2011.

Washer – dryer system #4, the *Colcafé* Plant; Medellín, Colombia.

downward trend in the use of other fuels that are considered less clean, such as crude oil.

Examples of projects carried out in the businesses that seek greater energy efficiency are the following:

- In the Coffee Business, where steam is generated from biofuel coffee grounds, new technologies are being implemented to increase energy efficiency in the boilers. We have advanced in structuring a project with the International Physics Center – IPC – for energy optimization in the use of steam. In the Bogotá *Colcafé* factory, solar energy is used for secondary processes, generating a savings of 14.256 kWh per year and 5.856 m3 of natural gas per year.
- In the Biscuit Business, we have continued the thermal-efficiency project in ovens, which has improved the process, decreased heating times, adjusted the measurement systems, reduced fuel consumption and decrease gas emissions.
- In the Pasta Business, the gas-engine cogeneration allows obtaining 9.090 MWh of energy per year. As part of the energy efficiency project, a project was implemented to decrease energy consumption by 327.901 kWh/year, with the automation of the temperature – and humidity – control system in the production room.
- In the Cold Cuts Business, in the Caloto plant, made a change in the fuels in the boilers, with which a reduction in the thermal energy consumption indicator (kWh/t.p.) was achieved in the boilers of 11% and the reduction of associated emissions by 256 tons per year of CO_2 – eq.
- In the Chocolate Business, in the Rionegro plant, reverse – osmosis equipment was installed to improve the quality of water in the boiler, generating savings of 1.734 MWh/year, equal to 2,8% of energy consumption in the plants.
- In the Ice Cream Business, in the plant in Bogotá, we have increased the efficiency of the heat exchangers in the ice cream molding machines, with an effect on temperature and a reduction in energy consumption.

As part of the "Innovative Success Stories" program, our employees have presented savings and energy efficiency initiatives in production processes. We wish to highlight that the sum of these individual initiatives bring great benefits to the Organization. We also wish to highlight the importance of the environmental impact on the practices implemented, which reinforces

The Pasta Business standardized the mould – washing process, achieving savings in water consumption, the *Pastas Doria* Plant; Bogotá, Colombia.

the individual and collective commitment to environmental awareness and the sustainability of the businesses.

WATER CONSUMPTION

Following the Environmental Policy for the rational use of resources, we have developed programs to motivate the efficient use and savings in water consumption. There was a decrease of 3,9% in the water consumption indicator per ton produced (m^3/t.p.). This is an important result in line with the corporate goal of achieving a 15% reduction in the 2010 – 2015 period.

Examples of some initiatives implemented in the businesses, which have optimized water use efficiency are:

- In the Ice Cream Business plant in Bogotá, the washing system and the unmolding of the ice cream molding machines was automated, achieving an annual reduction of 4.416 m^3 of water.
- In the Cold Cuts Business plant in La Ceja, the grain process was optimized, obtaining a savings of 1.948 m^3 of water per year, which equals 4,2% of the plant's total water consumption.
- In the Coffee Business Ibagué plant, an on line softened water conductivity control was implemented, which reduced water consumption in the backwash process by 38,4%.
- In the Pasta Business, through the standardization of the mold washing process, control was carried out on the consumption of drinking water and a savings of 369 m^3 over the previous year was achieved.

Within the "Innovative Success Stories" Program, our employees presented different ideas related to the optimization of water use in cleaning processes and in the recuperation of water used for secondary processes. We permanently reinforce efficient water use to our employees in their personal and family daily activities through different programs in our plants.

Our operations have safe supply sources provided by the public utility companies and, in some cases, with supply from water sources permitted by environmental authorities. We believe that we have operations that do not have supply risks and the volumes required in the different installations are low in relation to demand and volume available.

Ratifying our commitment to efficient water use, the project was begun to calculate our corporate "Water Footprint" for industrial operations in Colombia; in a later phase, this will be done in our operations overseas. This calculation is made based on international methodologies and the management of direct and indirect risk associated with handling water resources. We will then formulate sustainability strategies and policies for the water resource. This project is being developed with advice from GAIA, the Colombian partner of Waterfootprint Network.

CLIMATE CHANGE

To calculate direct (scope 1) and indirect (scope 2) emissions, we use the WRI y WBCSD* references of the Greenhouse Gas (GHG) Protocol and the NTC – ISO 14064 – 1 Guideline, which details the principles and requirements to design, develop and manage GHG inventories.

Continuing with the GHG study begun in 2010, with advice from LOGyCA and The Center for Transportation and Logistics (CTL) at the Massachusetts Institute of Technology (MIT), the businesses completed the study to measure emissions for the 2009 – 2011 period in the industrial operations in Colombia. This information was validated by GAIA *Servicios Ambientales*. The results of the total direct and indirect emissions indicator in 2010 and 2011 are the following:

* WRI. World Resources Institute. WBCSD World Business Council for Sustainable Development.

Heating coils in the demolding tank, *Meals de Colombia* Plant; Bogotá, Colombia.

DIRECT AND INDIRECT GHG EMISSIONS

	2011	2010
Direct Emissions kg CO2-eq. / t.p.	113,9	116,4
Indirect Emissions* kg CO2-eq. / t.p.	21,1	40,3

Reverse – osmosis equipment, the C*ompañía Nacional de Chocolates* Plant; Rionegro, Colombia.

The shell – washing system, the *Compañía Nacional de Chocolates* Plant; Rionegro, Colombia.

For Scope 1 – direct emissions – there was a reduction of 2,1% in the emission indicator per ton produced, due to the energy-efficiency processes in the use of fuels and programs developed to control the refrigerating gases used.

With regard to Scope 2, the carbon emissions due to the use of electricity presented a reduction of 47,7% between 2010 and 2011. This is explained because the indirect emissions for energy use, which depends on the emission factor of the country's generation system, passed from 0,185 $kgCO_2eq./kWh$ to 0,103 kgCO2eq./kWh, due to the high use of hydroelectric energy in the national transmission system, associated with the strong rainy season Colombia suffered last year.

In the *Setas Colombianas* business, a study was carried out with the University of Antioquia through the Interdisciplinary Group for Molecular Studies (G*rupo Interdisciplinario de Estudios Moleculares,* GIEM, for its initials in Spanish) and *Delta Cambio Climático* to calculate the GHG. The measurement identified that 14.190 tons of CO_2 eq. are emitted; however, several agro – business sub – products are used, which, handled in processes different from composting, emit 38.055 tons of CO_2 equivalent into the atmosphere, so that the net balance of the emissions is positive by 23.865 tons of CO_2 eq.

Internationally, the GHG measurement in the Chocolate Business plants in Mexico, Peru and Costa Rica, and in the Biscuit Business in Costa Rica. There was a 2010 calculated value of 14.293,6 tons of CO_2 eq., of which 63% correspond to direct emissions and 37%, indirect.

We highlight the Chocolate Business initiative, which – in partnership with the country's cocoa sector, is conducting the Cocoa for the Future (*Cacao Para el Futuro*) Program. This project includes the establishment of 29.388 tons of CO_2 equivalent per year and is in the process of validation and certification with SOUTH POLE. Similarly, the development of the Experimental Cocoa Farm has the potential of establishing 2.686 tons of CO_2 eq. As indicated on the Management and Sustainability Report, we have adjusted *Grupo Nutresa*'s corporate strategy to become the companies with the greatest impact in foreign markets, which led the strategy of offsetting their emissions.

Calculating the Carbon Footprint of Products

During 2011, the Cold Cuts, Biscuit, Chocolate and Coffee Businesses developed the calculation of the carbon footprint of the leading products in their portfolios, adopting a life-cycle approach and using the PAS2050:2008 methodology. This calculation will evaluate

COP 11.913 million

was our investment in Integrated Environmental Management.

The wastewater – treatment plant, *Molino Santa Marta*; Santa Marta, Colombia.

the environmental performance of the products, define strategies of differentiation for the consumer and identify opportunities for reduction and savings in their life cycle. In 2012, this topic will be dealt with as a corporate project with coverage in all businesses.

CONTROL OF EMISSIONS

The businesses have implemented environmental-control systems in their processes, which enable compliance with the standards required by regulations related to the emission limits for particulate matter and gases into the atmosphere. In the case of external heating equipment (boilers and furnaces) a reduction of -66,1% in particulate matter, -0,12% in sulfur dioxide (SO_2) and -5,0% in nitrogen oxides (NO_x) was achieved.

WASTE GENERATION

There was a reduction in the indicator of total waste generation of 8,0% per ton produced. At the same time, continuing with the programs of integrated waste management, we were able to reach an 86% utilization of the waste generated, an increase of 6,2% over the previous year.
Of the total waste generated, 49% are usable and marketable; 36,5% are considered usable organic waste; and 13,5% are unusable ordinary waste. Of the waste generated, 1% is characterized as hazardous, and which are disposed of in accordance with current regulations.

EFFLUENCE

Special priority is given to controlling sewage discharges and the businesses have implemented continuous improvements in their wastewater- treatment plants. The consolidated value of the discharged organic load is 0,94 kg/t.p. In this case, as examples we wish to highlight the reduction of the organic load in the Chocolate Business Rionegro plant, through treatment conducted in wetlands; in the Cold Cuts Business Caloto plant, the installation of a flotation cell that enhances the removal of fats and oils by 26,7%; and a treatment plant in Hermo, Venezuela, which improved the removal of the organic and nutrient load.

ENVIRONMENTAL EXPENDITURES AND INVESTMENTS

We made investments in Comprehensive Environmental Management in the amount of COP 11.913 million. The major items were in the Cold Cuts Business (COP 4.114 million), Coffee (COP 3.581 million) and Chocolates (COP 2.118 million), mainly focused on controlling discharges, reducing emissions into the atmosphere and integrated waste management. The expenditures and investments made in the last five years total COP 45.829 million.

OUR ENVIRONMENTAL CULTURE

The businesses engage in environmental awareness with their employees through educational workshops and teaching, focused on developing a responsible, harmonious relationship with the environment, not only through industrial processes, but also in daily life at home and in the community. In all internal communications, there is an ongoing disclosure about the creation of an environmental culture. A significant number of ideas have been proposed by employees, 118 of which materialized as environmental "Innovative Success Stories."

In the *Grupo Nutresa* companies, the implementation of the TPM (Total Productive Management) program has been one of the most important tools of continuous improvement. A cornerstone of this methodology is SHE (Safety, Health and Environment), which seeks to ensure environmental management in all processes and projects, which creates a high level of awareness in the nearly 4.900 employees directly involved with the implementation of TPM.

In the corporate world, we have developed a process of awareness and outreach with key direct suppliers to prioritize the Sustainable Development policy framework and environmental policies, as a criterion that prioritizes and evaluates *Grupo Nutresa* in its decisions to select suppliers.

ENVIRONMENTAL INCIDENTS AND COMPLIANCE WITH REGULATIONS

During 2011, there were no incidents that could cause damage to the environment or decisions by environmental authorities regarding non-compliance with environmental regulations in the countries where we operate. In the Pasta Business plant in Mosquera, the environmental authorities indicated a different treatment to the wastewater that was to be discharged in an irrigation district. We proceeded to suspend the effluence and made the necessary adjustments to save the treated wastewater and dispose of it with an authorized agent who uses it to hydrate the compost heaps.

ACADEMIC, LABOR UNION AND STATE RELATIONSHIPS

We wish to highlight the relationships the businesses have with several academic centers and universities on issues of environmental management and sustainable productive projects, as well as teaching and training students with executives from our Organization, who have given conferences and attended events on various sustainability and strategy topics.

Compañía Nacional de Chocolates participated in and was selected as an eligible company in Colciencias' 535 Summons, which seeks to encourage the employment of professionals with Ph.D. degrees.

We actively participate in the National Association of Industrialists of Colombia (*Asociación Nacional de Empresarios de Colombia*, ANDI) National and Regional Environmental Committee, the stage to share experiences and problems related to the environmental management of companies and their relationship with the Government. A particular case was the active participation in the public consultation on the new national regulation on effluence, carried out by the Ministry of Environment and Sustainable Development through this association. Similarly, we have an active relationship with the Office of the District Department of Environment in Bogotá, the Valle de Aburrá Metropolitan Area, the Regional Autonomous Corporations and the Ministry of Environment and Sustainable Development.

The *Loma Quita Espuela* Science Reserve is the most important stronghold of cloudy rain forest in the Dominican Republic; it is located in the northeast region of the country. *Helados Bon, Grupo Nutresa*'s Ice Cream Business company in this country has sponsored an area of the Loma since 1993, carrying out reforestation campaigns with its employees, clients and suppliers, thus contributing to the generation of more than 450 hectares of degraded area. In 2011, more than 5.000 trees were planted. As the *Loma Quita Espuela* forest regenerates, it helps the conservation of *Bicknell's Thrush*, a bird that migrates there in winter from Canada.

Recognitions

LEADERSHIP AND CONTRIBUTIONS TO ECONOMIC DEVELOPMENT

Solidarity Entrepreneur of 2010, Mr. Jesús Moreno, President of *Helados Bon's* Board of Directors
March 2011

The Global Compact Network recognized the contribution of Mr. Jesús Moreno, President of *Helados Bon's* Board of Directors, for his actions in the rescue and protection of important forest areas in the Dominican Republic. This award was presented in the context of the First Business Summit organized by the Global Compact Network in the Dominical Republic.

América Economía: Grupo Nutresa in the Multi – Latin Ranking
April 2011

In the prestigious international Journal *América Economía*, which discloses the Multi-Latin classification of companies in the region, *Grupo Nutresa* was ranked number 18, up four positions over 2010. The methodology for the ranking is based on measuring the globalization of business, taking into account assets, investments and human resources outside the country of origin of the companies analyzed.

Litoempaques Occupied First Place in the *Andigraf* Contest
September 2011

In the XXV version of "The Best of the Year in Colombian Graphic Communications," held by the National Association of Graphic Printers (*Asociación Nacional de Impresores Gráficos, Andigraf*), *Litoempaques*, the Biscuit Business company dedicated to the production and marketing of tin cans, occupied first place in materials other than cellulose derivatives and polymers, with its *Zea Diseños* coasters.

Entrepreneurship Award from Endeavor Global, Ernst & Young and Dinero Magazine
October 2011

Endeavor Global, a leader in the global movement to catalyze long – term economic growth, by selecting, mentoring and accelerating the best high – impact entrepreneurs around the world, together with Ernst & Young, the international consulting firm, and *Dinero* Magazine, awarded outstanding Colombian entrepreneurs. Carlos Enrique Piedrahíta A., *Grupo Nutresa* S.A. Chief Executive Officer, received the award in the Entrepreneur Executive Category.

Grupo Nutresa, the First Company in Integrity in Colombia According to the Study by Reputation Institute and Goodwill Communications S.A.
October 2011

Reputation Institute, a global consulting and research firm specializing in corporate reputation, together with the Colombian firm *Goodwill Comunicaciones S.A.*, conducted the RepTrack Pulse Colombia 2011 study, which assesses business reputation.

Grupo Nutresa occupied first place in the Integrity Dimension and ranked among the top six most reputable companies in Colombia. The 100 largest companies, based on their sales and visibility, participated in this study.

MERCO Reputation Monitoring 2011: *Grupo Nutresa* Is Consolidated among the Top Three Most Reputable Companies in the Country
November 2011

In the *MERCO* Business and Leaders Monitor 2011 – Colombia, *Grupo Nutresa* ranked third among the most reputable companies in the country, ratifying its position of the previous year. In turn, the study disclosed the ranking of the companies chosen for their responsibility according to their ethical behavior, transparency and good corporate governance, contribution to the community, commitment to the environment and climate change, and behavior with employees. *Grupo Nutresa* formed part of the five companies most recognized for their responsibility.

In the measurement of leaders, included in this monitor, Carlos Enrique Piedrahíta A., *Grupo Nutresa S.A.* Chief Executive Officer, was elected among the five most reputable business leaders in Colombia.

Dealers in Costa Rica Recognize *Pozuelo* in Distribution
December 2011

In Costa Rica, the *Cámara Nacional de Comerciantes, Detallistas y Afines, CANACODA*, recognized *Compañía de Galletas Pozuelo* for its excellence, service and punctual delivery for better distribution.

RESEARCH

Colciencias Recognizes *Colcafé's* R&D Center as a Research Group
September 2011

Recognition for *Colcafé's R&D* Center as a 2011 Research Group in Science, Technology and Innovation, according to *Colciencias' 532* Summons.

Recognition from the Office of the Mayor of Medellín for Research Led by the University of Antioquia, with the Participation of *Vidarium*
October 2011

In its event to recognize research processes in the city, the Office of the Mayor of Medellín, Colombia, in the category "Most Significant Research 2010 – 2011" rewarded the work "Metabolic Syndrome in Overweight Youth: Identifying Risk Factors and Evaluation of an Intervention," led by the University of Antioquia and *Vidarium*, *Grupo Nutresa*'s Research Center in Nutrition, Health and Wellness.

HUMAN TALENT MANAGEMENT

CINCEL Highlights *Compañía Nacional de Chocolates'* Climate Management and Quality of Work Life
Abril de 2011

After measuring organizational climate, *Compañía Nacional de Chocolates* was recognized by the Organizational Behavior Research Center (Centro de Investigación en Comportamiento Organizacional, CINCEL) for having obtained first place in the organizational climate "Retribution" variable and in the "Willingness to Effort" quality of work life indicator, among a total of 98 companies evaluated by this Research Center.

APA SURA Recognition of *Compañía Nacional de Chocolates* and *Meals de Colombia*
May 2011

Compañía Nacional de Chocolates formed part of the "World Class" Companies for its comprehensive risk management relating to occupational health, extending relationships with quality, environmental care and surrounding communities. The company ranked among the top three companies in the Antioquia and *Eje Cafetero* zone and the top five in the country. Meanwhile, *Meals de Colombia* was awarded Second Place in the *ARP SURA 2009* – 2010 EXCELLENCE AWARD, Central Region, in the Category for Best Occupational Health Management.

MERCO Colombia People Monitor: *Grupo Nutresa* Elected in Second Place for the Best Companies to Work
October 2011

The *MERCO* Colombia People Monitor, which makes annual measurements on human resource management, in its 2011 edition applied the survey to more than 6.500 people among groups of workers, university students, graduates from business universities and the public in general, to determine which companies are the best for work. In the results, *Grupo Nutresa* stood out as number two in Colombia and as the best in the food sector. In turn, we were recognized as the first company in human resources management practices, by human resource directors of companies in Colombia.

ENVIRONMENTAL MANAGEMENT

Alimento Cárnicos Committed to HP Planet Partners
October 2011

Hewlett Packard Colombia recognized the work of *Alimentos Cárnicos* as a partner in the HP Plantet Partners, which collects printing supplies, for its commitment to the environment.

Compañía Nacional de Chocolates and *Colcafé* Recognized in the Environmental Excellence, Generating Sustainable Development Program
December 2011

Compañía Nacional de Chocolates and Colcafé plants in Bogotá were exalted for their participation in the District Environmental Excellence Program (*Programa de Excelencia Ambiental Distrital, PREAD*) by the Office of the Mayor of Bogotá and the Office of the District Secretary of Environment. The *Compañía Nacional de Chocolates* continued in the category of "Elite Generating Sustainable Development" and obtained second place in the summons. Meanwhile, the *Colcafé* factory in Bogotá was recognized in the "Environmental Excellence" category and took third place.

Compañía Nacional de Chocolates Classified as Great Leader Progress for its Environmental Commitment
January 2012

For its management in 2011, Compañía *Nacional de Chocolates* was classified by the *Corporacion Autónoma Regional Rionegro – Nare – CORNARE*, as Great Leader Progress for its environmental commitment, obtaining a superior ranking in which the implementation of environmental leaders as outreach support in all areas of the Company is highlighted, along with measuring the carbon footprint in its *Chocolatinas Jet, Santander* and *Chocolisto* products and taking action to mitigate it, the energy savings project, the use of natural gas, natural lighting and its commitment as a signatory of the Global Compact.

SOCIAL RESPONSIBILITY WITH THE COMMUNITY

The IDB Recognizes the Support of *Productos Alimenticios* Doria for its Social Programs
October 2010

As part of the Inter American Development Bank's fundraising event, held in Colombia, the President of IDB Families thanked *Doria* for its support for the social programs that this institution carries out in the country.

The *Grupo Nutresa* Volunteer Network Awarded by the International Association for Volunteer Effort, IAVE
December 2011

IAVE Colombia, the entity that forms part of the International Association for Volunteer Effort (IAVE) recognized the *Grupo Nutresa* Volunteer Network, made up of more than 9,000 volunteers, for its "Full Volunteer Life" program, in the category of Corporate Volunteers.

DEVELOPMENT OF SUPPLIERS

May de 2011

In 2011, *Compañía Nacional de Chocolates* received the "Recognition for Commitment to Rural Agricultural Development" from the Office of the Governor of Antioquia, for its efforts to benefit the cocoa sector.

COMMERCIAL AND MARKETING MANAGEMENT

Chocolate Santander Received the Great Taste Award Gold International Award
March 2011

Compañía Nacional de Chocolates' Santander Coffee Bits 70% and *Santander* 53% received recognition from the British organization The Guild of Fine Food for its quality and taste with the "Great Taste Award Gold". *Chocolate* experts elected Chocolate Santander 53% as the best dark chocolate bar and *Chocolate Santander* Coffee Bits as the best chocolate bar with coffee.

Superior Taste Award, for *Ducales* in the Remarkable Category
May 2011

The International Taste Quality Institute (ITQI), an Organization of chefs and sommeliers dedicated to tasting, evaluating and promoting foods and beverages, awarded in Belgium the "Superior Taste Award" to the Ducales brand, in the "Remarkable Category." A jury of 120 chefs and food experts recognized its excellent appearance, aroma and texture, which reaffirms the unique, distinct flavor of the *NOEL* crackers with the "Secret Touch."

Jet, Prominent among the Twelve Most Successful Products in Marketing History in Colombia
August 2011

According to the results of the study conducted by Marketing Metrics and Wharton University in the United States, *Jet,* a Compañía Nacional de Chocolates brand was included among the iconic products in Colombia. The valuation parameters included being in vogue for more than five decades, national coverage, a leader in its category, being remembered by all age grouns, being 100% Colombian and costing less than COP 5.000.

Chocolisto, Best Disney Licensee in Colombia with "Cars" and the Best Website for Children, Chosen by P&M Magazine
October 2011

L&M, *Licencias y Mercadeo*, representatives in Colombia for the Disney products and Brands, awarded its licensees in the Country. *Compañía Nacional de Chocolates* was invited along with 120 licensees and retailers participating in the different categories, and obtained recognition as "Best Distribution Licensee" with the release of the *Chocolist Card.*

Through an online contest, the publication *Publicidad y Mercadeo de Colombia*, *P&M*, ranked the *Chocolisto* Website as the "Best Website for Children," taking top spot with 14.000 votes.

The *Jet* Brand Received the FIP Gold Award
November 2011

In the *Festival Iberoamericano de Promociones & Eventos* – FIP – which awards new marketing tools for the quality and originality of campaigns, gave the FIP Gold Award to the *Jet* brand in the category of "Street Marketing," for the activation of the "*Jet* with Explorers for the *Jet* Album."

Zenú Is the Second Brand in Colombia that Most Colombian Consumers Love and One of the Mose Valuable, According to Two Studies Conducted by Independent Firms
December 2011

According to the *Top of Heart* study conducted by Marketing Metrics in Colombia and published in Dinero, the Cold Cuts Business Zenú brand was noted for being among the top brands. *Top of Heart* measures the brands most loved by consumers and the closest brands.

In turn, *Zenú* stood out as one of the most valuable brands in Colombia, occupying sixth place in the food sector, according to the study conducted by the independent company Compass Brand, which conducts this ranking of brands each year.

Comercial Nutresa Elected by Grupo Éxito as *"Best Supplier" in the Category of Mass Consumption Products.*
November 2011

The scheme of collaboration that has taken place between *Grupo Éxito* and *Comercial Nutresa* consists of winning logistics processes, a demanding, committed business dynamic and development of innovations aimed at mutual benefits. This effort was recognized by the Colombian chain *Éxito*.

The *Carrefour* Chain in Colombia Distinguished *Comercial Nutresa* as its "Best Commercial Partner"
December 2011

The award, handed out by *Carrefour*, was given in the Rancho category, the most important recognition the chain awards. The Comercial Nutresa management aspects highlighted include the implementation of the "Account Team" model, the joint definition of business objectives and plans, the development of collaboration processes – logistics and connectivity – and team work with *Carrefour*.

Cold Cuts Business Companies Recognized as the "*Carrefour* Best Commercial Partner"
December 2011

The *Alimentos Cárnicos S.A.S.* and *Industrias Alimentos Zenú S.A.S.* Companies in the Cold Cuts Business received Recognition as Carrefour Best Commercial Partner. The distinction emphasized the specialized attention structure of the "Account Team" commercial team, under the leadership of Key Account Managers and the Channel Directors. Among the aspects evaluated optimization of human talent, strong brand positioning, development and innovation of technology tools, comprehensive and differentiated value propositions in the supply chain, execution of comprehensive projects to ensure capturing opportunities, growth and differentiation.

La Recetta Obtained the *ASOTELCA* Best Hotel Supplier Award
May 2011

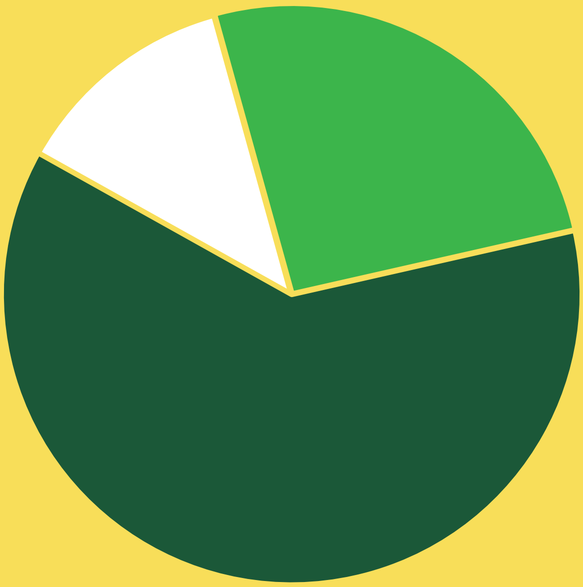
The Colombian Association of Cartagena Hotels, ASOTELCA, awarded first place to *La Recetta* for its outstanding work as a hotel supplier in this Colombian tourist city, by providing comprehensive solutions and contributing to the development of the culinary culture of the hotel sector.

La *Recetta*, Awarded by the *La Barra* Magazine, by Election by Voted of the Representatives of the Institutional Sector in Colombia
May 2011

La Barra, the Colombian publication specializing in the food sector, awarded La Recetta in the area of innovation for its constant development of new products and specialized services for the sector and for improving existing products. It recognized the company's ability to adapt its portfolio to specific client needs, and in packaging, presentations, composition and resistance highlighted its differentiation for the institutional market. Also, the company obtained first prize as "Best Supplier in the Category: Dairy" and occupied second place in "Most Comprehensive Supplier of the Year" and "After – Sales Service", consolidating La Recetta as leader in the institutional channel. The winning companies were chosen by a vote of 600 people from this sector.

Financial Statements

Consolidated Financial Statements



FISCAL AUDITOR'S REPORT

February 24, 2012

Grupo Nutresa S. A. SHAREHOLDERS

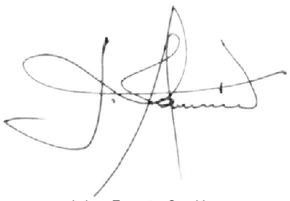
I have audited the consolidated Balance Sheets of Grupo Nutresa S.A. and its subordinate companies as of December 31, 2011 and 2010, and the corresponding consolidated Profit and Loss Statements, Consolidated Changes in the Shareholders' Equity Statements, Consolidated Changes in the Financial Situation Statements, and the consolidated Cash Flow Statements for the years ended on those dates, as well as the summary of the principle accounting policies indicated in Note 2 and other explanatory notes thereto.

The entity's administration is responsible for the adequate preparation and presentation of these financial statements, in accordance with the accounting principles generally accepted in Colombia and the provisions of the Colombian Financial Superintendent. This responsibility included designing, implementing and maintaining the relevant internal control for the preparation and reasonable presentation of the financial statements, ensuring that they are free of relatively important errors due to fraud or mistakes. The administration is also responsible for selecting and applying the appropriate accounting policies, as well as establishing the accounting estimations that are reasonable under the circumstances.

My responsibility consists of stating an opinion concerning said financial statements based on my audits. I have obtained the necessary information to perform my fiscal – auditing duties in according with accounting principles generally accepted in Colombia. These principles require that I plan and conduct an audit to obtain reasonable certainty that the financial statements are free of relatively important errors.

A financial – statement audit contemplates, among other things, following procedures to obtain auditing evidence on the values and disclosures in the financial statement. The procedures selected depend on the auditor's discretion, including the assessment of risk of relatively important errors in the financial statements. In assessing such risks, the fiscal auditor considers the entity's pertinent internal control to prepare and reasonably present the financial statements, in order to design auditing procedures that are appropriate under the circumstances. An audit also includes assessing the appropriateness of the accounting policies used and of the accounting estimations made by the entity's administration, as well as evaluating the presentation of the financial statements as a whole. I consider that the auditing evidence that I have obtained provides a reasonable basis for me to form the opinion that I state below.

It is my opinion that the above – mentioned financial statements that I have audited, which were faithfully taken from the ledgers, reasonably present, in all significant aspects, the financial situation of Grupo Nutresa S.A. as of December 31, 2011 and 2010 and its operating results, the changes in its financial situation and its cash flows for the hears ended on said dates, pursuant to accounting principles generally accepted in Colombia and the provisions of the Colombian Financial Superintendent, which were applied in a uniform manner.



Juber Ernesto Carrión
Fiscal Auditor
Professional Card No. 86122 – T
Member of PricewaterhouseCoopers Ltda.

CERTIFICATION OF THE FINANCIAL STATEMENTS

The undersigned Legal Representative and General Accountant of
Grupo Nutresa S.A.

Hereby Certify:

On February 24, 2012

That we have verified the statements contained in the financial statements of the Company as of December 31, 2011 and 2010, pursuant to applicable regulations and they have been faithfully taken from the books and reflect the financial position and results of the operations of the Company.

In accordance with the above, regarding the above – mentioned financial statements, we state the following:

1. The assets and liabilities do exist and the transactions recorded were made during the corresponding years.

2. All economic transactions that were made have been acknowledged.

3. The assets represent rights obtained by the Company, and the liabilities represent obligations that are the responsibility of the Company.

4. All elements have been acknowledged in the appropriate amounts, in accordance with generally accepted accounting principles.

5. The economic transactions that affect the Company have been correctly classified, described and disclosed.

6. The financial statements and their notes do not contain defects, errors or material inaccuracies that would affect the financial situation, shareholders' equity and operation of the Company. Likewise, adequate procedures and disclosure systems and financial information control have been established and maintained, for the adequate presentation to third – party users of such information.

Carlos Enrique Piedrahita Arocha
President

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card Number 24769 – T

CERTIFICATION OF THE FINANCIAL STATEMENTS LAW 964 OF 2005

Ladies and Gentlemen
SHAREHOLDERS
Grupo Nutresa S. A.
MedellÌn

The undersigned Legal Representative of *Grupo Nutresa S. A.*

Certifies:

24 de febrero de 2012

That the financial statements and operations of the Company as of December 31, 2011 and 2010, contain no defects, inaccuracies or errors that prevent knowing the true financial situation of the Company.

This is stated to comply with Article 46 of Law 964 of 2005.

As evidence, this is signed on the 24th day of the month of February, 2012.

Carlos Enrique Piedrahíta Arocha
President

CONSOLIDATED BALANCE SHEET

On December 31
(Values expressed in COP Million)

	NOTES	2011	2010
ASSETS			
Cash and cash equivalents	(4)	$ 193.087	$ 133.389
Net debtor accounts	(5)	629.188	568.234
Net inventory	(6)	601.866	553.016
Deferred assets and other assets	(7)	34.453	52.187
TOTAL CURRENT ASSETS		**$ 1.458.594**	**$ 1.306.826**
Non - Current Assets			
Net permanent investments	(8)	329.071	330.481
Debtor accounts	(5)	21.443	18.022
Net property, plant and equipment	(9)	1.009.855	988.793
Net intangible assets	(10)	900.384	853.564
Deferred assets and other assets	(7)	114.271	31.717
Valuations	(20)	4.097.551	4.555.288
Total non - current assets		**6.472.575**	**6.777.865**
TOTAL ASSETS		**$ 7.931.169**	**$ 8.084.691**
LIABILITIES			
Current Liabilities			
Financial obligations	(12)	$ 54.652	$ 259.639
Suppliers	(13)	163.168	165.155
Accounts payable	(14)	217.086	208.876
Taxes, levies and rates	(15)	95.488	68.247
Labor obligations	(16)	89.949	78.624
Estimated liabilities and allowances	(17)	12.708	11.540
Deferred charges and other liabilities	(18)	5.031	1.983
Total Current Liabilities		**$ 638.082**	**$ 794.064**
Non - Current Liabilities			
Financial obligations	(12)	$ 624.946	$ 866.687
Accounts payable	(14)	158	162
Taxes, levies and rates	(15)	37.334	0
Labor obligations	(16)	6.480	9.763
Estimated liabilities and allowances	(17)	20.900	20.111
Deferred charges and other liabilities	(18)	112.430	58.990
Total Non - Current Liabilities		**802.248**	**955.713**
TOTAL LIABILITIES		**$ 1.440.330**	**$ 1.749.777**
MINORITY STAKE		**16.209**	**11.268**
Equity			
Company stock		$ 2.301	$ 2.176
Capital surplus		546.831	24.457
Reserve	(19)	942.473	836.800
Revaluation of assets	(19)	735.002	765.036
Financial statement conversion effect	(3)	(101.048)	(117.715)
Fiscal period results		253.511	263.239
Valuation surplus	(20)	4.095.560	4.549.653
Total Equity		**6.474.630**	**6.323.646**
TOTAL LIABILITIES + EQUITY + MINORITY STAKE		**$ 7.931.169**	**$ 8.084.691**
Memorandum accounts			
Debtor memorandum accounts	(11)	$ (3.298.126)	$ (1.741.623)
Creditor memorandum accounts	(11)	1.889.094	1.951.154

The notes are an integral part of the consolidated financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

Grupo nutresa

CONSOLIDATED PROFIT AND LOSS STATEMENT

From January 1 to December 31
(Values expressed in COP Million)

	NOTES	2011	2010
Operating Income	(21)	$ 5.057.383	$ 4.458.858
Sales cost		(3.030.202)	(2.587.908)
Gross Profit		2.027.181	1.870.950
Operating Expenses for:			
Administration	(22)	(250.061)	(212.941)
Sales	(23)	(1.221.302)	(1.103.652)
Production	(24)	(123.323)	(121.613)
Operating Profit		432.495	432.744
Net Other Income (Other Outlays)			
Income from dividends and financial income	(25)	105.789	81.216
Financial expenses	(26)	(152.968)	(150.930)
Net other income (outlays)	(27)	(15.748)	(22.036)
Total Non - Operating Other Income (Outlays)		**(62.927)**	**(91.750)**
Profit before Allowance for Estimated Income Tax and Minority Stake		**369.568**	**340.994**
Allowance for estimated income tax:	(15)		
Current		(76.893)	(70.002)
Deferred		(37.026)	(6.991)
Profit before Minority Stake		**255.649**	**264.001**
Minority Stake		(2.138)	(762)
Net Profit		$ **253.511**	$ **263.239**
Net Profit Per Share (in COP)		550,96	604,98

The notes are an integral part of the consolidated financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY STATEMENTS

From January 1 to December 31
(Values expressed in COP Million)

	Capital	Stock - Placing Bonus	Reserves: Mandatory Reserve	Reserves: Occasional Reserve	Reserves: Total Reserves	Revaluation of Equity	Effect for Conversion of Financial Statements (Note 3))	Fiscal Period Income	Surplus for Valuations	Total Equity
Balances as of December 31, 2009	2.176	24.457	121.355	630.356	751.711	796.374	0	213.274	3.598.637	5.386.629
Declared dividends					0			(141.030)		(141.030)
Transfer to drofits and reserves			66.066	18.400	84.466			(84.466)		0
Appropriation tax on equity					0	(10.835)				(10.835)
Adjustment for valuation and other concepts				623	623	(20.503)		12.222	955.371	947.713
Minority stake					0				(4.355)	(4.355)
Adjustments for conversion of financial statements					0		(117.715)		0	(117.715)
Net income in 2010					0			263.239		263.239
Balances as of december 31, 2010	2.176	24.457	187.421	649.379	836.800	765.036	(117.715)	263.239	4.549.653	6.323.646
Stock issue	125	522.374			0					522.499
Declared dividends					0			(154.582)		(154.582)
Transfer to profit and reserves			14.493	94.164	108.657			(108.657)		0
Appropriation tax on equity					0	(18.549)				(18.549)
Adjustment for valuation and other concepts				(2.984)	(2.984)	(11.485)			(457.737)	(472.206)
Minority stake					0				3.644	3.644
Adjustments for conversion of financial statements							16.667			16.667
Net income in 2011					0			253.511		253.511
Balances as of december 31, 2011	2.301	546.831	201.914	740.559	942.473	735.002	(101.048)	253.511	4.095.560	6.474.630

The notes are an integral part of the consolidated financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

CONSOLIDATED STATEMENT OF CHANGES IN THE FINANCIAL SITUATION

From January 1 to December 31
(Values expressed in COP Million)

FINANCIAL RESOURCES PROVIDED FROM:	NOTES	2011	2010
NET PROFIT		**$ 253.511**	**$ 263.239**
Plus (minus) debits (credits) to operations that do not affect the working capital:			
Depreciations	(28)	95.192	90.165
Amortization of intangible assets, deferred assets and other assets	(29)	40.444	33.331
Amortization of retirement pensions		346	612
Net (profit) loss in sales, withdrawal of investments and property, plant and equipment		236	(151)
Net (profit) loss in sales, withdrawal of investments and property, plant and equipment	(33)	(19.021)	253
Minority stake		2.138	762
Effect for conversion and other equity variations		(17.439)	(129.568)
FINANCIAL RESOURCES PROVIDED FROM OPERATIONS		**355.407**	**258.643**
Plus:			
Issue and stock - placing bonus	(32)	522.500	0
Income obtained from disposal of property, plant and equipment	(33)	16.414	3.766
Income obtained in the disposal of permanent investments		12.817	1.739
Transfer of portfolio investments to economically tied companies		0	9.291
Decrease in deferred assets and other long - term assets		0	11.200
Increase in long - term financial obligations and other credits		0	62.074
Increase in taxes, levies and rates		37.334	0
Increase in long - term labor obligations		0	8.386
Increase in estimated liabilities and allowances		443	849
Increase in deferred liabilities and other liabilities		53.440	0
Increase in minority stake		4.941	7.657
FINANCIAL RESOURCES PROVIDED BY SOURCES OTHER THAN OPERATIONS		**647.889**	**104.962**
TOTAL FINANCIAL RESOURCES PROVIDED		**1.003.296**	**363.605**
FINANCIAL RESOURCES USED FOR:			
Declared dividends	(31)	154.582	141.030
Acquisition of permanent investments		725	4.821
Goodwill acquired	(1)	71.114	114.709
Acquisition of intangible assets and deferred assets		25.695	19.675
Acquisition of property, plant and equipment and other assets	(30)	128.228	138.456
Decrease in long - term financial obligations		241.740	0
Decrease in long - term labor obligations		3.283	0
Decrease in long - term accounts payable		4	3.313
Decrease in long - term deferred liabilities and other liabilities		0	647
Increase in long - term debtor accounts		3.421	5.422
Increase in long - term deferred assets and other assets		52.477	0
Appropriation for equity tax		18.549	10.835
TOTAL FINANCIAL RESOURCES USED		**699.818**	**438.908**
Working Capital Received through Acquisition of New Companies	(1)	**4.272**	**27.773**
INCREASE (DECREASE) IN WORKING CAPITAL		**$ 307.750**	**$ (47.530)**

The notes are an integral part of the consolidated financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

CONSOLIDATED ANALYSIS OF CHANGES IN WORKING CAPITAL (CONTINUED)

From January 1 to December 31
(Values expressed in COP Million)

FINANCIAL RESOURCES WERE PROVIDED BY:		2011		2010
INCREASE (DECREASE) IN CURRENT ASSETS				
Cash and cash equivalents	$	59.698	$	(19.183)
Debtor accounts		60.954		57.305
Inventories		48.850		58.896
Deferred assets and other assets		(17.734)		(1.618)
TOTAL INCREASE IN CURRENT ASSETS	**$**	**151.768**	**$**	**95.400**
DECREASE (INCREASE) IN CURRENT LIABILITIES				
Financial obligations		204.987		(49.095)
Suppliers		1.987		(40.885)
Accounts payable		(8.210)		(70.738)
Taxes, levies and rates		(27.241)		9.897
Labor obligations		(11.325)		4.235
Estimated liabilities and allowances		(1.168)		3.125
Deferred liabilities and other liabilities		(3.048)		531
TOTAL DECREASE (INCREASE) IN CURRENT LIABILITIES	**$**	**155.982**	**$**	**(142.930)**
INCREASE (DECREASE) IN WORKING CAPITAL	**$**	**307.750**	**$**	**(47.530)**

The notes are an integral part of the consolidated financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

CONSOLIDATED CASH - FLOW STATEMENT

From January 1 to December 31
(Values expressed in COP Million)

CASH FLOW PROVIDED FROM OPERATIONS:	NOTES	2011	2010
NET PROFIT		$ **253.511**	$ **263.239**
Plus (minus) debits (credits) due to operations that do not affect cash			
Depreciations	(28)	95.192	90.165
Amortization of intangible assets, deferred assets and other assets	(29)	40.444	33.331
Amortization of retirement pensions		346	612
Allowance (recovery) of allowance for property, plant and equipment and intangible assets		236	(151)
Net (profit) loss in sales and withdrawal of investments and property, plant and equipment	(33)	(19.021)	253
Recovery and/or sanctions of net debtor accounts		(2.630)	(2.285)
Allowance (recovery) of inventories		3.230	(150)
Minority stake		2.138	762
Effect of conversion and other equity variations		(17.572)	(95.717)
Payment of equity tax		(18.828)	(10.835)
Changes in operating assets and liabilities:			
Debtor accounts		(61.745)	(60.442)
Inventories		(52.080)	(58.746)
Deferred assets and other assets		17.734	12.818
Suppliers and accounts payable		1.931	106.814
Taxes, levies and rates		12.377	(9.897)
Labor obligations		8.042	4.151
Estimated liabilities and allowances		1.611	(2.279)
Deferred liabilities and other liabilities		56.488	(1.177)
Transfer of portfolio investments to economically tied companies		0	9.291
Working capital received through acquisition of new companies	(1)	3.608	18.492
NET CASH PROVIDED BY OPERATIONS		**325.012**	**298.249**
CASH FLOW PROVIDED FROM INVESTMENT ACTIVITIES:			
Acquisition of permanent investments		(725)	(4.821)
Goodwill acquired	(1)	(71.114)	(114.709)
Acquisition of property, plant and equipment and other assets	(30)	(128.228)	(138.456)
Acquisition of intangible assets and deferred assets		(25.695)	(19.675)
Income from disposal of property, plant and equipment	(33)	16.414	3.766
Income from disposal of permanent investments		12.817	1.739
NET CASH USED IN INVESTMENT ACTIVITIES		**(196.531)**	**(272.156)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Cash received for issue and stock - placement bonus	(32)	522.500	0
Dividends paid	(31)	(150.292)	(139.534)
(Decrease) increase in financial obligations		(446.728)	111.169
Increase in minority stake		4.941	7.657
NET CASH USED IN FINANCING ACTIVITIES		**(69.579)**	**(20.708)**
Net increase in cash and cash equivalents		**58.902**	**5.385**
Effect of changes in the exchange rate on cash and cash equivalents		132	**(33.851)**
Cash and cash equivalents received in acquisitions	(1)	664	9.283
Cash and cash equivalents at year opening		133.389	152.572
CASH AND CASH EQUIVALENTS AT YEAR CLOSING		$ **193.087**	$ **133.389**

The notes are an integral part of the consolidated financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended as of December 31, 2011 and 2010
(Values expressed in COP Million, except for values in USD, the exchange rate and the number of shares).

NOTE 1 » Consolidation Bases

1.1 ENTITY AND BUSINESS PURPOSE OF THE PARENT COMPANY AND OF THE GROUP COMPANIES.

Grupo Nutresa S. A. (formerly _Grupo Nacional de Chocolates S. A._) Parent Company

Grupo Nutresa S.A. is a Colombian *Sociedad Anónima* (stock company), incorporated on April 12, 1920; its main domicile is in the city of Medellín and its term expires on April 12, 2050.

The Parent Company's business purpose consists of investing in or applying resources or funds in companies organized under any form provided by law, either at home or abroad, and whose business purpose is aimed at the exploitation of any legal economic activity, or in tangible or intangible property for the purpose of safeguarding its capital.

In a decision by the Assembly of Shareholders, the company changed its name from *Grupo Nacional de Chocolates S.A.*, to *Grupo Nutresa S.A.*, according to Public Deed Number 1068, registered in the Office of the 20th Notary Public of Medellín, on April 5, 2011. The Company continues to develop its business purpose under the new name.

In 2011, a *Grupo Nutresa* strategy was to issue 25.000.000 shares in order to give the Company the resources to continue growing while maintaining prudent levels of debt and increased liquidity in the shares.

2011 ACQUISITIONS

Helados Bon S.A. and _Distribuidora Bon S.A._

On February 18, 2011, Grupo Nutresa S.A. reached an agreement with the shareholders of Helados Bon S.A. to acquire 73,11% of the company's shares. The price agreed upon for this operation was USD 38,7 million.

Helados Bon is the leading company in the ice – cream business in the Dominican Republic, with a market share of nearly 85%. The company conducts its business through the highly recognized BON brand, and a solid network of ice cream stores, freezers in the traditional channel and carts in its mobile channel. Additionally, BON is the "master franchiser" of Yogen Früz in the country, whose products can be found in some of the company's ice cream stores.

With this acquisition, Grupo Nutresa S.A. also became a direct and indirect shareholder in Distribuidora Bon, S. A., an affiliate of Helados Bon S. A., domiciled in Santo Domingo, the Dominican Republic, and which is dedicated to the production, merchandising and distribution of ice cream and related products.

The following is a summary of the assets and liabilities assumed on the date of acquisition of the companies::

	HELADOS BON S.A.	DISTRIBUIDORA BON S.A	TOTAL
Current Assets	$ 9.050	$ 8.284	$ 17.334
Non – Current Assets	10.887	1.826	12.713
Total Assets	**$ 19.937**	**$ 10.110**	**$ 30.047**
Current Liabilities	(5.493)	(7.570)	(13.063)
Non – Current Liabilities	(10.247)	(403)	(10.650)
Total Liabilities	**$ (15.740)**	**$ (7.973)**	**$ (23.713)**
Equity	**$ 4.197**	**$ 2.137**	**$ 6.334**
Cash	28	636	664
Working Capital	3.530	78	3.608
Goodwill Acquired	71.114	0	71.114

Merger by Absorption

On August 10, 2010, the Office of the Colombian Financial Superintendent, through Resolution 1627, approved the short – form merger whereby *Grupo Nacional de Chocolates S. A.* absorbed its subordinate companies *Valores Nacionales S. A. S. y Portafolio de Alimentos S. A. S.* Pursuant to the resolution, the merger will be completely valid as of the date on which the merger is registered in the Chamber of Commerce Mercantile Registry. Said registration was made on September 10, 2010.

The following, in relation to the subordinate companies, is the name, nationality, date of incorporation, term, main domicile and business purpose:

» *Alimentos Cárnicos S.A.S.*

This Colombian company was incorporated on August 20, 1968, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Yumbo, Provincial Department of Valle del Cauca, Colombia.

Its business purpose is to exploit industry activities related to food and/or the substances used as ingredients for food in general and, in particular, meat and/or farm livestock and produce, including the processing and utilization of animal and agricultural by – products to prepare food; to exploit farm produce and large and small livestock and the business directly related to these activities, particularly by cattle breeding, raising, fattening up and their later slaughter or live disposal; the purchase, sale, transport, distribution, import, export and trade in general of its own food and that of other manufactures. It may, furthermore, invest or apply resources or have holdings under any associative form authorized by law, the purpose of which is the exploitation of any legal economic activity, even if it is not directly related to food production or merchandising, and to conduct any other legal economic activity in Colombia and abroad

» *Alimentos Cárnicos Zona Franca Santafé S.A.S.*

This Colombian company was incorporated on October 10, 2008, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 16 2009. It has an indefinite term and its main domicile is in Cota, Provincial Department of Cundinamarca, Colombia.

The company is an industrial user of free – trade – zone goods and services; its main business purpose is the development of the following activities in the free – trade zone: to process, manufacture, purchase and sell food products and sell the sub – products and waste derived from the manufacturing processes; to provide manufacturing services of food products to third parties; to provide purchasing – management services for inputs and raw materials in the food – manufacturing industry; to provide services to reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned products. It may also provide coordination services and logistics control of inventories of food products and raw materials for third parties, classify food and raw – material products, along with loading, unloading and picking of the products and raw materials indicated. It may contract for itself and for others third – party transportation services, as well as provide invoicing services and food – product dispatch, and conduct any other legal economic activity.

» *Alimentos Cárnicos de Panamá S. A. (formerly Blue Ribbon Products S. A.)*

This Panamanian company was incorporated on January 19, 1970. It has a perpetual term and its main domicile is in Panama City, Panama.

Its business purpose is to exercise ample manufacturing –, mercantile – or financial – industry activities, as well as purchase, or acquire in other manners, hold, sell, dispose of products, objects, merchandise and materials of any kind and description, currently known or that may be described or invented in the future, through commissions or in other manners.

On June 30, 2011, the minutes of the extraordinary meeting of shareholders were formalized in which the reform of the corporate name of the company for that of Alimentos Cárnicos de Panamá S.A., and which approved the merger agreement through which Alimentos Cárnicos de Panamá S.A. (formerly Blue Ribbon Products S.A.) absorbed Ernesto Berard S.A. Pursuant to Panamanian laws, the merger was formalized on October 3, 2011.

» *Compañía de Cacao del Perú S.A.C.*

This Peruvian company was incorporated on August 23, 2006, under the name of Brent S.A.C. The company changed its name in January 2007 to *Compañía de Cacao del Perú S.A.C.* It has an indefinite term and its main domicile is in the city of Lima, Peru. The company initiated activities in March 2007.

Its business purpose is to gather, purchase, sell, market, distribute, import, export and transform agricultural products, products for human consumption and edible products of all kinds, for itself or for third parties. It is a cacao – bean merchandiser in the country.

On December 1, 2010, the short – form merger was effected, through which *Compañía Nacional de Chocolates de Perú S. A.* absorbed *Compañía de Cacao del Perú S.A.C.*

» *Compañía de Galletas Noel S.A.S.*

This Colombian company was incorporated on August 13, 1998, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simpli-*

ficada on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit food – industry activities in general and, in particular, the production or manufacture of those foods for human consumption and the substances used as ingredients in food, such as prepared cereal, flour, starches, tea, coffee, sago, chocolate, sugar, salt, honey, bakery products, cookie and cracker products and pastry products. It may also distribute and sell and trade in general the products mentioned in the above sentence, produced by the company or by other manufacturers, and the raw materials, materials or inputs used in the food – production industry, as well as distribute, sell and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.marzo de 2009, con vigencia indefinida y domicilio principal en Medellín, Antioquia.

» *Compañía de Galletas Pozuelo DCR, S.A.*

This Costa Rican company was incorporated on October 18, 2004. Its term expires on October 18, 2103, and its main domicile is in the city of San José, Costa Rica.

Its business purpose is to exercise ample activities in industry, agriculture, trade, cattle raising, construction and tourism in general and, in particular, it is devoted to the biscuit business.

» *Compañía de Galletas Pozuelo de la República Dominicana S.R.L.*

This Dominican company was incorporated on June 22, 2000. It has an indefinite term and its main domicile is in the city of Santo Domingo, the Dominical Republic.

Its business purpose is to set up, manage and implement investment, brokerage, security deposit and consulting businesses in general, and to conduct any other legal trade, business or legal activity.

» *Comercial Pozuelo Panamá S.A. (formerly Compañía de Galletas Pozuelo de Panamá S.A.)*

Incorporated on May 17, 2002, this Panamanian company has a perpetual term. Its main domicile is in Panama City, Panama.

Its business purpose is to manufacture and distribute mass – consumption food, such as biscuits, bakery products, canned goods and others; to set up and process and conduct business as an investment company in any part of the world; to purchase, sell and negotiate all kinds of food products, capital stock, securities and valuables of all kinds; to devote itself to any legal business activity that a sociedad anónima is not prohibited from conducting.

On August 12, 2011, the Certificate of Amendment to the Partnership Agreement was formalized, through which the corporate name of de *Compañía de Galletas Pozuelo de Panamá S. A.* was reformed to *Comercial Pozuelo Panamá S. A.*

» *Compañía Nacional de Chocolates S.A.S.*

This Colombian company was incorporated on October 8, 2002, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food – industry activities in general and, in particular, to produce chocolate and its derivatives, as well as to conduct business related to said industries; to distribute, sell and market the products described above, produced by the company and by other manufactures, and the raw materials, materials or inputs utilized in the food – production industry and in the production of popular – consumption foods susceptible to being distributed through the same channels. The business purpose also includes investing in or applying resources or having holdings under any associative form authorized by law, and carrying out any other legal activity.

» *Compañía Nacional de Chocolates DCR, S.A.*

This Costa Rican company was incorporated on June 29, 2004. Its term expires on June 29, 2103, and its main domicile is in the city of San José, Costa Rica.

Its business purpose is to exercise ample industry, agricultural, trade, cattle raising, construction and tourism activities in general and, in particular, it is devoted to the exploitation of the chocolate industry and its derivatives.

» *Compañía Nacional de Chocolates de Perú S. A.*

This Peruvian company was incorporated on November 13, 2006. It has an indefinite term and its main domicile is in the city of Lima, Peru.

The business purpose is to conduct industrial and agro – industrial activities in the manufacturing and merchandising of all kinds of foods and beverages, as well as all types of farm and livestock exploitation; it may also devote itself to warehousing, merchandising, distribution, export and import goods in general and, in particular, it is devoted to the industry of biscuits, chocolates and other sweets.

On December 1, 2010, the short – form merger was effected through which *Compañía Nacional de Chocolates de Perú S. A.* absorbed *Compañía de Cacao del Perú S.A.C.*

» *Cordialsa Boricua Empaque, Inc.*

This Puerto Rican company was incorporated on January 1, 2004. It has an unlimited term and its main domicile is in the city of San Juan, Puerto Rico.

Its business purpose is to market food products.

» ***Comercial Nutresa S. A. S.*** **(formerly *Cordialsa Colombia S. A. S.*)**

This Colombian company was incorporated through a private document on February 12, 2010; it was registered in the Medellín Chamber of Commerce on February 17, 2010. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct any legal activity.

On March 31, 2011, the memorandum was registered in the Medellín Chamber of Commerce in which the name of the company was changed from *Compañía de Cordialsa Colombia S. A. S.* to *Comercial Nutresa S. A. S.*.

» ***Cordialsa Costa Rica S.A.***

This Costa Rican company was incorporated on June 29, 2004. Its term expires on June 29, 2012 and its main domicile is in the city of San José, Costa Rica.

Its business purpose is to execute extensive industry, agricultural, trade, cattle – raising, construction and tourism activities in general and, in particular, it is devoted to merchandising food products.

» ***Cordialsa Honduras S.A.***

This Honduran company was incorporated on November 29, 2004. It has an indefinite term and its main domicile is in the city of Tegucigalpa, Honduras.

Its business purpose is to distribute and market food products and any other industrial, commercial activity or service related to said distribution and merchandising.

This company is currently in the process of liquidation.

» ***Cordialsa de México S.A. de C.V.***

This Mexican company was incorporated on July 15, 2002. Its term expires on July 15, 2102 and its main domicile is in Mexico City, Federal District, Mexico.

This company was liquidated in December 2011. Its business purpose was to import, export, represent, market, distribute, manufacture, do assembly work for third parties, purchase and sell all kinds of food products for human consumption.

» **Comercial Pozuelo El Salvador S. A. de C. V. (formerly Cordialsa El Salvador, S. A. de C. V.)**

This Salvadoran company was incorporated on November 25, 2004. It has an indefinite term and its main domicile is in San Salvador, El Salvador.

Its business purpose consists of distributing and merchandising food products. On November 15, 2011, a public deed was registered in the El Salvador *Centro Nacional de Registros*, through which the company name was reformed from *Cordialsa El Salvador S.A. de C. V. to Comercial Pozuelo El Salvador, S. A. de C. V.*

» ***Comercial Pozuelo Nicaragua S. A.*** **(formerly *Distribuidora Tropical Nicaragua S. A.*)**

This Nicaraguan company was incorporated on November 11, 2004. Its term expires on November 11, 2103 and its main domicile is in the city of Managua, Nicaragua.

Its business purpose is to distribute and market biscuits and, in general, the purchase and sale, export, import, pack, industrialization and merchandising of all kids of food products; import and export all kinds of merchandise and any legally tradable goods; and to enter into all kinds of contracts and contract obligations, execute any act or legal contract this is not prohibited.

The company name was changed from de *Distribuidora Tropical Nicaragua S. A.* to *Comercial Pozuelo Nicaragua S. A.* on October 20, 2011, the date on which Sentence Number 41 was inscribed in the Nicaragua Mercantile Department, and which approved the reforms to the Partnership Agreement and the company bylaws.

» ***Cordialsa Nicaragua S.A.***

This Nicaraguan company was incorporated on November 11, 2004. Its term expires on November 11, 2103 and its main domicile is in Managua, Nicaragua.

Its business purpose is to commercialize food products.

This company was dissolved and liquidated on October 31, 2011, the date on which Public Deed Number 15 was inscribed in the Nicaragua Mercantile Department, and which formalized said operation.

» ***Cordialsa USA, Inc.***

This American company was incorporated on March 22, 2004. It has an indefinite term and its main domicile is in Houston, Texas, U. S. A.

Its business purpose is to conduct any legal activity other than banking or trust activities or practice a profession allowed to be incorporated under the Texas Company Code. In particular, it is devoted to merchandising food products.

» ***Cordialsa Noel de Venezuela S.A.***

This Venezuelan company was incorporated on November 15, 1995. Its term expires on November 15, 2094, and its main domicile is in Caracas, Venezuela.

Its business purpose is to exploit food – industry activities in general, including manufacturing, sales, distribution, importing and merchandising. Likewise, it may invest or apply resources of have holdings under any associative form authorized by law.

» ***Corporación Distribuidora de Alimentos S. A., Cordialsa***

This Ecuadorian company was incorporated on February 3, 1994. Its term expires in 2045 and its main domicile is in Quito, Ecuador.

Its business purpose is to conduct food – industry activities, including exploitation, distribution and merchandising.

» *Distribuidora Bon, S.A.*

This affiliate of *Helados Bon S.A.* was incorporated on April 1, 1993, and its main domicile is in Santo Domingo, the Dominical Republic.

Its business purpose is the distribution of *BON* brand products of any nature, composition and/or condition throughout the country and abroad. It may also install, acquire, enable, maintain and rent all the equipment and supplies necessary and useful for these purposes, within the greater efficiency and technical capacity.

» *Comercial Pozuelo Guatemala S. A. (formerly Distribuidora Cordialsa Guatemala S. A.)*

This Guatemalan company was incorporated on November 18, 2004. It has an indefinite term and its main domicile is in the Provincial Department of Guatemala, Guatemala.

Its business purpose is to distribute and merchandise food products and to conduct any other industrial, trade or service activity related to said distribution and merchandising.

On December 7, 2011, the statutory reform was inscribed in the Mercantile Register of Guatemala, in which the company changed its name from *Distribuidora Cordialsa Guatemala S. A.* to *Comercial Pozuelo Guatemala S. A.*

» *Ernesto Berard S.A.*

This Panamanian company was incorporated on February 21, 1978. It has a perpetual term and its main domicile is in Chiriquí, Panamá.

Its business purpose is to manufacture fresh sausages and canned sausages made of beef, pork or chicken and to process meat products in general, as well as other associated activities.

On June 30, 2011, the minutes of the extraordinary meeting of shareholders were formalized in which the merger agreement was approved, through which *Alimentos Cárnicos de Panamá S. A. (formerly Blue Ribbon Products S. A.)* absorbed *Ernesto Berard S. A.* Pursuant to Panamanian laws, this merger was formalized on October 3, 2011.

» *Fehr Foods, Inc.*

This American company was incorporated on February 13, 1992. It has a perpetual term and its main domicile is in the city of Abilene, Texas, U. S. A.

Its business purpose is to conduct any legal activity pursuant to the laws of Texas and, in particular, produce and commercialize baked goods.

On June 29, 2011, the documents were registered before the Office of the Secretary of State of Texas, through which the fusion by absorption was approved in which *Fehr Foods, Inc.* absorbed *Fehr Holdings, LLC*; *Oktex Baking, GP, LLC, y Oktex Baking, LP*.

The absorbed companies had the following characteristics:

- **Fehr Holdings, LLC**

  This American company was incorporated on March 1, 2009. It has a perpetual term and its main domicile is in Abilene, Texas U. S. A.
  Its business purpose is to conduct any legal activity and, in particular, to invest in other companies.

- **Oktex Baking, GP, LLC**

  This American company was incorporated on October 12, 2004, pursuant to the laws of the State of Nevada. It has a perpetual term and its main domicile is in Abilene, Texas U. S. A.

  Its business purpose is to acquire stock or holdings and to act as general partner of Oktex Baking, LP, and to conduct all legal activities necessary to meet said purpose.

- **Oktex Baking, LP**

  This American company was incorporated on October 12, 2004, pursuant to the laws of the State of Oklahoma. Its term expires on December 31, 2052, and its main domicile is in Oklahoma City, Oklahoma U. S. A.

  Its business purpose is to produce and commercialize baked products.

» *Gestión Cargo Zona Franca S.A.S.*

This Colombian company was incorporated on October 10, 2008, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificad*a on March 16 2009. It has an indefinite term and its main domicile is in Cartagena, Provincial Department of Bolívar, Colombia.

The company is an industrial user of free – trade goods and services; its business purpose is principally, to develop the following activities in the free – trade zone: provide management services to purchase, import and export food products and raw materials used in the food industry in general, for third parties. Likewise, it may reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned articles. It may also provide coordination services and logistics control of imported products and raw materials for third parties, classify food and raw – material products, control inventories and customs processes, along with loading, unloading and picking of the products and raw materials indicated. It may do laboratory tests and analyses on food products and raw materials for food, as well as interpret their results.

» *Helados Bon S.A.*

This Dominican company was incorporated on August 26, 1974. It has an indefinite term and its main domicile is in the municipality of Santo Domingo Oeste, the Dominican Republic.

Its business purpose is to manufacture, pack, distribute, sell and franchise ice cream and products of this nature throughout the national territory and abroad.

» *Industrias Aliadas S.A.S.*

This Colombian company was incorporated on September 21, 1988, through Public Deed Number 4349, registered in the Office of the Second Notary Public of Ibagué. Its term expires on September 21, 2038 and its main domicile is in Ibagué, Provincial Department of Tolima, Colombia.

On April 28, 2011, Memorandum Number 28 was registered in the Ibagué Chamber of Commerce, whereby the company was transformed in a *Sociedad por Acciones Simplificada*.

Its business purpose is to purchase, sell, dry, sort and export coffee. In general, the company conducts all activities related to the coffee industry.

» *Industrias Alimenticias Hermo de Venezuela S.A.*

This Venezuelan company was incorporated on December 12, 1995. Its term expires on December 12, 2094 and its main domicile in is Caracas, Venezuela.

Its business purpose is to produce, import, exploit, and commercialize foods and products in general, and to invest resources or have holdings under any associative form authorized y law.

» Industria Colombiana de Café S.A.S.

This Colombian company was incorporated June 1, 1950, as a Sociedad Anónima (stock company) and unanimously transformed by the Assembly of Shareholders into a Sociedad por Acciones Simplificada on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to assemble and exploit coffee – industry and food – industry activities in general, and those of directly related businesses, as well as conduct any other legal economic activity

» *Industria de Alimentos Zenú S.A.S.*

This Colombian company was incorporated on August 20, 2002, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food – industry activities in general, as well as for those substances used as ingredients in foods and, in particular, meat, including the processing and utilization of by – products from beef, pork, sheep, fish and other animal species; the slaughter and preparation of large or small livestock and the purchase, sale, transport, distribution, importation and exportation of meet. It may also process meat and prepare sausages, soups, extracts, fats, canned meat, spices, condiments, dairy products, cottage cheese, eggs, and food substances for animals; the distribution, sale, importation, exportation and marketing in general of the elements mentioned above in their natural state or industrially prepared by the company or by others. In addition, it may distribute, sell, and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.

» *Industrias Noel U.S.A Co.*

This American company was incorporated on January 14, 1997. It has a perpetual term and its main domicile is in Coral Gables, Florida, U. S. A.

Its business purpose was to conduct all legal businesses pursuant to the laws of the United States and the State of Florida, especially those related to the food industry; to produce materials for human consumption; and to perform all acts necessary to fulfill its business purpose.

Industrias Noel U.S.A Co. was voluntarily dissolved on January 21, 2011.

» *La Recetta Soluciones Gastronómicas Integradas S.A.S.*

This Colombian company was incorporated on April 11, 2008, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 25, 2010. It has an indefinite term and its main domicile is in Cota, Provincial Department of Cundinamarca, Colombia.

Its business purpose is to distribute products of any nature through the institutional channel on its own behalf or for third parties; these products include mass – consumption foods and products, with its own brands or with third – party brands, as well as packaging and packing them.

» *Litoempaques S.A.S.*

This Colombian company was incorporated on March 16, 1995, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit the metal – works and packing – industry activities in general and, in particular, to produce or manufacture and/or assembly, and/or market bottles, lids and packaging made of any material and for any use. It may also do lithography work in metal or in any other base aimed at all kinds of industries; to sell, distribute, import, export and commercialize all of the above elements in general, whether produced by the company or by other manufactures, as well as the raw materials or inputs used in the metal – works industry and packing industry. It may also conduct any other legal economic activity.

» *Meals Mercadeo de Alimentos de Colombia S.A.S.*

This Colombian company was incorporated on January 29, 1964, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Bogotá, Provincial Department of Cundinamarca, Colombia.

Its business purpose is to conduct food – industry activities in general and, in particular, ice cream, dairy beverages, desserts, yoghurts, juices, refreshments, and fruit – based prepared food; to conduct business activities directly related to said industry. It general it may distribute, sell and trade the products mentioned above, produced by the company or by other manufacturers, as well as the raw materials, materials or inputs used in the food – production industry, as well as distribute, sell and trade in general popular products that are susceptible to being distributed through the same channels. It may also invest or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity..

» Molinos Santa Marta S.A.S.

Es una sociedad colombiana constituida el 18 de abril de 1980 como sociedad anónima y transformada por unanimidad de la Asamblea de Accionistas en una sociedad por acciones simplificada el 18 de marzo de 2009, con vigencia indefinida y con domicilio principal en Santa Marta, Magdalena.

Su objeto social consiste en la molturación de granos, así como el desarrollo de los negocios y actividades que se relacionen directamente con la industria molinera; y la realización de cualquier otra actividad económica lícita.

» *Novaventa S.A.S.*

This Colombian company was incorporated on October 2, 2000, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to commercialize and distribute food products, raw materials and elements used in food industries and manage specialized channels to commercialize said products and other articles that are susceptible to being distributed through the same channels. It may also provide maintenance services for equipment used to commercialize the items mentioned above, and conduct any other legal economic activity.

On December 30, 2009, Public Deed Number 4,716, registered in the Office of the Twentieth (20) Notary Public of Medellín, formalized the merger by absorption between *Novaventa S.A.S.* (the absorbing company), a company that continued to exist legally, and *Dulces de Colombia S.A.S.* (the absorbed company), a company that was dissolved without being liquidated and whose patrimony was merged to that of *Novaventa S.A.S.*

» *Pastas Comarrico S.A.S.*

This Colombian company was incorporated on November 30, 2004, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Barranquilla, Provincial Department of Atlántico, Colombia.

Its business purpose is to conduct food – industry activities in general and, in particular, to manufacture and/or commercialize flours, pastas, prepared food made from cereals and their derivatives, as well as conduct business activities directly related to said industry; and to conduct any other legal economic activity.

» *Productos Alimenticios Doria S.A.S.*

This Colombian company was incorporated on November 18, 1966, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Mosquera, Provincial Department of Cundinamarca, Colombia.

Its business purpose is to exploit food – industry activities in general and, in particular, flours and prepared foods made from cereals and their derivatives, pastas among others, and conduct businesses that are directly related to said industry. It may also distribute and, in general, market food products, raw materials and elements used in the food industry, and the manufacture of flours and preparations made from cereals and its derivatives; as well as invest or apply resources or have holdings under any legal associative form; and conduct any other legal economic activity.

» *Servicios Nutresa S.A.S. (formerly Servicios Nacional de Chocolates S.A.S.)*

This Colombian company was incorporated on April 21, 2006, as a Sociedad Anónima (stock company) and unanimously transformed by the Assembly of Shareholders into a Sociedad por Acciones Simplificada on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to provide in Colombia and/or abroad specialized business services in areas such as risk management and insurance, assistance in legal, auditing and control, accounting, tax, negotiation in purchases, financial – planning, human – resource support and development, administrative, informational technology, treasury matters and any other that can create value for its clients. In addition, to invest or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity.

On April 1, 2011, the statutory reform was registered in the Medellín Chamber of Commerce in which the name of the company was changed from Servicios Nacional de Chocolates S. A. S. to Servicios Nutresa S. A. S.

» *Setas Colombianas S. A.*

This Colombian company was incorporated on December 16, 1991. Its term expires on December 16, 2041, and its main domicile is in Medellín, Provincial Department of Department, Colombia.

Its business purpose is to exploit, cultivate, produce, process, distribute and commercialize mushrooms and, in general, food – industry products for human consumption and food for animals, and conduct business activities directly related to the food industry. It may also invest in livestock, farming and industrial units or businesses to process, exploit or distribute food products for human consumption and food for animals.

Through Public Deed Number 4161, dated December 10, 2010, registered in the Office of the Twentieth (20) Notary Public of the Circuit of Medellín, the statutory reform of *Setas Colombianas S. A.* was formalized in which the company's paid – up capital was decreased by COP 8,443,034.446 with a cash reimbursement of contributions. This reform was approved by the Assembly of Shareholders in an ordinary meeting on March 12, 2010 and was later authorized by the Office of the Financial Superintendent through Resolution 1088 dated May 31, 2010, as well as by the Ministry of Social Protection through Resolution 1870 dated November 18, 2010.

Tropical Coffee Company S.A.S.

This Colombian company was incorporated on March 31, 1950, as a *sociedad anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Santa Marta, Provincial Department of Magdalena, Colombia.

Its business purpose is to assemble and exploit coffee – industry and food – industry activities in general and to conduct directly related business activities. In addition, it can conduct any other legal economic activity.

» Nutresa S.A. de C.V.

This Mexican company was incorporated on May 8, 1981. It has a term of ninety – nine (99) years and its main domicile is in the State of Mexico.

Its business purpose is to manufacture and purchase and sell all kinds of food and nutrition products, edible foods, nutritional beverages, diet products; to do assembly work for finished and semi – finished products for third parties, using its own machinery or that of others, among others; and to conduct all activities necessary to comply with its business purpose.

» *Serer S.A. de C.V.*

This Mexican company was incorporated on May 8, 1981. It has a term of ninety – nine (99) years and its main domicile is in the State of Mexico.

Its business purpose is to manufacture and purchase and sell all kinds of food and nutrition products, edible foods, nutritional beverages, diet products; to do assembly work for finished and semi – finished products for third parties, using its own machinery or that of others, among others; and to conduct all activities necessary to comply with its business purpose.

» *Portafolio de Alimentos S. A. S. y Valores Nacionales S.A.S.*

On August 10, 2010, the Colombian Financial Superintendent, through Resolution 1627, approved the short – form merger through which *Grupo Nacional de Chocolates S. A.* absorbed its subordinate companies *Valores Nacionales S. A. S.* and *Portafolio de Alimentos S. A. S.* Pursuant to the resolution, the merger would be fully effective on the date on which the mercantile registration was made in the Chamber of Commerce. Said registration was made on September 10, 2010.

The merges companies had the following characteristics:

- ***Portafolio de Alimentos S.A.S.***

  This Colombian company was incorporated on December 28, 2007 as a *sociedad anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *sociedad por acciones simplificada* on May 26, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

  Its business purpose is to invest or apply resources or have holdings in companies organized under any legally authorized form, whether domestic or foreign, whose business purpose is the exploitation of any legal economic activity, or in tangible or intangible assets in order go safeguard its capital. It may also conduct any other legal economic activity..

- ***Valores Nacionales S.A.S.***
  This Colombian company was incorporated on December 9, 2002 as a *sociedad anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

  Its business purpose is to invest or apply resources or have holdings in companies organized under any legally authorized form, whether domestic or foreign, whose business purpose is the exploitation of any legal economic activity, or in tangible or intangible assets in order go safeguard its capital. It may also conduct any other legal economic activity.

1.2 FINANCIAL INFORMATION

The consolidated financial statements include the accounts of the Parent Company and its subordinate companies. All intra – company balances and significant transactions were eliminated in the consolidation.

Below is a breakdown of the consolidated share of the Parent Company in the equity of its subordinate companies, as well as their financial information. The figures presented were taken from the subordinate companies' certified financial statements as of December 31, along with their corresponding fiscal auditor's opinion, subject to effective legal dispositions.

		YEAR 2011				YEAR 2010			
COMPANY	**Consolidated Share**	**Assets**	**Liabilities**	**EQUITY**	**Profit (Loss)**	**Assets**	**Liabilities**	**EQUITY**	**Profit (Loss)**
Alimentos Cárnicos S.A.S.	100,00%	622.927	278.411	344.516	66.440	528.607	286.268	242.339	32.913
Alimentos Cárnicos Zona Franca Santafé S.A.S. (1)	100,00%	59.810	60.574	(764)	(726)	59.404	59.441	(37)	(12)
Alimentos Cárnicos de Panamá (formerly Blue Ribbon Product S.A.)	100,00%	75.702	18.164	57.538	(2.412)	64.294	5.292	59.002	2.284
Compañía de Galletas Noel S.A.S.	100,00%	1.096.938	286.454	810.484	31.999	971.507	457.660	513.847	33.972
Compañía de Galletas Pozuelo DCR, S.A. (1)	100,00%	410.628	51.531	359.097	12.511	402.874	76.607	326.267	10.517
Comercial Pozuelo Panamá S.A. (formerly Compañía de Galletas Pozuelo de Panamá S.A.) (1)	100,00%	16.508	13.269	3.239	(253)	14.482	11.030	3.452	241
Compañía Nacional de Chocolates de DCR, S.A. (1)	100,00%	29.251	4.504	24.747	3.718	36.656	16.067	20.589	2.824
Compañía Nacional de Chocolates de Perú S.A.	100,00%	218.275	27.392	190.883	8.250	210.467	53.237	157.230	(148)
Compañía Nacional de Chocolates S.A.S.	100,00%	1.010.636	342.498	668.138	37.566	977.168	441.227	535.941	21.399
Cordialsa Boricua Empaque Inc. (1)	100,00%	5.060	187	4.873	(882)	7.515	1.800	5.715	281
Cordialsa Costa Rica S.A. (1)	100,00%	509	0	509	8	494	0	494	43
Comercial Pozuelo El Salvador S.A. de C.V. (formerly Cordialsa El Salvador S.A. de C.V.) (1)	100,00%	5.419	5.572	(153)	(695)	3.562	3.568	(6)	(19)
Cordialsa de México S.A. de C.V. (1)	100,00%	0	0	0	(58)	2.385	124	2.261	1.291
Cordialsa Honduras S.A. (1)	100,00%	0	0	0	0	0	0	0	
Cordialsa Usa Inc. (1)	100,00%	4.689	1.755	2.934	8	5.721	2.838	2.883	37
Cordialsa Noel de Venezuela S.A. (1)	100,00%	45.058	35.673	9.385	2.445	26.316	35.541	(9.225)	(16.976)

COMPANY	Consolidated Share	YEAR 2011 Assets	YEAR 2011 Liabilities	YEAR 2011 EQUITY	YEAR 2011 Profit (Loss)	YEAR 2010 Assets	YEAR 2010 Liabilities	YEAR 2010 EQUITY	YEAR 2010 Profit (Loss)
Corporación Distribuidora de Alimentos S.A., Cordialsa (1)	100,00%	16.182	13.018	3.164	330	15.924	13.074	2.850	280
Comercial Pozuelo Guatemala S.A. (formerly Distribuidora Cordialsa Guatemala S.A.) (1)	100,00%	10.711	10.291	420	(416)	2.728	2.683	45	(243)
Comercial Pozuelo Nicaragua S.A. (formerly Distribuidora Tropical S.A.) (1)	100,00%	5.318	4.397	921	(395)	5.139	5.604	(465)	(564)
Gestión Cargo Zona Franca S.A.S. (1)	100,00%	23.496	11.691	11.805	7.014	18.797	14.021	4.776	4.771
Grupo Nutresa S.A. (formerly Grupo Nacional de Chocolates S.A.)	100,00%	6.545.458	69.218	6.476.240	255.982	6.403.741	80.066	6.323.675	278.403
Industria Colombiana de Café S.A.S. Colcafé (1)	100,00%	669.540	171.211	498.329	21.095	661.165	372.161	289.004	42.045
Industria de Alimentos Zenú S.A.S.	100,00%	549.124	251.152	297.972	13.851	649.352	350.030	299.322	58.805
Industrias Alimenticias Hermo de Venezuela S.A. (1)	100,00%	234.695	67.973	166.722	3.165	182.721	47.750	134.971	7.877
La Recetta Soluciones Gastronómicas Integradas S.A.	70,00%	32.938	27.531	5.407	1.634	29.834	26.397	3.437	1.105
Litoempaques S.A.S.	100,00%	23.869	2.364	21.505	(35)	26.206	4.748	21.458	185
Meals Mercadeo de Alimentos de Colombia S.A. S.	100,00%	417.502	164.039	253.463	10.972	410.374	180.724	229.650	5.908
Molinos Santa Marta S.A.S.	100,00%	99.306	42.666	56.640	5.522	100.125	51.983	48.142	(1.909)
Novaventa S.A.S.	100,00%	99.967	60.343	39.624	1.983	92.477	52.980	39.497	7.774
Nutresa S.A. de C.V. (1)	100,00%	58.775	26.293	32.482	9.703	43.411	19.163	24.248	8.211
Pastas Comarrico S.A.S.	100,00%	25.365	4.741	20.624	1.230	26.831	8.769	18.062	1.230
Productos Alimenticios Doria S.A.S.	100,00%	156.195	50.136	106.059	4.424	192.097	96.805	95.292	10.520
Serer S.A. de C.V. (1)	100,00%	6.660	4.150	2.510	1.134	4.961	3.342	1.619	1.265
Servicios Nutresa S.A.S. (formerly Serv. Nal. de Chocolates S.A.S)	100,00%	562.309	561.669	640	330	390.777	390.471	306	98
Setas Colombianas S.A.	94,79%	63.267	4.353	58.914	4.928	59.060	4.127	54.933	5.401
Tropical Coffe Company S.A.S.	100,00%	50.141	24.672	25.469	(321)	43.850	21.419	22.431	(652)
Comercial Nutresa S.A.S (formerly Cordialsa Colombia S.A.S.)	100,00%	232.443	195.729	36.714	9.543	195.014	192.343	2.671	661
Industrias Aliadas S.A.S	66,67%	57.032	5.296	51.736	7.104	65.340	19.304	46.036	2.586
Helados Bon (1)	73,11%	17.995	12.993	5.002	(1.190)	0	0	0	0
Distribuidora Bon (1)	100,00%	8.695	6.569	2.126	(31)	0	0	0	0
Fehr Foods Inc. (1)	100,00%	55.943	20.789	35.154	4.645	0	0	0	0
Ernesto Berard S.A. (1) (2)	100,00%	0	0	0	0	6.739	3.756	2.983	398
Fehr Holdings LLC (1) (3)	100,00%	0	0	0	0	49.878	30.738	19.140	3.764

(1) As of December 31, 2011 and 2010, the Parent Company had no direct investment in these companies. However, it had a majority share through subordinate companies.

(2) Companies taken over by the Parent Company, through Resolution 1627 dated August 10, 2010, from the Office of the Colombian Financial Superintendent.

(3) On June 29, 2011, it merges with *Fehr Foods Inc.*

1.3 CONSOLIDATION METHODOLOGY

The consolidation method used to prepare the consolidated financial statements is called "Global Integration Method."

Using this methodology, all the assets, liabilities, equity and results of the subordinate companies are incorporated into the financial statements of the parent company or controlling company, after the parent company or controlling company has eliminated the investments it has made in the equity of its subordinate companies and the investments that the subordinate companies have made among each other, as well as the reciprocal operations and balances that existed on the consolidated financial statement cut – off date.

The procedure stated below was followed to prepare the consolidated financial statements:

a) Determine the Parent Company and the subordinate companies to be consolidated, in accordance with the existing economic tie and with effective legal provisions.
b) Obtain the financial statements of the Parent Company and of the companies to be consolidated.
c) Verify the homogeneity of the accounting bases used by the companies to be consolidated and adjust them in material aspects to the accounting principles generally accepted in Colombia.
d) Translate the financial statements of the subordinate companies abroad into Colombian Pesos (COP) before starting the consolidation process, using as a base some of the guidelines established in NIC 29. As of 2007 for the companies that belong to countries whose economy is no longer considered hyperinflationary, the figures used are those stated in the current account unit of measure at the end of 2006, as a base for the book values of the items in their 2007 financial statements before translating them into Colombian Pesos.
e) As of 2010, the monetary translation adjustment for the subordinate companies abroad is recorded in the Changes in the Shareholders' Equity Statement. Until 2009, it was reflected in the Profit and Loss Statement.
f) Verify that reciprocal balances match. If there are differences, reconcile and adjust.
g) Prepare a worksheet for the consolidation.
h) Determine the minority state in the shareholders' equity and the profits and losses of the subordinate companies.
i) Eliminate the intra – company balances and transactions.
j) Prepare the consolidated financial statements, along with their corresponding notes..

1.4 EFFECT OF THE CONSOLIDATION

The effect of the consolidation on the assets, liabilities, profits and equity of *Grupo Nutresa S.A.*(Parent Company) appears below:

Reconciliation of Assets		**2011**		**2010**
Parent Company's Assets	$	6.545.459	$	6.403.741
Subordinate Companies' Assets		7.078.878		6.584.252
Subtotal	**$**	**13.624.337**	**$**	**12.987.993**
Eliminations and Reclassifications Due to the Effect of the Consolidation				
Debtor Accounts		(1.473.839)		(1.689.054)
Inventories		(4.427)		(4.435)
Investments (Cost plus Valuation)		(4.293.157)		(3.289.941)
Property, Plant and Equipment (Cost plus Valuation)		28.040		6.034
Intangible Assets and Other Assets		50.215		74.094
Total Eliminations and Reclassifications		(5.693.168)		(4.903.302)
TOTAL CONSOLIDATED ASSETS	**$**	**7.931.169**	**$**	**8.084.691**

Reconciliation of Liabilities		**2011**		**2010**
Parent Company's Liabilities	$	69.219	$	80.066
Subordinate Companies' Liabilities		2.870.049		3.363.092
Subtotal		**2.939.268**		**3.443.158**
Eliminations and Reclassifications Due to the Effect of the Consolidation				
Commercial Current Accounts, Supplier Accounts and Accounts Payable		(1.485.121)		(1.680.096)
Differed Charges and Other Liabilities		(13.817)		(13.285)
Total Eliminations and Reclassifications		(1.498.938)		(1.693.381)
TOTAL CONSOLIDATED LIABILITIES	**$**	**1.440.330**	**$**	**1.749.777**

Reconciliation of Profits	2011		2010	
Parent Company's Profit	$	255.982	$	278.403
Subordinate Companies' Profit		264.138		247.101
Subtotal		**520.120**		**525.504**
Adjustments and Eliminations Due to the Effect of the Consolidation:				
Profit from Holding Method		(258.797)		(262.477)
Minority Stake		(2.138)		(762)
Loss (Profit) before Acquisition of Companies		1.991		(4.364)
Net Result Generated from Operations among the Companies and Other Companies		(7.665)		5.338
Total Eliminations and Reclassifications		(266.609)		(262.265)
TOTAL CONSOLIDATED EQUITY	**$**	**253.511**	**$**	**263.239**

Reconciliation of Equity	2011		2010	
Parent Company's Equity	$	6.476.240	$	6.323.675
Subordinate Companies' Equity		4.208.828		3.221.160
Subtotal		**10.685.068**		**9.544.835**
Eliminations Due to the Effect of the Consolidation:				
Company Stock		(748.848)		(723.793)
Capital Surplus		(1.772.154)		(295.203)
Reserves		(1.080.604)		(776.243)
Equity Revaluation		(209.851)		(69.221)
Financial Statement Monetary Translation Effect		(101.048)		(117.715)
Valuation Surplus		(29.333)		(981.113)
Fiscal Period Profit (1)		(268.600)		(257.901)
Total Eliminations and Reclassifications		(4.210.438)		(3.221.189)
TOTAL CONSOLIDATED EQUITY	**$**	**6.474.630**	**$**	**6.323.646**

(1) Includes profits from the holding method.

NOTE 2 » Summary of the Main Accounting Practices and Policies

For its accounting records and to prepare its financial statements, the Parent Company and its subordinate companies observe generally accepted accounting principles that are controlled by legal provisions and by the Colombian supervision and control agencies. Without prejudice to the above, the group of companies apply accounting practices and policies adopted by the Parent Company, which, in the case of the subordinate companies located abroad, do not substantially differ from the accounting practices used in the countries of origin and/or those that do not generate a significant impact on the consolidated financial statements have been homologated.

The accounting policies and practices described below are homogeneously applied by the Parent Company and its subordinate companies, pursuant to the above.

2.1 INFLATION ADJUSTMENT

Through Decree 1536 dated May 7, 2007, the National Government of Colombia retroactively eliminated, as of January 1, 2007, the accounting effects of the inflation – adjustment system; they were also eliminated for tax effects through Law 1111 of 2006. Inflation adjustments accrued in the non – monetary assets and liabilities until December 31, 2006, were to form part of the balance in their respective accounts for all accounting effects until they were cancelled, depreciated or amortized. Likewise, the balance of the equity revaluation account may be reduced through acknowledgement of the liquidated equity tax and may not be distributed as a profit until the company is liquidated or its value is capitalized pursuant to legal regulations. Once capitalized, it may be used to absorb losses, only when the Company dissolution has been filed and may not be used to reduce the capital with the effective reimbursement of contributions to partners or shareholders.

During 2011, invoking this regulation, the administration posted capital tax in the amount of COP 18.549 (2010: COP 10.835) in the equity valuation account. It had been posted to the previous Profit and Loss Statement.

To acknowledge the inflation adjustment in the financial statements of the companies located abroad, NIC 29 guidelines were followed. This standard establishes the practices to be followed in preparing the accounting information for a hyperinflationary country. In the case of *Grupo Nutresa S.A.*, as of 2009, Venezuela has been considered a hyper – inflationary economy; therefore the companies *Industrias Alimenticias Hermo de Venezuela S.A.* and *Cordialsa Venezuela S.A.*, both located in that country, have complied with this regulation..

2.2 FOREIGN – EXCHANGE ACCOUNTS

Foreign – exchange transactions are posted at the applicable exchange rate effective on the date of the transaction. For monetary conversion from United States Dollars (USD) to Colombian Pesos (COP), at the closing of each fiscal period, the accounts receivable or accounts payable are adjusted at the representative market rate published by the official agency in charge of certifying this information. For accounts – receivable balances in other currencies (in terms of legal tender), the exchange differences are posted in the Profit and Loss Statement as financial income. For accounts payable, only the exchange differences not attributable to asset – acquisition costs are posted in the Profit and Loss Statement. Only exchange differences that occur from the time acquisition assets are in construction or installation and until they are ready to be used are attributable to post in asset – acquisition costs.

Pursuant to Regulatory Decree 4918 dated December 26, 2007, the exchange difference from variable – income investments in subordinate companies abroad must be restated in the legal tender, using the effective change rate certified by the Office of the Colombian Financial Superintendent.

The rights and obligations in financial derivatives made for the purpose of hedging assets or liabilities in foreign currency are posted in the balance – sheet accounts and are adjusted at the representative market rate and credited or debited to the Profit and Loss Statement. Option contracts and futures contract bonuses or deductions are debited or credited to the fiscal period profit and loss statement, as the case may be.

2.3 BAD – DEBT ALLOWANCE

The bad – debt allowance is reviewed and updated at the end of each fiscal year, based on Administration analysis of the balance aging and the analysis of individual account collectability. Periodically, amounts deemed uncollectible or difficult to collect are posted in the Profit and Loss Statement.

2.4 INVENTORIES

Inventories are posted at cost. To determine the cost, the averaging method is used, and, at the fiscal – period closing, the cost is reduced to its market value, if it is less. The averaging method is applied to raw materials and materials, finished products and processes and the specific – value method is used for raw materials in transit. If necessary, at the closing of the fiscal period, an allowance is made for obsolete or slow – moving inventories.

2.5 DEFERRED ASSETS

Deferred assets include:

Expenses paid in advance, such as interest and insurance, which are amortized as the services are received.

Deferred charges that represent goods or services received are expected to obtain economic benefits in other periods. These deferred charges include costs and expenses incurred in the project development, computing programs, and advertising and promotion expenses. They are amortized in periods that range from 12 to 60 months..

2.6 PROPERTY, PLANT AND EQUIPMENT, DEPRECIATION, VALUATION AND ALLOWANCES

The ítem Property, Plant and Equipment is recorded at cost, including additions, improvements and capitalization due to exchange differences and financial expenses.

Repairs and maintenance are posted in the fiscal year Profit and Loss Statement. Sales and withdrawals are recorded at the adjusted net cost, and the difference between the adjusted net cost and the sales price is reflected in the Profit and Loss Statement.

Depreciation is calculated using the straight – line method on cost, based on the probable useful life of the corresponding assets, at the annual rates permitted by the tax law in the corresponding country, for each group of assets. For the Parent Company and its subordinate companies in Colombia, the annual rates use are 5% for buildings, 10% for machinery and office equipment, and 20% for transportation equipment and computing equipment.

Accelerated depreciation is applied to some production equipment; it is equal to 25% of the normal rate for each additional work shift. For other equipment, a depreciation rate based on work hours was used, attending to the technical specifications of the equipment provided by the supplier.

Excesses of net cost over the realization value, determined based on technical appraisals, is recorded in the valuation account; its counterpart is the item valuation surplus. When the net cost is higher than the technical appraisal, an allowance is set up for the difference, which is posted in the Profit and Loss Statement.

Property, plant, and equipment appraisals and the appraisals for Art and Culture assets in the item Other Assets were prepared pursuant to the provisions in the corresponding effective regulations in each country and, for the companies with domicile in Colombia, pursuant to Decree 2649 of 1992.

The companies adequately protect their assets; to do so, they take out insurance policies to cover them against different risks, such as fire, earthquake, theft, robbery and damages to third parties.

2.7 TRADABLE INVESTMENTS AND PERMANENT INVESTMENTS

The provisions of the Colombian Finance Superintendent External Circular No. 11 of 1998 require that the investments that the Company owns must be classified as tradable investments if the Company intends to trade them within three (3) years, or as permanent investments if it intends to keep them for more than three (3) years. Investments are also classified according to the returns that they generate as fixed – income investments or variable – income investments. Once they are classified, the investments are recorded and they appreciate as follows:

Fixed –income investments (debt rights), whether classified as tradable or permanent, are initially recorded at their acquisition cost and they appreciate every month at their realization value. The resulting adjustment is reflected in the Profit and Loss Statement.

Variable – income investments in stock or capital holdings or in entities that are not controlled by the Company, are recorded at cost and appreciate at their realization value. For permanent investments, the resulting adjustment, whether positive or negative, is recorded in the item valuation in the assets account with a credit or debit to valuation surplus in the Changes in the Shareholders' Equity, as the case may be. For tradable investments, the resulting adjustment, whether positive or negative, affects the last cost recorded for the investment, and the income or outlay generated is reflected in the Profit and Loss Statement. The market value is determined by the stock listed on the stock market, thus: for high – marketability shares, based on the average of the last ten (10) days of quotations; for average – marketability shares, based on the average of the last ninety (90) days of quotations; and for low – marketability stock or stock that is not listed in the stock market, based on its intrinsic value.

Pursuant to Joint Circulars 006 and 11 of 2005, issued by the Colombian Superintendent of Societies and the Financial Superintendent, respectively, investments in subordinate companies in which more than 50% of the capital belongs to the Parent Company, either directly or through an intermediary or with the assistance of its subordinate companies, among other criteria, are posted using the equity – holdings method applied forward as of January 1, 1994. Using this method, investments are initially recorded at cost and later adjusted, with a credit or debit to the Profit and Loss Statement, as the case may be, to acknowledge the holdings in profits or losses in the subordinate companies as of January 1, 1994, after eliminating unrealized profits between the subordinate companies and the Parent Company. The cash distribution of the profits of these companies, obtained before December 31, 1993, are recorded as income and, after that date, it is recorded as a lesser value of the investment. In addition to the above, the proportional holdings are also recorded as a greater or lesser value of the investments posted in variations in other equity accounts of the subordinate companies other than the Profit and Loss Statement of the fiscal period, with a credit or debit to the surplus account through the holdings method in the equity.

As of 2007, pursuant to Decree 4918 dated December 28, 2007, the exchange differences originated during the year, resulting from restating investments in the subordinate companies abroad are recorded as a greater or lesser value of the equity in the item Holdings Method Surplus..

2.8 INTANGIBLE ASSETS

Commercial Credits

Pursuant to Joint Circulars 006 and 11 of 2005, issued by the Colombian Superintendent of Societies and the Financial Superintendent, respectively, the additional amount paid over the book value during stock acquisition in companies over which the Parent Company has or acquires control is recorded as goodwill, pursuant to the provisions set forth in Articles 260 and 261 of the Commerce Code. For Colombia, goodwill acquired must be amortized within the time expected to recover the investment, for a maximum term of twenty (20) years. Pursuant to the same regulation, when a price is paid and it is less than its intrinsic value, it is not subject to accounting acknowledgement as goodwill. For the consolidated financial statements, goodwill is acknowledged in the Changes in Shareholders' Equity Statement, through a valuation surplus of the subordinated company's acquired assets from which it stemmed; said acknowledgement is not made when it is a commercial credit estimated to exceed normal future earnings.

Every year, the goodwill is reviewed to evaluate its origin and if it is concluded that it does not generate economic benefits or that the economic benefit has already been obtained, the goodwill will be amortized in the corresponding fiscal period..

Brands and Rights

Intangible assets include direct costs incurred in the acquisition of commercial brands, as well as the distribution rights acknowledged based on a technical study prepared by company personnel.

Said costs are amortized in the lesser period of time between the estimated exploitation and the term of their legal term or contractual term.

Based on an update of the technical study made by an independent investment bank, such tangible assets have a useful life of ninety – nine (99) years.

Leasing Agreements with a Purchase Option

For the Colombian subordinate companies, assets acquired through financial leasing agreements with a purchase option are recorded in the asset account at the present rental value with the agreed – upon purchase options, calculated at the beginning date of the agreement, based on the internal rate of return of the respective agreement. The corresponding liability is simultaneously recorded,

Such rights are amortized and posted in the Profit and Loss Statement using the straight – line method at a rate of 10% for rights in equipment leasing equipment and 20% for vehicles and computer equipment. The rentals paid during the contract performance are posted in liabilities in the calculated part of the payment of capital and in the fiscal period profit and loss statement under financial expenses.

2.9 FINANCIAL DERIVATIVES

In the normal course of business, companies do operations with financial derivatives, for the sole purpose of reducing their exposure to exchange – rate and interest – rate fluctuations regarding obligations in foreign currency. Such financial derivatives include, among others, fixed – rate cross currency swap contracts and hedging – forwards contracts.

Although Colombian accounting laws and regulations do not stipulate specific treatment for this type of transaction, as of 2007 companies have adopted a policy of calculating the amount of the income or expense that is the result of comparing the representative market rate at year closing to the rate agreed upon in each contract, reduced to its present value on the valuation date, and the resulting adjustment is reflected in the Profit and Loss Statement during the period in which the contracts were entered into, so as to compensate adequately the income or expense generated due to exchange – rate and interest – rate variations of the hedged items, as the case may be.

2.10 TAXES, LEVIES AND RATES

This heading includes the value of the mandatory, general – nature taxation in favor of the State, for which the companies are responsible, for the concept of private liquidations that are determined on the taxable bases for the fiscal period.

Income tax is determined based on estimations. In addition to the taxable income for the fiscal period, the reserve for estimated income tax reflected in the profit and loss statement includes the tax effect applicable to the temporary differences between the book items and the fiscal items used to calculate the income tax. The tax value on such differences is recorded in a deferred – income – tax account.

2.11 LABOR OBLIGATIONS

Labor obligations are adjusted at the end of each fiscal period, based on the work contracts and on effective legal labor regulations.

The amount of the retirement pensions is determined based on actuarial studies. Subordinate companies with their domicile in Colombia, Ecuador, Mexico and Peru are subject to actuarial liabilities by law.

The payments made to retired personnel are posted in the fiscal period Profit and Loss Statement.

2.12 CREDITOR MEMORANDUM ACCOUNTS AND DEBTOR MEMORANDUM ACCOUNTS

2.12.1 Debtor Memorandum Accounts

Events or circumstances from which rights can be generated that affect the financial structure of the companies and asset internal – control – effect accounts are recorded in Debtor Memorandum Accounts. This item also includes accounts used to reconcile differences between accounting records of an active nature and tax returns.

2.12.2 Creditor Memorandum Accounts

Commitments or contracts relating to possible obligations that may affect the financial structure of the companies are recorded in Creditor Memorandum Accounts. This item also includes liability internal – control – effects accounts and equity, as well as accounts used to reconcile the differences between accounting records of a credit nature and tax returns.

2.13 ACKNOWLEDGEMENT OF INCOME, COSTS AND EXPENSES

Income from sales is acknowledged when the product is dispatched; income from leasing is acknowledged in the month in which it is accrued; and income from services is acknowledged when it is provided. Costs and expenses are reflected in the Profit and Loss Statement using the accrual system.

2.13.1 Production Costs

Indirect costs that have not contributed to bringing inventories to their present condition and location and that are not necessary for the production process are posted in production – cost accounts.

2.14 NET PROFIT PER SHARE

Net profit per share is calculated on 460.123.458 outstanding shares of the Parent company at the 2011 closing. (The 2010 closing registered 435.123.458 shares.)

2.15 CASH AND CASH EQUIVALENTS

To prepare the Cash Flow Statement, temporary investments are considered cash equivalents, when they expire in less than three (3) months time or when there is the intention to complete them within that time or when they can be completed within that time.

2.16 RELATIVE IMPORTANCE OR MATERIAL SIGNIFICANCE

The Consolidated Financial Statements and the Notes to the Financial Statements disclose in an integral manner the economic events that, in the years that ended on December 31, 2011 and 2010, affected the financial situation of the companies, their profits and losses and cash flows, as well as the changes in their financial situation and in their shareholders' equity. There are no undisclosed events of that nature, which could significantly alter the economic decisions of the users of the information mentioned.

For the purpose of disclosure, relative importance was determined using a base of five percent (5%) of current assets and non – current assets, current liabilities and non – current liabilities, equity, the results of the fiscal period and each general – ledger account, on an individual basis.

2.17 FINANCIAL – STATEMENT RECLASSIFICATION

Some reclassifications have been incorporated into the 2010 financial statements to facilitate their comparison with the 2011 financial statements.

NOTE 3 » Transactions in Foreign Currency

Effective basic laws and regulations permit the free negotiation of foreign currency through Banks and other financial institutions at free exchange rates. Nonetheless, most foreign – currency transactions still require official approval.

Operations and balances in foreign currency are converted at the representative market rate (RMR) certified by the Colombian Financial Superintendent, as being COP 1.942,70 and COP 1.913,98 per USD 1, as of December 31, 2011 and 2010, respectively. For the monetary conversion of the financial statements of the foreign subordinate companies, the operations for income, costs and expenses are expressed in United States Dollars (USD) at the average annual exchange rate of each country and from that currency into Colombian Pesos (COP), applying the average RMR for the year, which was COP 1.848,17 and COP 1.897,89 per USD 1 during the years 2011 and 2010, respectively. The conversion of the balance sheet accounts is made at the corresponding closing rates.

The Parent Company and its subordinate companies had the following assets and liabilities in foreign currency, posted with their Colombian Peso equivalents as of December 31.

	2011		2010	
	US$	$	US$	$
Cash	39.549.080	76.832	36.939.889	70.702
Debtor Accounts	181.133.687	351.888	120.959.449	231.514
Inventories	66.539.640	129.267	108.875.635	208.386
Deferred Assets and Other Assets	14.913.825	28.973	9.514.825	18.211
Property, Plant and Equipment	104.273.061	202.571	111.998.218	214.362
Intangible Assets	134.012.659	260.346	136.838.526	261.906
Subtotal	**540.421.952**	**1.049.877**	**525.126.542**	**1.005.081**
Financial Obligations	115.841.657	225.045	230.291.345	440.773
Suppliers	40.494.535	78.669	37.762.673	72.277
Accounts Payable	73.683.064	143.144	55.976.008	107.137
Taxes, Levies and Rates	9.851.122	19.138	10.226.596	19.574
Labor Obligations	11.042.357	21.452	7.920.271	15.159
Estimated Liabilities	3.482.696	6.766	3.893.028	7.451
Deferred Liabilities and Other Liabilities	12.225.333	23.750	3.095.010	5.924
Subtotal	**266.620.764**	**517.964**	**349.164.931**	**668.295**
Net Active Situation	**273.801.188**	**531.913**	**175.961.611**	**336.786**

Conversion Impact on Financial Statements by Country:

2011													
	Costa Rica	Ecuador	El Salvador	The United States	Guatemala	Mexico	Nicaragua	Panama	Peru	Puerto Rico	Venezuela	Dominican Republic	TOTAL
Current Assets	1.074	235	49	402	102	(3.508)	(154)	471	3.268	108	1.971	0	4.019
Non – Current Assets	5.199	5	0	429	0	(562)	(9)	721	10.741	1	1.136	0	17.659
Total activo	**6.274**	**239**	**49**	**831**	**102**	**(4.070)**	**(163)**	**1.192**	**14.009**	**109**	**3.107**	**0**	**21.678**
Current Liabilities	(477)	(195)	(49)	(400)	(101)	1.060	179	(269)	(1.719)	(24)	(1.206)	0	(3.201)
Non – Current Liabilities	(205)	(1)	0	(100)	0	148	0	0	(1.208)	0	69	0	(1.296)
Total Liabilities	**(682)**	**(196)**	**(49)**	**(500)**	**(101)**	**1.208**	**179**	**(269)**	**(2.926)**	**(24)**	**(1.137)**	**0**	**(4.497)**
Conversion Impact on Profit and Loss Statement	**(624)**	**(17)**	**36**	**(223)**	**18**	**708**	**10**	**240**	**333**	**45**	**0**	**(12)**	**514**
Conversion Impact on Financial Statements	**6.216**	**60**	**(36)**	**553**	**(17)**	**(3.570)**	**6**	**683**	**10.749**	**40**	**1.970**	**12**	**16.667**
Total accumulated effect by financial statements conversion													**(101.048)**

2010												
	Costa Rica	Ecuador	El Salvador	The United States	Guatemala	Mexico	Nicaragua	Panama	Peru	Puerto Rico	Venezuela	TOTAL
Current Assets	2.317	(1.092)	(114)	(276)	(41)	(356)	(404)	(2.057)	(1.740)	(480)	(124.288)	(128.531)
Non – Current Assets	10.168	(13)	0	(3)	0	(53)	(52)	(3.066)	(5.902)	(1)	(59.898)	(58.820)
Total Assets	**12.485**	**(1.105)**	**(114)**	**(279)**	**(41)**	**(409)**	**(456)**	**(5.123)**	**(7.642)**	**(481)**	**(184.186)**	**(187.351)**
Current Liabilities	1.233	(930)	(113)	(86)	(34)	(174)	(443)	(1.067)	(601)	(111)	(66.088)	(68.414)
Non – Current Liabilities	852	0	0	0	0	(54)	0	0	(1.093)	0	(142)	(437)
Total Liabilities	**2.085**	**(930)**	**(113)**	**(86)**	**(34)**	**(228)**	**(443)**	**(1.067)**	**(1.694)**	**(111)**	**(66.230)**	**(68.851)**
Conversion Impact on Profit and Loss Statement	**517**	**2**	**0**	**10**	**(3)**	**334**	**9**	**13**	**(99)**	**2**	**0**	**785**
Conversion Impact on Financial Statements	**10.917**	**(173)**	**(1)**	**(183)**	**(10)**	**153**	**(4)**	**(4.043)**	**(6.047)**	**(368)**	**(117.956)**	**(117.715)**

NOTE 4 » Cash and Cash Equivalents

The balance as of December 31 included:

	2011	2010
Cash, Banks, and Savings and Loan Corporations	$ 163.234	$ 87.484
Temporary Investments	29.853	45.905
TOTAL	**$ 193.087**	**$ 133.389**

There are no restrictions on these values for their availability.

NOTE 5 » Net Debtor Accounts

The balance as of December 31 included:

	2011		2010	
Clients:				
Domestic	$	321.449	$	322.671
Foreign		174.667		137.712
Allowance for Clients (1)		(5.710)		(8.340)
Subtotal	**$**	**490.406**	**$**	**452.043**
Advance Payments of Taxes, Contributions and Credit Balances		74.837		65.683
Income Receivable		1.865		486
Advance Payments and Advances		41.772		30.601
Employee Accounts Receivable		9.229		7.894
Personal Loans		484		778
Others		10.595		10.749
TOTAL DEBTOR ACCOUNTS (SHORT TERM)	**$**	**629.188**	**$**	**568.234**
Employee Accounts Payable		21.216		17.680
Advance Payments and Advances		227		286
Personal Loans		0		56
TOTAL DEBTOR ACCOUNTS (LONG TERM)	**$**	**21.443**	**$**	**18.022**

(1) The product – sales accounts that mature in more than one (1) year's time are written off against the allowance. The movement of the Debtor Account Allowance is detailed below:

	2011		2010	
Balance at the Beginning of the Year	$	8.340	$	10.625
Allowance for the Year		9.355		8.284
Write Off		(11.985)		(10.569)
FINAL BALANCE	**$**	**5.710**	**$**	**8.340**

NOTE 6 » Net Inventories

The balance as of December 31 included:

	2011		2010	
Raw Materials	$	221.710	$	188.253
Products Being Produced		52.366		39.119
Finished Products		160.765		159.524
Merchandise Not Manufactured by the Company		37.185		30.045
Materials, Spare Parts, Accessories and Packing		87.043		79.794
Inventory in Transit		16.591		29.247
Livestock		30.302		27.900
Inventory – Protection Allowance		(4.096)		(866)
TOTAL	**$**	**601.866**	**$**	**553.016**

NOTE 7 » Differed Assets and Other Assets

The balance as of December 31 included:

	2011		2010	
Expenses Paid in Advance	$	10.513	$	8.089
Deferred Charges Placed on the Equity		52.476		0
Deferred Charges		67.412		58.913
Financial – Derivative Rights (Note 8)		14.788		15.109
Other Assets		3.535		1.793
TOTAL		**148.724**		**83.904**
Total Current Assets		**(34.453)**		**(52.187)**
Total Non – Current Assets	**$**	**114.271**	**$**	**31.717**

FINANCIAL DERIVATIVES

The balances in assets and liabilities due to financial derivatives as of December 31, 2011 and 2010 correspond to the market value of effective contracts in accordance with the rights and obligations of the companies. For their derivative contracts, all profits and losses are acknowledged in the fiscal year profit and loss statement. As of December 31, 2011 and 2010, the derivatives generated profits for COP 11.766 (2010: COP 6.084) and losses for COP 23.396 (2010: COP 17.402), respectively.

The market value of the derivatives as of December 31, the interest rates and the exchange rates for these contracts are listed below:

2011

Financial Institution	Initial Financial Obligation USD	Financial Obligation Balance USD	Hedging Value USD	Initial Date	Maturity	Rights $	Obligations $	Profits (Losses) Non - Realized $	Initial Exchange Rate (1)	Future Exchange Rate (1)	Interest Rate on Right	Interest Rate on Obligation
Swaps												
BBVA	40.285.714	15.107.143	15.107.143	17/04/2008	14/02/2014	2.283	(366)	1.917		1.795,00	Libor 3 months + 0,85	11,25% EA
RBS	37.714.286	14.142.858	14.142.858	30/04/2008	14/02/2014	2.414	(287)	2.127		1.772,00	Libor 3 months + 0,95	10,92% EA
Citibank	40.176.271	40.176.271	40.176.271	03/07/2008	03/07/2018	10.091		10.091		2,96PEN	Libor 6 months + 1,80	8,84% EA
TOTAL LONG – TERM RIGHTS						**$14.788**	**($653)**					
TOTAL RIGHTS						**$14.788**	**($653)**					
OBLIGATIONS												
Swaps												
RBS	33.000.000	7.071.438	7.071.438	14/06/2006	14/06/2013		(4.143)	(4.143)		2.518,50	Libor 3 months + 0,85	9,87% EA
TOTAL LONG – TERM OBLIGATIONS						**0**	**(4.143)**					
TOTAL OBLIGATION						**0**	**(4.143)**					
GRAND TOTAL						**$14.788**	**(4.796)**					

2010												
Financial Institution	Initial Financial Obligation USD	Financial Obligation Balance USD	Hedging Value USD	Initial Date	Maturity	Rights $	Obligations $	Profits (Losses) Non - Realized $	Initial Exchange Rate (1)	Future Exchange Rate (1)	Interest Rate on Right	Interest Rate on Obligation
RIGHTS												
Purchase D. Forwards												
Helm Bank			5.698.535	15/12/2010	14/01/2011	130		130	1.898,00	1.885,04		
Helm Bank			5.769.280	16/12/2010	14/01/2011	68		68	1.910,00	1.894,91		
Bancolombia			15.043.671	17/11/2010	17/01/2011	540		540	1.879,00	1.877,74		
Bancolombia			19.055.316	17/11/2010	17/01/2011	684		684	1.879,00	1.877,74		
BBVA			20.550.225	05/11/2010	04/01/2011	1.992		1.992	1.819,00	1.816,90		
TOTAL LONG – TERM RIGHTS						**3.414**						
Swaps												
BBVA	40.285.714	25.178.572	25.178.572	17/04/2008	14/02/2014	2.596	(464)	2.132		1.795,00	Libor 3 Months + 0,95	11,25% EA
RBS	37.714.286	23.571.429	23.571.429	14/06/2006	14/02/2014	2.900	(424)	2.476		1.772,00	Libor 3 Months + 0,95	10,92% EA
Citibank	40.176.271	40.176.271	40.176.271	03/07/2008	03/07/2018	6.199		6.198		2,96PEN	Libor 6 Months + 1,80	8,84% EA
TOTAL LONG – TERM RIGHTS						**11.695**	**(888)**					
TOTAL RIGHTS						**15.109**	**(888)**					
OBLIGATIONS												
Purchase N.D. Forwards												
Helm Bank	1.000.000		1.000.000	11/02/2010	08/02/2011		(100)	(100)	1.945,00	2.021,96		
Helm Bank	1.000.000		1.000.000	11/02/2010	08/02/2011		(100)	(100)	1.945,00	2.021,96		
Helm Bank	1.000.000		1.000.000	11/02/2010	08/02/2011		(100)	(100)	1.945,00	2.021,96		
Helm Bank	3.251.230		3.251.230	16/12/2010	14/01/2011		38					
Helm Bank	7.526.629		7.526.629	22/12/2010	21/01/2011		(132)	(132)	1.938,00	1.916,67		
TOTAL SHORT – TERM OBLIGATIONS							**(394)**					
Swaps												
RBS	33.000.000	14.142.864	14.142.864	14/06/2006	14/06/2013		(7.246)	(7.246)		2.518,50	Libor 3 Months + 0,85	9,87% EA
TOTAL LONG – TERM OBLIGATIONS							**(7.246)**					
TOTAL OBLIGATIONS							**(8.528)**					
GRAND TOTAL						**15.109**	**(8.528)**					

(1) Expressed in Colombian Pesos (COP)

The value of the above – mentioned financial instruments includes the accrual of the contract interests and the effect of the exchange – rate difference.

The purpose of entering into hedging contracts is the following:

The foreign – currency purchase and sale forward contracts hedge exposures to the exchange risk regarding accounts receivable, accounts payable, loans and firm future commitments in foreign currency. Substantially all the contracts are in United States Dollars (USD). In general, contract expiration coincides with the expiration of the hedged element or account.

All of the above contracts have been entered into with financial institutions of known prestige and their proper compliance is expected. The administration permanently monitors its positioning and the financial situation of the counterparts and does not anticipate losses due to contract performance.

NOTE 8 » Net Permanent Investments

The balance as of December 31 included:

COMPANY	Number of Shares Owned	Share Percentage	2011 Cost	2010 Cost	2011 Valuation (Devaluation)	2010 Valuation (Devaluation)	2011 Dividends Received	2010 Dividends Received
Bimbo de Colombia S.A.	2.324.630	40,00%	52.986	52.986	5.581	(3.410)	0	0
Carnes y Derivados de Occidente S.A.	0	0,00%	0	3	0	2	0	0
Sociedad Central Ganadera S.A.(1)	48.691	17,14%	1.025	957	1.032	717	228	267
Cía. de Distribución y Transporte S.A.(2)	0	0,00%	0	1.314	0	899	665	544
Grupo de Inversiones Suramericana S.A.	59.387.803	12,66%	147.259	147.259	1.699.702	2.078.596	16.897	15.677
Fondo Ganadero de Antioquia S.A.	1.547.021	3,57%	3.077	3.077	(653)	(758)	0	0
Inversiones Argos S.A.	79.804.628	12,37%	120.795	120.795	1.221.519	1.467.318	15.641	14.466
Predios del Sur S.A. (3)	0	0,00%	0	783	0	(132)	0	0
Promotora de Manufacturas para Exportación S.A.	0	0,00%	0	176	0	0	0	0
Promotora de Proyectos S. A.	398.038	12,87%	265	265	(177)	(177)	0	0
Trigonal S. A.	744	2,08%	2	2	4	7	0	0
Sociedad Portuaria Regional de Buenaventura	78.437	0,10%	111	111	83	73	93	0
Other societies			704	782	0	0	7	42
Subtotal			**326.224**	**328.510**	**2.927.091**	**3.543.135**	**33.531**	**30.996**
Investment Allowance			(46)	(532)				
Mandatory Investments and Other Investments (4)			**2.893**	**2.503**				
Total Net Permanent Investments			**329.071**	**330.481**	**2.927.091**	**3.543.135**	**33.531**	**30.996**

(1) During 2011, 910 shares were acquired in *Sociedad Central Ganadera S.A.*
(2) In December 2011, 182.901 shares in *Compañía de Distribución y Transporte S.A.* were sold
(3) In accordance with the Extraordinary Assembly on January 25, 2011, the definite liquidation of this company was approved.
(4) The Grupo Nutresa S.A. trust is included

Duly authorized by the Colombian Financial Superintendent, in the month of August 2009, through the *Grupo Nacional de Chocolates* trust, the Company issued 500.000.000 ordinary bonds at a par value of COP 1.000 per bond, which were placed in their entirety on the market and have a "AAA" (Triple A) rating by Fitch Ratings Colombia S.A., ratified in 2011 and 2010. The bonds are endorsed 100% by the Company.

As of December 31 2011 and 2010, bond distribution is:

Series	Capital	CPE RATE +	Mode
C5	98.541	4,1900%	T.V.
C7	131.815	4,9600%	T.V.
C10	135.482	5,3300%	T.V.
C12	134.162	5,5900%	T.V.
TOTAL	500.000		

NOTE 9 » Net Property, Plant and Equipment

The balance as of December 31 included:

2011	Cost	Accrued Depreciation	Book Value	Valuations
Real Estate	$ 728.000	$ (290.400)	$ 437.600	$ 689.459
Office Equipment	33.819	(25.766)	8.053	0
Production Equipment	1.307.736	(884.430)	423.306	477.049
Transportation Equipment	8.979	(7.819)	1.160	1.309
Construction and Assemblies in Process	80.051	0	80.051	0
Flexible Depreciation	0	70.742	70.742	0
Allowance	(11.057)	0	(11.057)	0
TOTAL	**$ 2.147.528**	**$ (1.137.673)**	**$ 1.009.855**	**$ 1.167.817**

2010	Cost	Accrued Depreciation	Book Value	Valuations
Real Estate	$ 675.709	$ (259.143)	$ 416.566	$ 597.020
Office Equipment	30.860	(20.324)	10.536	0
Production Equipment	1.238.903	(839.558)	399.345	410.849
Transportation Equipment	10.108	(8.204)	1.904	1.406
Construction and Assemblies in Process	99.870	0	99.870	0
Flexible Depreciation	0	71.656	71.656	0
Allowance	(11.084)	0	(11.084)	0
TOTAL	**$ 2.044.366**	**$ (1.055.573)**	**$ 988.793**	**$ 1.009.275**

LIENS

The property, plant and equipment are free of liens and, therefore, fully owned by the companies, except for:

- The urban buildings mortgages in favor of *Bancolombia S.A.*, located at Carrera 62 No. 11 – 31, in Bogotá, D. C., Colombia, with Mortgage Security Number 51600000784, and at Carrera 65 No. 12 – 60 in Bogotá, D. C., Colombia, with Mortgage Security Number 51600000786, to guarantee open credits owned by *Compañía Nacional de Chocolates S.A.S.*
- Lot of land Number 1, with an approximate area of 88,307.20 m2, owned by *Compañía de Galletas Noel S.A.S.* in favor of *Bancolombia*.
- A lot of land located in the Los Llanos rural area, in the Municipality of Yarumal, Provincial Department of Antioquia, Colombia. Registered under Real Estate Registration Folio Number 037-0009591 at the Public – Instruments Registration Office in Yarumal, owned by *Setas Colombianas S.A.*, for an open mortgage for future credits.
- A rural estate known as *Sopetrana*, currently *Alcalá*, located in the *Los Llanos* rural area, in the Municipality of Yarumal, Provincial Department of Antioquia, Colombia. Registered under Real Estate Registration Folio Number 037-0009592 at the Public – Instruments Registration Office in Yarumal, owned by *Setas Colombianas S.A.*, for an open mortgage for future credits.
- A lot of land in the territorial community called *Llanos de Cuivá*, located in the Municipality of Yarumal, Provincial Department of Antioquia, Colombia. Registered under Real Estate Registration Folio Number 037-0009593 at the Public – Instruments Registration Office in Yarumal, owned by *Setas Colombianas S.A.*, for an open mortgage for future credits.
- A building located in the Municipality of Santa Rosa de Osos, Provincial Department of Antioquia, Colombia, in the rural area of Sopetrana – Aragón. The property is distinguished with Municipal Cadastral Number 1382. It is registered under Real Estate Registration Folio Number 025-0004324 at the Public – Instruments Registration Office in Santa Rosa de Osos, owned by *Setas Colombianas S.A.*, for an open mortgage for future credits..

The value posted in the Profit and Loss Statement under Depreciation of Property, Plant and Equipment was COP 95.192 in 2011 and COP 90.165 in 2010. See Note 28.

NOTE 10 » Net Intangible Assets

The balance as of December 31 included:

	2011 Cost	2011 Accrued Depreciation and Amortization	Book Value 2011	Book Value 2010
Commercial Credit (1)	$ 448.550	$ (54.167)	$ 394.383	$ 341.205
Brands and Patents	512.755	(55.745)	457.010	457.795
Distribution Rights (2)	9.077	(7.481)	1.596	2.874
Goods in leasing (3)	17.989	(6.841)	11.148	18.867
Trust Rights	4.919	0	4.919	4.848
Others	31.598	(250)	31.348	27.995
Allowance	(20)	0	(20)	(20)
TOTAL	**$ 1.024.868**	**$ (124.484)**	**$ 900.384**	**$ 853.564**

(1) Corresponds to the additional amount paid in respect to the intrinsic value of the shares acquired by the Parent Company and its subordinate companies, with an amortization period of between three (3) and twenty (20) years. The amortization posted to the 2011 Profit and Loss Statement amounted to COP 21.894 (2010: COP 17.099). To date, no contingencies or deterioration in the value of the other investments have been observed, which could require an adjustment or acceleration of their amortization.

(2) Corresponds to the rights acquired by *Compañía Boricua Empaque, Inc.* in Puerto Rico.

(3) The value of the goods received in leasing at the year closing is summarized below by groups:

	2011 Cost	2011 Accrued Amortization	Book Value 2011	Book Value 2010
Machinery	$ 9.699	$ (3.788)	$ 5.911	$ 15.354
Transportation Equipment	6.947	(2.666)	4.279	3.513
Office Equipment	1.343	(387)	956	0
Total Goods in Leasing	**$ 17.989**	**$ (6.841)**	**$ 11.146**	**$ 18.867**

The rent payable, together with the option to purchase, amount to COP 13.225 (2010: COP 1.322). The payments of the rentals are registered in the results of the period.

NOTE 11 » Memorandum Accounts

The balance as of December 31 included:		2011		2010
Debtor Memorandum Accounts:				
Contingent Rights				
Assets and Securities Delivered as Security	$	487.212	$	582.571
Assets and Securities in the Possession of Third Parties		24.305		28.065
Litigations and Lawsuits		1.653		2.644
Subtotal	$	513.170	$	613.280
Fiscal Debtor Memorandum Accounts:		**(5.459.647)**		**(3.940.040)**
Debtor Control Memorandum Accounts				
Goods Received in Financial Leasing		9.667	$	6.792
Totally Depreciated Property, Plant and Equipment		526.158		502.207
Asset Inflation Adjustment		861.155		861.444
Other Debtor Control Memorandum Accounts		251.371		214.694
Subtotal	$	1.648.351	$	1.585.137
TOTAL DEBTOR MEMORANDUM ACCOUNTS		**(3.298.126)**		**(1.741.623)**
Creditor Memorandum Accounts:				
Contingent Responsibilities				
Third – Party Goods and Securities Received	$	576	$	2.856
Other Contingent Responsibilities		1.259.939		1.293.286
Subtotal	**$**	**1.260.515**	**$**	**1.296.142**
Fiscal Creditor Memorandum Accounts	$	(351.065)	$	(321.287)
Creditor Control Memorandum Accounts	$	66.165	$	71.872
Inflation Adjustments		913.479		904.427
Subtotal	**$**	**979.644**	**$**	**976.299**
TOTAL CREDITOR MEMORANDUM ACCOUNTS	**$**	**1.889.094**	**$**	**1.951.154**

NOTE 12 » Financial Obligations

The balance as of December 31 included:

	Institution	Balance 2011	Balance 2010	Accrued Interest	Rate	Security	Expiration Short Term	Expiration Long Term
Domestic Banks	*Bancolombia*	$2.360	$197.638	$354	LIBOR + 1,45%	*Promissory Note*	$2.360	0
	BBVA	556	73.557	22	DTF + 5,00%	*Promissory Note*	277	279
	Leasing Bancolombia	6.752	10.412	615	DTF + 4,5% - 5,00%	*Promissory Note*	3.165	3.587
	Overdrafts	2.293	3.517			*Promissory Note*	2.293	0
Foreign Banks	*Development Corporation of Abilene*	1.167	2.301				0	1.167
	Scotiabank	70.562	124.954	471	LIBOR + 0,85% - 0,95%	*Promissory Note*	41.663	28.899
	Banco de Crédito Perú	0	25.208			*Contract*	0	0
	Leasing Banco de Credito Perú	568	1.603	20	6,9% - 8,0%	*Contract*	397	171
	BBVA NY	0	45.936			*Promissory Note*	0	0
	BBVA PERÚ	0	4.398			*Promissory Note*	0	0
	Leasing BBVA Continental	681	778	11	2,84% - 5,25%	*Contract*	596	86
	Leasing HSBC	0	55			*Promissory Note*	0	0
	HSBC Panamá	4			9%		4	0
	Helm Bank Panamá	0	42.483			*Promissory Note*	0	0
	Overdrafts	3.898	2.247			*Promissory Note*	3.897	0
Others	*Alpina S.A.*	590	1.511	40	3,47%	*Promissory Note*		590
	Predios del sur	-0	445					0
	Fideicomiso Grupo Nacional de Chocolates S.A. (Nota 9)	500.000	500.000	40.838	*IPC* + 4,19% - 5,59%		0	500.000
	Peruvian Bonds (1)	85.371	80.756	7.060	8,84% E.A.	*Promissory Note*	0	85.371
	Financial Derivative Instruments (Note 8)	4.796	8.528		LIBOR + 1,80% SV -9,52%, 10,50%, 10,80% TV	*Promissory Note*	0	4.796
	TOTAL	**$ 679.598**	**$1.126.326**	**$49.431**			**$54.652**	**$624.946**
	Payable in 2012	54.652						
	Payable in 2013	38.560						
	Payable after 2014	586.386						

(1) Issuance of bonds

Duly authorized by the Compañía Nacional de Chocolates S.A. Assembly of Shareholders, in July 2008, the Company issued bonds in Peru through a private offer with the following characteristics:

- **Type of Instrument:** Corporate Debenture Bonds
- **Characteristics:** Nominative, indivisible bonds that their holders may trade
- **Country of Issuance:** Peru
- **Currency of Issuance:** New Peruvian Soles
- **Amount of the Issuance:** 118.520.000 bonds
- **Destination of the Issuance:** Capitalization of Compañía Nacional de Chocolates de Perú S.A. for the purpose of financing investment projects and debt substitution
- **Interest Rate:** 8,65625% EA (on New Peruvian Soles) payable on a semester basis
- **Type of Amortization:** Bullet
- **Guarantor:** Grupo Nacional de Chocolates S.A.
- **Structuring Institution:** Citibank del Perú S.A.
- **Term:** 10 years

During 2011, COP 7.060 (2010: COP 7.188) were posted in the Profit and Loss Statement for interest on the above – mentioned bonds.

NOTE 13 » Suppliers

The balance as of December 31 included:

		2011		2010
Domestic	$	82.851	$	92.878
Foreign		80.317		72.277
TOTAL	**$**	**163.168**	**$**	**165.155**

NOTE 14 » Accounts Payable

The balance as of December 31 included:

		2011		2010
Costs and Expenses Payable	$	126.529	$	121.400
Dividends Payable		43.150		38.860
Withholdings and Payroll Contributions		27.194		27.693
Withholding at the Source		18.282		19.593
Total		2.089		1.492
TOTAL	$	217.244	$	209.038
Total Short Term		217.086		208.876
Total Long Term	**$**	**158**	**$**	**162**

NOTE 15 » Taxes, Levies and Rates

Liabilities for taxes, levies and rates are mainly comprised of income – tax taxation, calculated pursuant to applicable regulations in the domicile of the Parent Company and of its subordinate companies, namely:

Regarding income tax, Colombian tax regulations set forth that:

a. Fiscal income is taxed at a rate of 33% for the 2011 tax year and following. Occasional earnings are treated separately from ordinary income and are taxed at the same rate indicated above. Occasional earnings include the earnings obtained from the disposal of fixed assets owned for two (2) years or more, the profits from liquidation companies and those profits from inheritances, legacies and donations.

b. The taxable base to determine the income tax cannot be less than 3% of the net worth of the shareholders' equity on the last day of the immediately previous taxable fiscal period.

   The Colombian companies that settled the tax based on presumptive income in 2011 were: *Grupo Nutresa S.A., Tropical Coffee Company S.A.S., Molinos Santa Marta S.A.S., Pastas Comarrico S.A.S., Litoempaques S.A.S.,* and *Meals de Colombia S.A.S.*

   The other subordinate companies settled the tax based on the ordinary income system.

c. As of December 31, 2011, the fiscal losses of the subordinate companies in Colombia amounted to COP 20.387. Pursuant to effective tax regulations, the fiscal losses generated from 2003 to 2006 can be offset or fiscally readjusted with the net ordinary income for the following eight (8) years, without exceeding 25% of the value of the loss annually, without prejudice to the presumptive income for the fiscal period. Losses originated as of tax year 2007 may be offset and/or fiscally readjusted, without any limit on the percentage, at any time, with net ordinary income without prejudice to the presumptive income for the fiscal period. Losses of the companies will not be transferred to the shareholders. Fiscal losses originated in revenue that do not constitute income or occasional earnings, and originated in costs and deductions that have no relation of causality with the generation of taxable income, may not – under any circumstance – be offset with the taxpayers net income.

d. As of December 31, 2011, the Company presented excesses of presumptive income over ordinary income of the subordinate companies in Colombia pending offset amounted to COP 18.648. Pursuant to effective tax regulations, the excesses presumptive income over ordinary income obtained as of tax year 2003 may be offset and/or fiscally readjusted with the net ordinary income, within the following five (5) years.

e. Beginning in 2004, income – tax taxpayers that enter into operations with economically bound companied or with related parties abroad will be obligated to determine their ordinary and extraordinary income, their costs and deductions, their assets and liabilities, for the purpose of calculating their income tax and complementary taxes, considering the so – called market prices and profit margins for these operations. To date, the administration and advisors of the Company and its subordinate companies have concluded the study corresponding to 2010, and no adjustments were required in the financial statements.

f. Law 1111 of 2006 created the capital tax for tax years 2007 to 2010, for legal corporate entities, individuals and de facto companies, and income – tax taxpayers whose equity as of January 1, 2007 is equal to or greater then COP 3.000 Million. The rate is 1,2%.
   Under the terms of Law 1370 of 2009, a capital tax was created for taxable year 2011, which income taxpayers must pay. Therefore, those taxpayers with a net worth above COP 5.000 Million are subject to a rate of 4,8%; those with a net worth of between COP 3.000 Million and 5.000 Million must pay a tax rate of 2,4%. Likewise, Emergency Decree Number 4825 of December 2010 included a new range of taxpayers required to pay this tax. It establishes a rate of 1% for those taxpayers whose net worth is between COP 1.000 Million and 2.000 Million; those whose net worth is between COP 2.000 Million and 3.000 Million must pay a rate of 1,4%. This decree also established a 25% surcharge on this tax.

   The estimated value of the tax, including the surcharge, is estimated at COP 74.668. The tax was accrued on January 1, 2011 and is paid in eight (8) installments during four (4) years; that is, two (2) installments per year.

Regarding Income Tax:

Tax regulations in Mexico set forth that:

During the 2011 fiscal period, the Mexican income – tax rate was 30%, which is applied on the fiscal result of the fiscal period. In addition, it established that the workers' share of the fiscal profits is ten percent (10%).

Tax regulations in Costa Rica set forth that:

Income tax is determined based on estimations. The allowance for income tax reflected in the Profit and Loss Statement includes, in addition to the taxable income tax for the fiscal period, the tax effect applicable to the temporary differences between the accounting items and the fiscal items used to calculate the income tax. The value of the tax on such differences is recorded in a deferred income – tax account. The income – tax rate is 30%.

Tax regulations in Panama set forth that:

Income tax is determined based on estimations, on the taxable bases of the fiscal period. The income – tax rate is 30%.

Tax regulations in Ecuador set forth that:

Pursuant to the Tax Policy Law, companied incorporated in Ecuador will be subjected to a tax rate of 25%.

The balance of taxes, levies and rates as of December 31 included:

	2011	2010
Income Tax and Complementary Taxes	$ 21.165	$ 19.847
Sales Tax Payable	50.415	43.003
Equity Tax	57.125	0
Others	4.117	5.397
TOTALS	**$ 132.822**	**$ 68.247**
Total Short – Term Income Tax	**95.488**	**68.247**
Total Long – Term Income Tax	**37.334**	**0**

The movement of the income – tax account, during the year, included the following:

	2011	2010
Allowance Posted in the Profit and Loss Statement for the Year	$ 76.893	$ 70.002
Deferred Income Tax	37.026	6.991
Minus: Advance Payments, Self – Withholdings and Withholdings Made.	(92.754)	(57.146)
Total Income Tax and Complementary Taxes Payable	**$ 21.165**	**$ 19.847**

NOTE 16 » Labor Obligations

The balance as of December 31 included:

	2011	2010
Salaries Payable	$ 1.817	$ 1.138
Consolidated Severance Pay	33.375	28.455
Vacation Pay	17.599	17.143
Bonuses and Interest on Severance Pay	31.691	31.705
Others	11.947	9.946
TOTAL	**$ 96.429**	**$ 88.387**
Total Short – Term Labor Obligations	**89.949**	**78.624**
Total Long – Term Labor Obligations	**$ 6.480**	**$ 9.763**

Direct employees of *Grupo Nutresa S.A.* (Parent Company) and its subordinate companies during the fiscal period:

2011						
DIRECT EMPLOYEES	**Number of Persons by Gender**			**Salaries**	**Company Benefits**	**Total**
	Men	**Women**	**Total**			
Top Management	94	35	129	31.800	19.690	51.490
Mid – Management	5.558	3.080	8.638	253.896	168.096	421.992
Others	6.352	1.993	8.345	121.755	82.153	203.908
TOTAL	**12.004**	**5.108**	**17.112**	**407.451**	**269.939**	**677.390**

2010						
DIRECT EMPLOYEES	**Number of Persons by Gender**			**Salaries**	**Company Benefits**	**Total**
	Men	**Women**	**Total**			
Top Management	123	38	161	33.031	14.497	47.528
Mid – Management	5.072	2.888	7.960	225.147	155.859	381.006
Others	5.875	2.139	8.014	107.008	72.622	179.630
TOTAL	**11.070**	**5.065**	**16.135**	**365.186**	**242.978**	**608.164**

NOTE 17 » Estimated liabilities and allowances

The balance as of December 31 included:

Labor obligations	$ 84	$ 0
For costs and expenses	4.446	2.219
Retirement pensions (1)	24.140	23.797
Others	4.938	5.635
TOTAL	$ 33.608	$ 31.651
Total short – term estimated liabilities and allowances	12.708	11.540
Total long – term estimated liabilities and allowances	**$ 20.900**	**$ 20.111**
Total largo plazo	**$ 20.900**	**$ 20.111**

(1) Retirements Pensions

The allowance for retirement pensions was posted based on actuarial calculations as of December 31.

	2011	**2010**
Actuarial calculation for retirement pensions	$ 26.057	$ 27.175
Retirement pensions to be amortized (db)	(1.917)	(3.378)
Total	$ 24.140	$ 23.797
Total current retirement pensions	3.240	3.686
Total long – term retirement pensions	$ 20.900	$ 20.111
The charges to the profit and loss statement were the following:		
Due to reduction in the allowance provision	346	612
Due to payments made during the year	3.164	3.221
TOTAL	**$ 3.510**	**$ 3.833**

The actuarial liabilities as of December 31, 2011, were amortizable at a rate of between 85% and 100%. (In 2011, 100% was amortized, except those of Productos Alimenticios Doria S.A.S, Compañía Nacional de Chocolates S.A.S., Tropical Coffee Company S.A.S, Industria Colombiana de Café S.A.S, and Compañía de Galletas Noel S.A.S.).

The benefits covered are monthly pensions, semester bonuses, readjustments pursuant to effective legal regulations, survivorship annuities and their corresponding bonuses. In addition, funeral expenses were included for the direct – hire employees of the companies.

Colombian companies use the method of current value of split income due, readjusted in accordance with the parameters established in Article 1 of Decree 2783 dated December 20, 2001. The balance of actuarial liabilities to be amortized as of December 31, 2010 corresponds to nineteen (19) years, pursuant to Decree 4565 dated December 7, 2010.

In the case of Ecuador, the actuarial method used to calculate liabilities is that established in Article 72 of the Ecuador Reform Law for Tributary Equity, published in Official Record 242 dated December 29, 2007, as well as Article 35, Letter f) of the Ecuador Application Regulation for the Organic Internal Tax Policy Law. On the other hand, the Ecuador labor regulations began in 1998 for workers and employees who are not affiliated to the Instituto Ecuatoriano de Seguridad Social, IESS (Ecuador Social Security Institute), and as of 1992, for workers and employees, whether they are affiliated to IESS or not; in fact, in 1989, the Constitutional Court declared it imprescriptible. From the tax perspective, the Employer – Paid Retirement Plan (Jubilación Patronal) has been effective since 1998, pursuant to the provisions set forth in Official Record 379 dated August 8, 1998. The calculation includes the real actuarial interest rate of 4,00%, the financial discount rate of 6,50%, and the salary increase rate of 2,4% per year.

The total number of persons covered by the actuarial calculations is 1.075, as of December 2011 and 1.220 as of December 2010.

NOTE 18 » Deferred accounts and other liabilities

The balance as of December 31 included:

		2011		2010
Deferred taxes	$	112.430	$	58.938
Advanced payments and advanced receivable		4.924		1.870
Income receivable from third parties		107		114
Other		0		51
TOTAL	**$**	**117.461**	**$**	**60.973**
Total short – term deferred accounts and other liabilities		**5.031**		**1.983**
Total long – term deferred accounts and other liabilities	**$**	**112.430**	**$**	**58.990**

NOTE 19 » Reserves and equity revaluation

- Legal reserve:

Pursuant to Colombian commerce legislation, 10% of the net profits must be appropriated each year as a legal reserve, until the reserve balance reaches at least 50% of the subscribed capital. In accordance with its bylaws, the Company keeps its legal reserve until it reaches 100% of the subscribed capital. The reserve cannot be distributed until the Company is liquidated, but it must be used to absorb losses. Any excess above the minimum amount required by law may be freely disposed of by the Assembly of Shareholders.

- Reserve for flexible depreciation:

Some of the subordinate companies have constituted a reserve consisting of 70% of the highest depreciation value requested for fiscal effects.

- Reserve for stock buy – back:

Some of the companies have constitute a reserve for stock buy – back, through transfer from other reserves. Pursuant to the provisions set forth in the Commerce Code, all rights inherent in stock buy – back have a suspended status and these must be excluded when determining the intrinsic value of the issued stock. The Company must maintain a reserve equal to the cost of the buy – backs of its own stock.

- Other reserves

This includes the value accrued using the holding method and the dividends received from the subordinate companies and other reserves for free disposal by the Assembly of Shareholders.

The breakdown of the balance as of December 31 is as follows:

		2011		2010
Mandatory reserves	$	201.914	$	187.421
Occasional reserves		740.559		649.379
Total reserves	**$**	**942.473**	**$**	**836.800**

Equity revaluation

The adjustments for inflation corresponding to the balances of the equity accounts, until December 31, 2006, were accredited to this account and posted to the fiscal period Profit and Loss Statement. Pursuant to effective Colombian laws and regulations, this balance may be distributed when the Company is liquidated or capitalized. This capitalization represents an income that is neither income nor an occasional earning.

This item is decreased with the Equity Tax and may not be distributed as a profit until the Company is liquidated or capitalized, pursuant to legal provisions.

NOTE 20 » Valuation surplus

The balance as of December 31 included:

		2011		2010
Marketable securities	$	2.927.091	$	3.543.135
Property, plant and equipment		1.167.817		1.009.275
Others		2.643		2.878
Total valuations		4.097.551		4.555.288
Minus minority stake		(1.991)		(5.635)
Total valuation surplus	**$**	**4.095.560**	**$**	**4.549.653**

NOTE 21 » Operating income

The balance as of December 31 included:

		2011		2010
Net domestic product sales	$	3.496.189	$	3.232.621
Exports and sales abroad		1.561.194		1.226.237
TOTAL	**$**	**5.057.383**	**$**	**4.458.858**

Total operating income in USD by country is broken down next:

Country		2011	Part %		2010	Part %
Colombia (1)	US$	2.102.130.044	77,13%	US$	1.854.288.725	78,93%
Costa Rica		113.011.639	4,15%		108.056.913	4,60%
Ecuador		28.599.586	1,05%		25.358.145	1,08%
United States		70.584.089	2,59%		18.233.011	0,78%
Guatemala		8.123.464	0,30%		3.129.473	0,13%
Mexico		57.331.044	2,10%		51.081.948	2,17%
Nicaragua		10.050.447	0,37%		8.714.666	0,37%
Panama		42.104.777	1,54%		40.150.478	1,71%
Peru		54.836.736	2,01%		46.388.091	1,97%
Puerto Rico		3.477.119	0,13%		8.811.527	0,38%
El Salvador		4.165.623	0,15%		2.435.728	0,10%
Venezuela		211.889.737	7,77%		182.727.886	7,78%
Dominican Republic		19.285.159	0,71%		0	0,00%
	US$	**2.725.589.464**	**100,00%**	**US$**	**2.349.376.591**	**100,00%**

(1) The sales of Colombian companies were converted to the RMR average of COP 1.848,17 (2010: COP 1.897,89).

NOTE 22 » Administration operating expenses

The balance as of December 31 included:

		2011		2010
Personnel expenses	$	124.130	$	117.197
Professional fees		25.185		26.901
Services		28.003		20.886
Taxes, insurance and leasing		18.064		13.159
Amortizations		28.169		7.901
Travel expenses		8.704		8.658
Contributions and affiliations		4.474		3.553
Depreciations		2.229		2.254
Legal expenses		533		1.298
Supplies for computer equipment and communications		468		2.546
Taxis and buses		1.979		1.823
Office supplies and stationery		1.027		999
Others		7.096		5.766
TOTAL	**$**	**250.061**	**$**	**212.941**

NOTE 23 » Sales operating expenses

The balance as of December 31 included:

		2011		2010
Personnel expenses	$	357.710	$	327.049
Services		484.458		462.334
Taxes, insurance and leasing		123.953		100.708
Publicity material		31.717		33.331
Depreciations		25.662		27.385
Travel expenses		24.485		22.919
Professional fees		18.741		22.777
Commissions		12.849		11.347
Fuels and lubricants		10.838		7.110
Portfolio allowance		9.355		8.284
Containers and packaging		8.178		6.262
Amortization		9.125		3.603
Office supplies and stationery		3.950		3.570
Legal expenses		1.771		3.102
Tasting events and promotions		874		3.251
Others		97.636		60.620
TOTAL	**$**	**1.221.302**	**$**	**1.103.652**

NOTE 24 » Production expenses

The balance as of December 31 included:

	2011	2010
Personnel expenses	$ 31.067	$ 35.377
Services	44.588	32.115
Taxes, insurance and leasing	13.200	15.992
Taxis and buses	5.219	4.708
Depreciations	3.431	8.921
Professional fees	3.821	2.018
Travel expenses	2.061	1.738
Cleaning and cafeteria elements	2.015	5.842
Contributions and affiliations	1.866	865
Office supplies and stationery	1.143	1.254
Supplies, machinery and equipment	1.039	993
Fuel and spare parts	663	631
Amortizations	370	38
Checks and restaurants	183	322
Legal expenses	150	14
Others	12.507	10.785
Total	**$ 123.323**	**$ 121.613**

NOTE 25 » Dividends and financial income

The balance as of December 31 included:

	2011	2010
From other companies (Note 8)	$ 33.531	$ 30.996
Exchange – rate difference	52.900	36.052
Derivative valuation profit	11.766	6.084
Interest	7.442	5.633
Other financial income	150	2.451
Total	**$ 105.789**	**$ 81.216**

NOTE 26 » Financial expenses

The balance as of December 31 included:

	2011	2010
Interest	$ 64.191	$ 62.608
Exchange – rate difference	44.906	53.660
Derivative valuation loss	23.396	17.402
Conditioned commercial discounts	723	10.968
Financial – movement tax	14.724	716
Others	5.028	5.576
Total	**$ 152.968**	**$ 150.930**

NOTE 27 » Net other income and outlays

The balance as of December 31 included:

		2011		2010
Recoveries	$	20.572	$	29.041
Investment – sale profit		11.185		1.514
Property, plant and equipment and intangible – assets profit		10.888		178
Indemnifications – acknowledgements		1.792		838
Leasings		676		578
Services		211		1.505
Loss on withdrawal of assets		(4.174)		(3.444)
Donations		(5.954)		(5.946)
Intangible – asset amortizations		0		(3.329)
Goodwill amortization		0		(14.746)
Extraordinary expenses (1)		(19.513)		(6.914)
Adjustments for inflation (2)		(20.313)		(16.999)
Net others		(11.118)		(4.312)
Total	**$**	**(15.748)**	**$**	**(22.036)**

(1) Includes COP 9.524 for share – issue costs and COP 2.439 for change of Company name.

(2) Corresponds to adjustment for Inflation in Venezuela

NOTE 28 » Depreciations

The balance as of December 31 included:

		2011		2010
Constructions and buildings	$	24.817	$	19.055
Computer and communication equipment		1.139		1.426
Fleet and transportation equipment		1.215		1.631
Machinery and equipment		66.310		65.069
Furniture and fixtures		1.711		2.984
General total	**$**	**95.192**	**$**	**90.165**

NOTE 29 » Amortization of intangible assets, deferred assets and other assets

The balance as of December 31 included:

		2011		2010
Goodwill	$	21.894	$	17.099
Project everest		5.538		4.062
Improvements to property of others		3.401		3.550
Intangible brands		3.360		3.470
Leasing		3.525		3.680
Distribution rights		1.277		1.277
Licenses		234		0
Software		171		0
Building, machinery and equipment maintenance		1.044		193
General total	**$**	**40.444**	**$**	**33.331**

NOTE 30 » Acquisition of property, plant and equipment

During the year, the following assets were acquired:

	2011		2010	
Real estate	$	30.991	$	48.285
Office equipment		1.790		2.951
Production equipment		94.465		85.807
Transportation equipment		982		1.413
General total	**$**	**128.228**	**$**	**138.456**

NOTE 31 » Dividends decreed and paid

In the ordinary Assembly of Shareholders held March 31, 2011, a monthly per – share dividend of COP 28,50 was decreed between April 2011 and March 2012 inclusive, on 435.123.458 outstanding shares. Beginning with the issuance of shares in July 2011, the dividend was paid on 460.123.458 outstanding shares. Dividends were decreed for 2011 in the amount of COP 154.582 (2010: COP 141.030), including the minority shareholders.

During 2011, dividends in the amount of COP 150.292 (2010: COP 139.534) were paid.

NOTE 32 » Issuance of shares

In 2011, 25.000.000 ordinary shares were subscribed, placed at a value of COP 20.900 per share, for a capital total of COP 522.500 Million received.

NOTE 33 » Net Profit on Sale of Property, Plant and Equipment and Investments

The balance as of December 31 included:

Income Obtained in the Transfer of Property, Plant and Equipment and Intangible Assets

	2011		2010	
Machinery and equipment	$	4.748	$	2.533
Real estate		3.772		300
Intangible assets		7.326		0
Fleet and transportation equipment		456		875
Others		112		58
General total	**$**	**16.414**	**$**	**3.766**

Net profit (loss) on sale and withdrawal of investments and property, plant and equipment

	2011	2010
Real estate	$ 2.465	$ 1.409
Investments	10.244	1.344
Intangible assets	6.567	(2.308)
Machinery and equipment	(99)	(506)
Others	(156)	(192)
General total	**$ 19.021**	**$ (253)**

NOTE 34 » Consolidated financial ratios

	2011	2010
Liquidity ratio (current assets / current liabilities)	2,29	1,65
Indicates the capability the Company has to attend its short – term obligations, using current assets as endorsement.		
Debt ratio (total liabilities / total assets)	18,16%	21,64%
Indicates the part of the company assets that are financed with third – party resources.		
Asset turnover ratio (operating income / total assets)	0,64	0,55
Profit margin ratio (net profit / operating income)	5,01%	5,90%
Profitability ratio		
(Net Profit / Net Worth)	3,92%	4,16%
(Net Profit / Total Assets)	3,20%	3,26%
Consolidated EBITDA, adjusted		
Operating profit	432.495	432.744
Depreciations	95.192	90.165
Amortizations	40.444	15.256
Total consolidated EBITDA, adjusted	**$568.131**	**$538.165**
EBITDA over total equity	8,77%	8,51%

Multi – Nationality Indicators

	2011	2010
Share of assets abroad (Assets abroad / Total assets)	12,85%	11,85%
(Assets abroad / Total assets) (Sales abroad / Total sales)	23,18%	21,07%
Number of direct employees abroad / number of direct employees	29,76%	31,13%

(1) Below is a breakdown of the operations by country, expressed in COP, converted at an average RMR of COP 1.848,17 (2010: COP 1.897,89):

	Sales		Total Assets		Net Profit		Administration Expenses		Sales Expenses		Production Expenses	
Country	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Colombia	3.885.094	3.519.236	6.911.971	7.126.873	221.590	247.919	207.265	182.493	1.008.846	927.721	81.646	98.904
Costa Rica	208.865	205.080	309.182	309.440	17.676	15.230	9.751	10.225	50.378	45.480	9.028	5.264
Ecuador	52.857	48127	16.147	15.947	254	280	0	245	11.141	9.994	0	0
El Salvador	7.699	4.623	4.760	3.266	(695)	(18)	0	3	2.407	1.405	0	0
United States	130.451	34.604	60.898	55.353	4.349	1.126	3.769	816	14.996	7.488	10.475	438
Guatemala	15.014	5.939	10.230	2.478	(415)	(242)			3.473	2.032		
Mexico	105.958	96.948	55.817	39.386	9.861	10.860	3.716	3.558	15.819	14.259	667	1.427
Nicaragua	18.575	16.540	5.216	4.890	(398)	(564)		3	3.509	3.035	0	0
Panama	77.817	76.201	83.674	76.949	(4.005)	1.543	2.823	1.358	13.903	11.802	589	947
Peru	101.348	88.040	196.147	235.762	(3.964)	(7.018)	7.692	5.216	18.723	19.862	1.770	1.863
Puerto Rico	6.426	16.723	591	7.286	(882)	281			2.426	4.960		
Venezuela	411.638	346.797	254.497	207.061	9.577	(6.158)	11.608	9.023	64.843	55.615	19.148	12.770
Dominican Republic	35.641	0	22.039	0	563	0	3.437	0	10.838	0	0	0
TOTAL	5.057.383	4.458.858	7.931.169	8.084.691	253.511	263.239	250.061	212.941	1.221.302	1.103.652	123.323	121.613

NOTE 35 » Balances and transactions among economically bound companies

Operations of Grupo Nutresa S.A. (Parent Company) or its subordinate companies in which the members of the Board of Directors, Legal Representatives, Chief Officers and Shareholders of Grupo Nutresa S.A. own more than a 10% share:

COMPANY	Value of operations 2011	Value of operations 2010	Effect on results 2011	% of share in operating income (expenses) 2011
BANCOLOMBIA S.A.				
Commissions	$ 5.843	$ 3.815	$ 5.843	0,37%
Professional fees	46	0	46	0,00%
Purchase of goods	0	23	0	0,00%
Purchase of services	255	22	255	0,01%
Financial returns	20	23	20	0,00%
Interest paid	0	147	0	0,00%
Interest received	6	1.469	6	0,00%
Balance receivable	136	842	0	
Balance payable	2.055	11.816	0	
C.I.CONFECCIONES COLOMBIA S.A.				
Purchase of goods	0	175	0	0,00%
Purchase of services	0	5	0	0,00%
Sale of services	1	0	1	0,00%
Balance receivable	1	0	0	
CONSULTORÍA EN GESTIÓN DE RIESGOS SURAMERICANA S.A.				
Professional fees	39	0	39	0,00%
Purchase of services	8	0	8	0,00%
Balance payable	10	0		
EPS MEDICINA PREPAGADA SURAMERICANA S.A.				
Purchase of services	4	5	4	0,00%
Sale of services	3	0	3	0,00%
Balance receivable	3	0	0	
Balance payable	3	0	0	
GRUPO DE INVERSIONES SURAMERICANA S.A.				
Dividends received	16.896	15.677	16.896	0,33%
Dividends paid	50.978	38.728		3,20%
INVERSIONES ARGOS S.A.				
Dividends received	15.642	14.466	15.642	0,31%
Dividends paid	4.491	4.271	0	0,28%
INVERSIONES Y CONSTRUCCIONES ESTRATÉGICAS S.A.				
Dividends paid	0	599	0	0,00%
SERVICIOS DE SALUD IPS SURAMERICANA S.A.				
Purchase of goods	0	15	0	0,00%
Purchase of services	36	9	36	0,00%
Professional fees	3	1	3	0,00%
Sale of services	58	0	58	0,00%
Sale of goods	1.475	0	1.475	0,03%
Balance receivable	296	0	0	
Balance payable	7	0	0	
PORTAFOLIO DE INVERSIONES SURAMERICANA S.A.				
Dividends paid	0	13.010	0	0,00%
PROTECCIÓN S.A.				
Sale of services	16	0	16	0,00%
Balance receivable	28	85		

COMPANY	Value of operations 2011	Value of operations 2010	Effect on results 2011	% of share in operating income (expenses) 2011
SEGUROS DE VIDA SURAMERICANA S.A.				
Purchase of goods	0	584	0	0,00%
Purchase of insurance	0	458	0	0,00%
Purchase of services	2	31	2	0,00%
SERVICIOS DE VEHÍCULO SURAMERICANA S.A.				
Balance receivable	0	1	0	
SODEXHO PASS DE COLOMBIA				
Commissions	37	15	37	0,00%
Purchase of goods	0	247	0	0,00%
Purchase of services	4.487	643	4.487	0,15%
Professional fees	20	0	20	0,00%
Balance receivable	11	0	0	
Balance payable	115	0	0	
SODEXO COLOMBIA S.A.				
Purchase of goods	9	12.648	9	0,00%
Purchase of services	23.079	1.470	23.079	0,76%
Professional fees	6	3	6	0,00%
Sale of goods	0	104	0	0,00%
Sale of services	5.754	1	5.754	0,11%
Balance receivable	1.007	606	0	
Balance payable	1.904	0	0	
SURAMERICANA SEGUROS S.A.				
Commissions	0	75	0	0,00%
Purchase of goods	0	18.150	0	0,00%
Purchase of insurance	2.413	3.759	2.413	0,08%
Compra de servicios	1.487	4.521	1.487	0,05%
Financial returns	0	684	0	0,00%
Professional fees	0	6	0	0,00%
Indemnification for claims	0	56	0	0,00%
Interest paid	0	4	0	0,00%
Loss for claims	0	15	0	-
Sale of goods	0	5.005	0	0,00%
Sale of services	0	553	0	0,00%
Balance receivable	167	69	0	
COMPUREDES				
Purchase of services	157	0	157	0,01%
Professional fees	184	0	184	0,01%
Balance payable	54	0	0	

Note: All of the above operations were executed at normal market prices under normal market conditions.

Basic Financial Statements

FISCAL AUDITOR'S REPORT

February 24, 2012

Grupo Nutresa S. A. ASEMBLY OF SHAREHOLDERS

I have audited the Balance Sheet of Grupo Nutresa S.A. as of December 31, 2011 and 2010, and the corresponding Profit and Loss Statements, Changes in the Shareholders' Equity Statements, Changes in the Financial Situation Statements, and the Cash Flow Statements for the years ended on those dates, as well as the summary of the principle accounting policies indicated in Note 2 and other explanatory notes thereto.

The administration is responsible for the adequate preparation and presentation of these financial statements, in accordance with the accounting principles generally accepted in Colombia and the provisions of the Colombian Financial Superintendent. This responsibility includes designing, implementing and maintaining the relevant internal control for the financial statements to be free of relatively important errors due to fraud or mistakes. The administration is also responsible for selecting and applying the appropriate accounting policies, as well as establishing the accounting estimations that are reasonable under the circumstances.

My responsibility consists of stating an opinion concerning said financial statements based on my audits. I have obtained the necessary information to perform my fiscal – auditing duties in according with accounting principles generally accepted in Colombia. These principles require that I plan and conduct an audit to obtain reasonable certainty that the financial statements are free of relatively important errors.

A financial – statement audit contemplates, among other things, following procedures to obtain auditing evidence on the values and disclosures in the financial statement. The procedures selected depend on the auditor's discretion, including the assessment of risk of relatively important errors in the financial statements. In assessing such risks, the fiscal auditor considers the entity's pertinent internal control to prepare and reasonably present the financial statements, in order to design auditing procedures that are appropriate under the circumstances. An audit also includes assessing the appropriateness of the accounting policies used and of the accounting estimations made by the entity's administration, as well as evaluating the presentation of the financial statements as a whole. I consider that the auditing evidence that I have obtained provides a reasonable basis for me to form the opinion that I state below.

It is my opinion that the above – mentioned financial statements that I have audited, which were faithfully taken from the ledgers, reasonably present, in all significant aspects, the financial situation of Grupo Nutresa S.A. as of December 31, 2011 and 2010 and its operating results, the changes in its financial situation and its cash flows for the years ended on these dates, pursuant to accounting principles generally accepted in Colombia and the provisions of the Colombian Financial Superintendent, which were applied in a uniform manner.

Based on the result of my tests, in my opinion:

a) The Company's accounting has been kept pursuant to legal regulations and to proper accounting techniques.
b) The operations recorded in the accounting ledgers and the acts of the administrators adjust to the Statutes and to the decisions of the General Assembly of Shareholders.
c) The correspondence, account vouchers, Minutes Ledger, and Share Registry Ledger are duly kept and maintained.
d) There are adequate measures for the internal control, conservation and custody of Company assets and those of third parties in its possession.
e) The Company has complied with the regulations established in External Circular 062 of 2007, through which the Colombian Financial Superintendent established the obligation to implements mechanisms to prevent and control money laundering and the financing of terrorism, stemming from illegal securities – market activities.
f) There is concordance between the financial statements that accompany this opinion and the management report prepared by the administration.

The information contained in the payment declarations of contributions to the Comprehensive Social Security System, in particular the information relating to the affiliates and the income contribution base, has been taken from accounting records and supports. The Company is not is arrears for the concept of contributions to the Comprehensive Social Security System.

Juber Ernesto Carrión
Fiscal Auditor
Professional Card No. 86122 – T
Member of PricewaterhouseCoopers Ltda.

CERTIFICATION OF THE FINANCIAL STATEMENTS

The undersigned Legal Representative and General Accountant of Grupo Nutresa S.A.

HEREBY CERTIFY:

On February 24, 2012

That we have verified the statements contained in the financial statements of the Company as of December 31, 2011 and 2010, pursuant to applicable regulations and they have been faithfully taken from the books and reflect the financial position and results of the operations of the Company.

In accordance with the above, regarding the above – mentioned financial statements, we state the following:

1. The assets and liabilities of *Grupo Nutresa S.A*. do exist and the transactions recorded were made during the corresponding years.
2. All economic transactions that were made have been acknowledged.
3. The assets represent rights obtained by the Company, and the liabilities represent obligations that are the responsibility of the Company.
4. All elements have been acknowledged in the appropriate amounts, in accordance with generally accepted accounting principles.
5. The economic transactions that affect the Company have been correctly classified, described and disclosed.
6. The financial statements and their notes do not contain defects, errors or material inaccuracies that would affect the financial situation, shareholders' equity and operation of the Company. Likewise, adequate procedures and disclosure systems and financial information control have been established and maintained, for the adequate presentation to third – party users of such information.

Carlos Enrique Piedrahíta Arocha
President

Jaime Alberto Zuluaga Yepes
Accountant - Professional Card
Number 24769-T

CERTIFICATION OF THE FINANCIAL STATEMENTS LAW 964 OF 2005

Grupo Nutresa S. A. SHAREHOLDERS
MedellÌn

The undersigned Legal Representative of *Grupo Nutresa S. A.*

CERTIFIES:

That the financial statements and operations of the Company as of December 31, 2011 and 2010, contain no defects, inaccuracies or errors that prevent knowing the true financial situation of the Company.

This is stated to comply with Article 46 of Law 964 of 2005.

As evidence, this is signed on the 24th day of the month of February, 2012.

Carlos Enrique Piedrahíta Arocha
President

BALANCE SHEET

AS OF DECEMBER 31
(Values Expressed in COP Millions)

	NOTES		2011		2010
ACTIVO					
Current Assets					
Cash and Cash Equivalents	(3)	$	94	$	225
Debtor Accounts	(4)		10.662		90.361
Total Current Assets		**$**	**10.756**	**$**	**90.586**
Non - Current Assets					
Net Permanent Investments	(5)		3.554.895		2.716.228
Deferred Charges			503		0
Other Assets			155		155
Valuations	(5)		2.979.150		3.596.772
Total Non - Current Assets		**$**	**6.534.703**	**$**	**6.313.155**
TOTAL ASSETS		**$**	**6.545.459**	**$**	**6.403.741**
LIABILITIES					
Current Liabilities					
Financial Obligations		$	0	$	445
Accounts Payable	(7)		59.309		70.262
Taxes, Levies and Rates	(8)		249		604
Labor Obligations			872		947
Deferred Income	(9)		8.296		7.650
Total Current Liabilities			**68.726**		**79.908**
Non - Current Liabilities					
Accounts Payable	(7)		157		158
Taxes, Levies and Rates	(8)		336		0
Total Non - Current Liabilities			**493**		**158**
TOTAL LIABILITIES		**$**	**69.219**	**$**	**80.066**
EQUITY					
Company Stock	(10)		2.301		2.176
Capital Surplus			1.351.089		682.329
Reserves	(11)		1.236.743		1.112.852
Equity Revaluation	(12)		650.975		651.143
Results of the Fiscal Year			255.982		278.403
Surplus for Revaluation	(5)		2.979.150		3.596.772
Total Equity		**$**	**6.476.240**	**$**	**6.323.675**
TOTAL LIABILITY AND EQUITY		**$**	**6.545.459**	**$**	**6.403.741**
Memorandum Accounts	**(6)**				
Debtor Memorandum Accounts		**$**	**(3.075.419)**	**$**	**(2.989.672)**
Creditor Memorandum Accounts			**1.794.101**		**2.309.582**

The notes are an integral part of the financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

PROFIT AND LOSS STATEMENT

FROM JANUARY 1 TO DECEMBER 31
(Values Expressed in COP Millions)

	NOTES		2011		2010
Holding Method Income	(5)		$ 223.644		$ 239.836
Food Holding Method		294.100		334.162	
Financial Expenses, Interests		(64.191)		(62.608)	
Amortization of Goodwill		(14.520)		(14.746)	
Exchange Differences		7.994		(16.950)	
Realization of Investments		161		(65)	
Dividends		100		43	
Profits from Realization of Investments	(14)		11.024		1.579
Realization of Investments to Third Parties		12.322		3.108	
Cost of Realization of Investments to Third Parties		(1.298)		(1.529)	
Dividends	(5)		33.432		30.953
Interests Received			4		5
Other Operating Income			7.217		13.126
Operating Administration Expenses			(9.004)		(11.563)
Administration Expenses	(13)	(9.004)		(11.563)	
Operating Profit			**266.317**		**273.936**
Financial Expenses			(3)		(273)
Other Income and Outlays			(10.205)		6.616
Total Non - Operating Income and Outlays			(10.208)		6.343
Profit before Reserve for Estimated Income Tax			**256.109**		**280.279**
Reserve for Income Tax	(8)		(127)		(1.876)
Net Profit			**$ 255.982**		**$ 278.403**
Net Profit per Share (2)			556,33		639,83

(1) The heading comprising Holding Methods Income are included in the financial statements of the companies for which *Grupo Nutresa S.A. registerd the holding method.*
(2) Stated in Colombian Pesos (COP)

The notes are an integral part of the financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

CHANGES IN SHAREHOLDERS' EQUITY STATEMENT

From January 1 to December 31
(Values Expressed in COP Million)

					RESERVES										
	Notes	Capital	Stock - Placing Bonus	Holding Method Surplus	Legal	Due to Legal Provisions	For Stock Buy - Back	At the Disposal of Highest Company Body	Future Investments	Other Reserves	Total Reserves	Revaluation of Equity	Profit from the Fiscal Year	Valuation Surplus	Total Equity
Balances as of December 31, 2009		2.176	24.456	1.721.245	2.711	1.076	82.400	48.351	715.530	131	850.199	706.433	225.496	1.869.198	5.399.203
Dividends Declared													(140.980)		(140.980)
Transfers to Profits and Reserves								84.516			84.516		(84.516)		0
Equity Tax Appropriation												(252)			(252)
Adjustment for Valuations														573.434	573.434
Application of Holding Method	(5)			237.846											237.846
Movements Received through Acquisition				(1.301.218)				31.290	146.802	45	178.137	(55.038)		1.154.140	(23.979)
Net Profit for the Year 2010													278.403		278.403
Balances as of December 31, 2010		2.176	24.456	657.873	2.711	1.076	82.400	164.157	862.332	176	1.112.852	651.143	278.403	3.596.772	6.323.675
Emission of Shares		125	522.375												522.500
Dividends Declared													(154.512)		(154.512)
Transfers to Profits and Reserves								(5.700)	0	129.591	123.891		(123.891)		0
Equity Tax Appropriation												(168)			(168)
Adjustment for Valuations														(617.622)	(617.622)
Application of Holding Method	(5)			146.385											146.385
Net Profit for the Year 2011													255.982		255.982
Balances as of December 31, 2011		2.301	546.831	804.258	2.711	1.076	82.400	158.457	862.332	129.767	1.236.743	650.975	255.982	2.979.150	6.476.240

The notes are an integral part of the financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

Grupo nutresa

STATEMENT OF CHANGES IN THE FINANCIAL SITUATION

From January 1 to December 31
(Values Expressed in COP Millions)

FINANCIAL RESOURCES PROVIDED FROM	NOTES		2011		2010
NET PROFIT		$	**255.982**	$	**278.403**
Plus (Minus) Debits (Credits) to Operations that Do Not Affect the Working Capital:					
Amortization of Goodwill			0		110
Net Profit on Sale and Liquidation of Investments	(14)		(11.024)		(1.579)
Profit from Holding Method Application	(5)		(223.393)		(231.614)
Recovery of Holding Method Application Allowance	(5)		(251)		(8.222)
Results Received from Merger			0		(17.449)
Dividends from Affiliates and Subsidiaries	(5)		43.145		163.891
RESOURCES PROVIDED FROM OPERATIONS			**64.459**		**183.540**
Plus:					
Emission of Shares			522.500		0
Income Obtained in Realization or Liquidation of Investments	(14)		12.813		1.725
Increase in Accounts Payable			336		0
RESOURCES PROVIDED BY SOURCES OTHER THAN OPERATIONS			**535.649**		**1.725**
TOTAL FINANCIAL RESOURCES PROVIDED		$	**600.108**	$	**185.265**
FINANCIAL RESOURCES USED IN:					
Dividends Declares	(15)		154.512		140.980
Decrease in Accounts Payable			1		40.615
Acquisition of Investments in Stock			513.570		10.609
Acquisition of Other Investments			2		25
Increase in Deferred Assets			503		0
Acquisition of Goodwill			0		110
Equity Tax			168		252
TOTAL FINANCIAL RESOURCES USED		$	**668.756**	$	**192.591**
Working Capital Received from Acquisitions			**0**		**49.387**
(Decrease) Increase in Working Capital		$	(68.648)	$	42.061
Analysis of Changes in Working Capital					
INCREASE (DECREASE) IN CURRENT ASSETS					
Cash and Cash Equivalent		$	(131)	$	34
Debtor Accounts			(79.699)		46.951
TOTAL		$	**(79.830)**	$	**46.985**
(INCREASE) DECREASE IN CURRENT LIABILITIES					
Financial Obligations			445		(445)
Accounts Payable			10.953		463
Taxes, Levies and Rates			355		(174)
Labor Obligations			75		(297)
Deferred Liabilities			(646)		(4.471)
TOTAL		$	**11.182**	$	**(4.924)**
(DECREASE) INCREASE IN WORKING CAPITAL		$	**(68.648)**	$	**42.061**

The notes are an integral part of the financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahíta Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

CASH FLOW STATEMENT

From January 1 to December 31
(Values Expressed in COP Millions)

CASH FLOW PROVIDED FROM OPERATIONS:	NOTES	2011	2010
UTILIDAD NETA		**$ 255.982**	**$ 278.403**
Plus (Minus) Debits (Credits) Due to Operations that Do Not Affect Cash:			
Amortization of Goodwill		0	110
Net Profit on Sale and Liquidation of Investments	(14)	(11.024)	(1.579)
¨Profit from Applying Holding Method	(5)	(223.393)	(231.614)
Recovery of Holding Method Application Allowance	(5)	(251)	(8.222)
Results Received from Merger		0	(17.449)
Dividends Received from Affiliates and Subsidiaries	(5)	43.145	163.892
Payment of Equity Tax		(168)	(252)
Changes in Operating Assets and Liabilities:			
Debtor Accounts		79.699	(46.951)
Deferred Assets		(503)	0
Accounts Payable		(15.240)	(42.572)
Taxes, Levies and Rates		(19)	174
Labor Obligations		(75)	297
Deferred Liabilities		646	4.471
Working Capital Received from Acquisitions		0	(25)
NET CASH PROFIDED FROM OPERATIONS		**$ 128.799**	**$ 98.683**
CASH FLOWS PROVIDED FROM INVESTMENT ACTIVITIES:			
income Obtained from Realization of Investments	(14)	12.813	1.725
Acquisition of Investments in Stock		(513.570)	(10.609)
Acquisition of Other Investments		(2)	(25)
Acquisition of Goodwill		0	(110)
NET CASH USED IN INVESTMENT ACTIVITIES		**$ (500.759)**	**$ (9.019)**
CASH FLOWS FROM FINANCINT ACTIVITIES:			
Cash Received from Emission of Shares		522.500	0
Dividends Paid	(15)	(150.226)	(139.487)
Financial Obligations Acquired		(445)	445
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**$ 371.829**	**$ (139.042)**
Decrease in Cash and Cash Equivalents		(131)	(49.378)
Cash and Cash Equivalents due to Acquisitions		0	49.412
Cash and Cash Equivalents at Year Opening		225	191
CASH AND CASH EQUIVALENTS AT YEAR CLOSING		**$ 94**	**$ 225**

The notes are an integral part of the financial statements.

Jaime Alberto Zuluaga Yepes
Accountant
Professional Card No. 24769-T
(See attached certification)

Carlos Enrique Piedrahita Arocha
President
(See attached certification)

Juber Ernesto Carrión
Fiscal Auditor
Professional Card 86122-T
Member of PricewaterhouseCoopers Ltda.
(See attached report)

Grupo nutresa

NOTES TO THE FINANCIAL STATEMENTS

AYears ended as of December 31, 2011 and 2010
(Values expressed in COP Million, except for values in USD, the exchange rate and the number of shares).

NOTE 1 » Economic Entity

Grupo Nutresa S.A. is a Colombian *Sociedad Anónima* (stock company), incorporated pursuant with Colombian Laws on April 12, 1920. The Company term expires on April 12, 2050 and its main domicile in the city of Medellín.

The Company's business purpose consists of investing in or applying resources or funds to companies organized in any form provided by law, either at home or abroad, and whose business purpose is aimed at the exploitation of any legal economic activity, or in tangible or intangible property for the purpose of safeguarding its capital.

In a decision by the Assembly of Shareholders, the company changed its name from *Grupo Nacional de Chocolates S.A.,* to *Grupo Nutresa S.A.*, according to Public Deed Number 1068, registered in the Office of the 20th Notary Public of Medellín, on April 5, 2011. The Company continues to develop its business purpose under the new name.

In 2011, a *Grupo Nutresa* strategy was to issue 25.000.000 shares in order to give the Company the resources to continue growing while maintaining prudent levels of debt and increased liquidity in the shares.

2011 ACQUISITIONS

Helados Bon S. A. and Distribuidora Bon S.A.

February 18, 2011, *Grupo Nutresa S.A.* reached an agreement with *Helados Bon S.A.* shareholder´s for the acquisition of 73,11% stake in the company. The price agreed for this acquisition was US$38,7 million. *Helados Bon* is the leading company in the ice – cream business in the Dominican Republic, with a market share of nearly 85%. The company conducts its business through the highly recognized *BON* brand, and a solid network of ice cream stores, freezers in the traditional channel and carts in its mobile channel. Additionally, *BON* is the "master franchiser" of *Yogen Früz* in the country, whose products can be found in some of the company's ice cream stores.

With this acquisition, *Grupo Nutresa S.A.* also became a direct and indirect shareholder in *Distribuidora Bon, S. A.*, an affiliate of *Helados Bon S. A.*, domiciled in Santo Domingo, the Dominican Republic, and which is dedicated to the production, marketing and distribution of ice cream and related products.

Merger by Absorption

On August 10, 2010, the Office of the Colombian Financial Superintendent, through Resolution 1627, approved the short – form merger whereby *Grupo Nacional de Chocolates S. A.* absorbed its subordinate companies *Valores Nacionales S. A. S. y Portafolio de Alimentos S. A. S.* Pursuant to the resolution, the merger will be completely valid as of the date on which the merger is registered in the Chamber of Commerce Mercantile Registry. Said registration was made on September 10, 2010.

The following is the summary of the assets and liabilities received and delivered at book value at the August 2010 closing:

	INCREASE	DECREASE	NET
Current Assets	$ 67.840		$ 67.840
Cash Equivalents	49.412		
Accounts Receivable	18.428		
Non – Current Assets	1.154.140	(1.220.762)	(66.622)
Investments		(1.220.762)	
Valuations	1.154.140		
TOTAL NET ASSETS	**$ 1.221.980**	**$ (1.220.762)**	**$ 1.218**
Current Liabilities	(18.453)		(18.453)
Total Net Liabilities	**(18.453)**		**(18.453)**
Equity	1.203.527	(1.220.762)	(17.235)
Results		(6.744)	(6.744)
Total Net Equity	**$ 1.203.527**	**$ (1.227.506)**	**$ (23.979)**

NOTE 2 » Presentation Bases and Summary of the Principle Accounting Policies and Practices

For its accounting records and the preparation of its financial statements, the Company observes accounting principles generally accepted in Colombia, which are prescribed by legal provisions and the Office of the Colombian Financial Superintendent.

The principal accounting policies and practices implemented in the Company pursuant to the above are described below::

2.1 CONSOLIDACIÓN

Companies in Colombia must prepare non – consolidated, general – purpose financial statements, which are presented to the Assembly of Shareholders and which serve as a basis for the distribution of dividends and other appropriations. In addition, the Commerce Code requires the preparation of consolidated, general – purpose financial statements, which are also presented to the Assembly of Shareholders for their approval, but which do not serve as a basis for the distribution and appropriation of profits. The financial statements that accompany these notes do not consolidate the assets, liabilities, equity or results of the subordinate companies. The investments in these companies are recorded using the holding method as indicated below.

2.2 FOREIGN – EXCHANGE ACCOUNTS

Foreign – Exchange transactions are posted at the applicable Exchange rate effective on the date of the respective transaction. For the monetary conversion from United States Dollars to Colombian Pesos, at the close of each fiscal period the accounts receivable and accounts payable balances are adjusted at the representative market rate published by the official agency in charge of certifying that information. For accounts – receivable balances in other currencies (in terms of legal tender), the exchange differences are posted in the Profit and Loss Statement as financial income. For accounts payable, only the exchange differences not attributable to asset acquisitions are posted in the Profit and Loss Statement. Exchange differences that occur from the time acquisition assets are in construction or installation until they are ready to be used are attributable to pose in asset acquisition costs.

Pursuant to Regulatory Decree 4918, dated December 26, 2007, the exchange difference from variable – income investments in subordinate companies abroad must be restated in the legal tender, using the effective exchange rate certified by the Office of the Colombian Finance Superintendent and must be recorded in the Holding Method Surplus account as a greater or lesser value of the equity, as the case may be.

When the investment is effectively carried out, the adjustments for exchange differences that have been recorded in Equity will affect the results of the fiscal period.

The rights and obligations in financial derivatives made for the purpose of hedging assets or liabilities in foreign currency are posted in the Balance Sheet accounts and are adjusted to the representative market rate being credited or debited to the Profit and Loss Statement. Option – contract and futures – contracts bonuses or discounts are credited or debited to the Profit and Loss Statement of the fiscal period, as the case may be.

2.3 TRADABLE INVESTMENTS AND PERMANENT INVESTMENTS

The provisions of the Colombian Financial Superintendent, according to External Circular No. 11 of 1998, require that the investments that the Company owns be classified in accordance with the intention of their implementation by the administration as tradable investments, if it intends to keep them for less than three (3) years, and permanent investments if it intends to keep them for more than three (3) years. They are also classified in accordance with the returns that they generate in fixed – income investments and variable – income investments. Once classified, the investments are recorded and they appreciate as follows:

Fixed – income investments (debt rights), regardless of their classification as tradable or permanent, are initially recorded at their acquisition cost and are appreciated monthly at their realization value. The resulting adjustment is reflected in the Profit and Loss Statement.

Variable – income investments in shares or capital holdings, in entities that are not controlled by the Company, are recorded at cost and appreciate at their realization value. For permanent investments, the resulting adjustment, whether it is positive or negative, is recorded in the item valuation in the assets account with a credit or debit to the valuation surplus in the Changes in the Shareholders' Equity Statement, as the case may be. For tradable investments, the resulting adjustment, whether it is positive or negative, affects the last cost recorded for the investment; the income or expense generated is registered in the Profit and Loss Statement. For shares listed in the stock market, the market value is determined as follows: for high – marketability shares, based on the average of the last ten (10) days of quotations; for average – marketability shares, based on the average of the last ninety (90) days of quotations; and for low – marketability stock or stock that is not listed in the stock market, based on its intrinsic value.

Pursuant to Joint Circulars 006 and 11 of 2005, issued by the Colombian Superintendent of Societies and the Financial Superintendent, respectively, investments in subordinate companies in which more than 50% of the capital belongs to the Parent Company, either directly or through an intermediary or with the assistance of its subordinate companies, among other criteria, are posted using the equity – holdings method applied forward as of January 1, 1994. Using this method, investments are initially recorded at cost and later adjusted, with a credit or debit to the Profit and Loss Statement, as the case may be, to acknowledge the holdings in profits or losses in the subordinate companies as of January 1, 1994, after eliminating unrealized profits between the subordinate companies and the Parent Company. The cash distributions of the profits of these companies, obtained before December 31, 1993, are recorded as income and, after that date, it is recorded as a lesser value of the investment. In addition to the above, the proportional holdings are also recorded as a greater or lesser value of the investments posted in variations in other equity accounts of the subordinate companies other than the Profit and Loss Statement of the fiscal period, with a credit or debit to the surplus account through the holdings method in the equity.

2.4 INTANGIBLE ASSETS

Brands and Rights

Intangible assets include direct costs incurred in the acquisition of commercial brands, as well as the distribution rights acknowledged based on a technical study prepared by company personnel. Said costs are amortized in the lesser period of time between the estimated exploitation and the term of their legal term or contractual term.

2.5 TAXES, LEVIES AND RATES

This heading includes the value of the mandatory, general – nature taxation in favor of the State, for which the companies are responsible, for the concept of private liquidations that are determined on the taxable bases for the fiscal period.

Income tax is determined based on estimations.

2.6 ACKNOWLEDGEMENT OF INCOME, COSTS AND EXPENSES

Income received from the holding method is acknowledged on a quarterly basis, according to the results of the subordinate companies.

Generally speaking, income, costs and expenses are recorded in the Profit and Loss Statement on an accrual basis.

2.7 LABOR OBLIGATIONS

Labor obligations are adjusted at the end of each fiscal period, based on the work contracts and the legal labor regulations in force.

2.8 CREDITOR MEMORANDUM ACCOUNTS AND DEBTOR MEMORANDUM ACCOUNTS

2.8.1 Debtor Memorandum Accounts

Events or circumstances from which rights can be generated that affect the financial structure of the Company and accounts for effects of the internal control of assets are recorded in Debtor Memorandum Accounts. This item also included accounts used to reconcile differences between accounting records of an active nature and tax returns.

2.8.2 Creditor Memorandum Accounts

Commitments or contracts relating to possible obligations that may affect the financial structure of the Company are recorded in Creditor Memorandum Accounts. This item also includes accounts for effects of the internal control of liabilities and equity, as well as accounts used to reconcile the differences between accounting records of a credit nature and tax returns.

2.9 NET PROFIT PER SHARE

Net profit per share is calculated on 460.123.458 outstanding shares of the Parent company at the 2011 closing. (The 2010 closing registered 435.123.458 shares.)

2.10 CASH AND CASH EQUIVALENTS

To prepare the Cash Flow Statement, the simultaneous (funding) operations are considered cash equivalents, when they expire in less than three (3) months time.

2.11 RELATIVE IMPORTANCE OR MATERIAL SIGNIFICANCE

The Financial Statements and the Notes to the Financial Statements disclose in an integral manner the economic events that, in the years that ended on December 31, 2011 and 2010, affected the financial situation of the Company, its profits and losses and cash flows, as well as the changes in the financial situation and in the shareholders' equity. There are no undisclosed events of that nature which could significantly alter the economic decisions of the users of the information mentioned.

For the purpose of disclosure, relative importance was determined using a base of five percent (5%) of current assets and non – current assets, current liabilities and non – current liabilities, equity, the results of the fiscal period and each general – ledger account, on an individual basis.

2.12 FINANCIAL STATEMENT RECLASSIFICATION

Ciertas reclasificaciones han sido incorporadas en los estados financieros de 2010 para facilitar la comparación con los estados financieros de 2011.

NOTE 3 » Cash and Cash Equivalents

The balance as of December 31 included:

	2011	2010
Cash	$ 10	$ 16
Banks and Savings Accounts	74	99
Miscellaneous	10	110
TOTAL	**$ 94**	**$ 225**

The balance of these operations, except for cash, was placed at an average rate of 4,65% effective annually (E.A.) in 2011 and 4,05% E.A. in 2010.

NOTE 4 » Debtor Accounts

The balance as of December 31 included:

	2011	2010
Economically Bound Companies (Note 18)	$ 1.213	$ 79.265
Dividends Receivable (1)	8.296	7.650
Deposits	45	45
Advances and Advanced Payments	2	2
Net Advanced Tax Payments	1.052	559
Loans to Individuals	21	36
Accounts Receivable from Employees	3	0
Others	30	2.804
TOTAL DEBTOR ACCOUNTS (SHORT TERM)	**$ 10.662**	**$ 90.361**

(1) Corresponds to pending declared dividends to be received by investments in non – subordinate companies as of December 31, 2011 and 2010, with maturity between January and March 2012 and 2011, respectively.

NOTE 5 » Net Permanent Investments

The Balance as of December 31 included:

	Cost 2011	Cost 2010	Valuation 2011
Investments in Economically Bound Companies	$ 3.190.878	$ 2.350.741	$ 93.581
Investments in Other Companies	364.499	366.710	2.885.569
Trust Rights (1)	523	287	0
Other Investments	127	127	0
Investment Allowance	(1.132)	(1.637)	0
TOTAL PERMANENT INVESTMENTS	**$ 3.554.895**	**$ 2.716.228**	**$ 2.979.150**

(1) Corresponds to *Fideicomiso Grupo Nutresa S.A.*

Duly authorized by the Colombian Financial Superintendent, in August 2009 through *Fideicomiso Grupo Nutresa S.A.*, the Company issued 500.000.000 ordinary bonds at a par value of COP 1.000 per bond, which were placed in their entirety on the market and have a "AAA" (Triple A) rating by Fitch Ratings Colombia S.A., ratified in 2011 and 2010. The bonds are endorsed 100% by the Company.

As of December 31 2011 and 2010, bond distribution is:

SERIES	CAPITAL	CPE RATE +	Mode
C5	98.541	4,1900%	T.V
C7	131.815	4,9600%	T.V
C10	135.482	5,3300%	T.V
C12	134.162	5,5900%	T.V
TOTAL	**500.000**		

INVESTMENT IN ECONOMICALLY BOUND COMPANIES

COMPANY	Number of Common Shares	Holdings %	Cost 2011	Cos 2010	Valuation 2011	Dividends Received 2011
Cía. Nacional de Chocolates S.A.S	496.886	100	$ 668.137	$ 535.941	$ 0	$ 13.114
Compañía de Galletas Noel S.A.S.	119.000.000	100	778.067	481.675	32.417	
Tropical Coffee Company S.A.S.	1.000.000	100	24.975	21.939	494	
Ind. de Alimentos Zenú S.A.S.	2.496.089	100	298.375	299.446	0	23.264
Ind. Colombiana de Café S.A.S.	2.947.415	100	498.313	289.005	16	
Litoempaques S.A.S.	400.000	100	20.760	20.714	745	
Molino Santa Marta S.A.S.	30.316.584	100	35.804	27.041	20.835	
Novaventa S.A.S.	1.479.701.695	92,50	36.652	35.950	0	1.009
Pastas Comarrico S.A.S.	400.000	100	17.064	14.501	3.560	
Productos Alimenticios Doria S.A.S.	68.634.332	100	98.626	87.852	7.434	
Alimentos Cárnicos S.A.S.	4.736.893.458	100	344.516	242.339	0	4.500
Meals Mercadeo de Alimentos de Colombia S.A.S.	227.000.000	100	248.205	224.056	5.608	
Compañía Nacional de Chocolates de Perú S.A.	6.870	0.00	5	4	1	0
La Recetta S.A.S.	350.000	70	4.355	3.212	0	
Servicios Nutresa S.A.S. (formerly Servicios Nal. de Chocolates S.A.S.)	10.000	100	541	166	99	
Setas Colombianas S.A.	1.143.325.130	94,79	40.114	36.322	15.732	1.258
Alimentos Cárnicos Zona Franca S.A.S.	5.000	100	0	0	0	
Gestión Cargo Zona Franca S.A.S.	5.000	100	11.805	4.791	0	
Comercial Nutresa S.A.S. (formerly Cordialsa Colombia S.A.S.)	2.724.624	100	36.713	2.671	0	
Industrias Aliadas S.A.S.	1.780.000	66,67	27.851	23.115	6.640	
Subtotal			**$ 3.190.878**	**$ 2.350.741**	**$ 93.581**	**$ 43.145**
Investment Allowance			(569)	(820)		
TOTAL INVESTMENTS			**$ 3.190.309**	**$ 2.349.921**	**$ 93.581**	**$ 43.145**

A summary of the effect of applying the holding method in the structure of the *Grupo Nutresa S.A.* financial statements appears below:

	2011	2010
Increase in Assets		
Investments		
Holding Method	$ 370.029	$ 272.234
Dividends Received	(43.145)	(165.611)
Movement in Investments	326.884	106.623
Valuation	(1.469)	(55.951)
TOTAL INCREASE IN ASSETS	**$ 325.415**	**$ 50.672**
Increase in Equity:		
Results	$ 223.644	$ 239.836
Holding Method Profit	223.393	231.614
Net Investment Allowance Recovery	251	8.222
Capital Surplus	146.385	32.398
Valuation Surplus	(1.469)	(55.951)
TOTAL INCREASE IN EQUITY	**$ 368.560**	**$ 216.283**

The subordinate companies are listed below with their business purpose:

» ***Industria Colombiana de Café S. A. S. "Colcafé S. A. S.":***

This Colombian company was incorporated June 1, 1950, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to assemble and exploit coffee – industry and food – industry activities in general, and those of directly related businesses, as well as conduct any other legal economic activity.

» ***Compañía Nacional de Chocolates S.A.S.:***

This Colombian company was incorporated on October 8, 2002, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food – industry activities in general and, in particular, to produce chocolate and its derivatives, as well as to conduct business related to said industries; to distribute, sell and market the products described above, produced by the company and by other manufactures, and the raw materials, materials or inputs utilized in the food – production industry and in the production of popular – consumption foods susceptible to being distributed through the same channels. The business purpose also includes investing in or applying resources or having holdings under any associative form authorized by law, and carrying out any other legal activity.

» ***Tropical Coffee Company S.A.S.:***

This Colombian company was incorporated on March 31, 1950, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Santa Marta, Provincial Department of Magdalena, Colombia.

Its business purpose is to assemble and exploit coffee – industry and food – industry activities in general and to conduct directly related business activities. In addition, it can conduct any other legal economic activity.

» ***Productos Alimenticios Doria S.A.S.:***

This Colombian company was incorporated on November 18, 1966, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Mosquera, Provincial Department of Cundinamarca, Colombia.

Its business purpose is to exploit food – industry activities in general and, in particular, flours and prepared foods made from cereals and their derivatives, pastas among others, and conduct businesses that are directly related to said industry. It may also distribute and, in general, market food products, raw materials and elements used in the food industry, and the manufacture of flours and preparations made from cereals and its derivatives; as well as invest or apply resources or have holdings under any legal associative form; and conduct any other legal economic activity.

» ***Industria de Alimentos Zenú S.A.S.*:**
This Colombian company was incorporated on August 20, 2002, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct food – industry activities in general, as well as for those substances used as ingredients in foods and, in particular, meat, including the processing and utilization of by – products from beef, pork, sheep, fish and other animal species; the slaughter and preparation of large or small livestock and the purchase, sale, transport, distribution, importation and exportation of meet. It may also process meat and prepare sausages, soups, extracts, fats, canned meat, spices, condiments, dairy products, cottage cheese, eggs, and food substances for animals; the distribution, sale, importation, exportation and marketing in general of the elements mentioned above in their natural state or industrially prepared by the company or by others. In addition, it may distribute, sell, and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.

» ***Compañía de Galletas Noel S.A.S.*:**
This Colombian company was incorporated on August 13, 1998, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit food – industry activities in general and, in particular, the production or manufacture of those foods for human consumption and the substances used as ingredients in food, such as prepared cereal, flour, starches, tea, coffee, sago, chocolate, sugar, salt, honey, bakery products, cookie and cracker products and pastry products. It may also distribute and sell and trade in general the products mentioned in the above sentence, produced by the company or by other manufacturers, and the raw materials, materials or inputs used in the food – production industry, as well as distribute, sell and trade in general products for popular consumption susceptible to being distributed through the same channels. It may also invest or apply resources or have holdings under any associative forms authorized by law and conduct any other legal economic activity.

» ***Comercial Nutresa S.A.S.* (formerly *Cordialsa Colombia S. A. S.)*:**
This Colombian company was incorporated through a private document on February 12, 2010; it was registered in the Medellín Chamber of Commerce on February 17, 2010. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to conduct any legal activity.

On March 31, 2011, the memorandum was registered in the Medellín Chamber of Commerce in which the name of the company was changed from *Compañía de Cordialsa Colombia S. A. S.* to *Comercial Nutresa S. A. S.*

» ***Gestión Cargo Zona Franca S.A.S.*:**
This Colombian company was incorporated on October 10, 2008, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 16 2009. It has an indefinite term and its main domicile is in Cartagena, Provincial Department of Bolívar, Colombia.

The company is an industrial user of free – trade goods and services; its business purpose is principally, to develop the following activities in the free – trade zone: provide management services to purchase, import and export food products and raw materials used in the food industry in general, for third parties. Likewise, it may reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned articles. It may also provide coordination services and logistics control of imported products and raw materials for third parties, classify food and raw – material products, control inventories and customs processes, along with loading, unloading and picking of the products and raw materials indicated. It may do laboratory tests and analyses on food products and raw materials for food, as well as interpret their results.

» ***Alimentos Cárnicos Zona Franca Santafé S.A.S.*:**
This Colombian company was incorporated on October 10, 2008, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 16 2009. It has an indefinite term and its main domicile is in Cota, Provincial Department of Cundinamarca, Colombia.

The company is an industrial user of free – trade – zone goods and services; its main business purpose is the development of the following activities in the free – trade zone: to process, manufacture, purchase and sell food products and sell the sub – products and waste derived from the manufacturing processes; to provide manufacturing services of food products to third parties; to provide purchasing – management services for inputs and raw materials in the food – manufacturing industry; to provide services to reprocess, repack, assemble, label, pack, assemble for third parties, classify, control quality, inspect, reclassify, clean, freeze and thaw the mentioned products. It may also provide coordination services and logistics control of inventories of food products and raw materials for third parties, classify food and raw – material products, along with loading, unloading and picking of the products and raw materials indicated. It may contract for itself and for others third – party transportation services, as well as provide invoicing services and food – product dispatch, and conduct any other legal economic activity..

» *Alimentos Cárnicos S.A.S.*:

This Colombian company was incorporated on August 20, 1968, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Yumbo, Provincial Department of Valle del Cauca, Colombia.

Its business purpose is to exploit industry activities related to food and/or the substances used as ingredients for food in general and, in particular, meat and/or farm livestock and produce, including the processing and utilization of animal and agricultural by – products to prepare food; to exploit farm produce and large and small livestock and the business directly related to these activities, particularly by cattle breeding, raising, fattening up and their later slaughter or live disposal; the purchase, sale, transport, distribution, import, export and trade in general of its own food and that of other manufactures. It may, furthermore, invest or apply resources or have holdings under any associative form authorized by law, the purpose of which is the exploitation of any legal economic activity, even if it is not directly related to food production or marketing, and to conduct any other legal economic activity in Colombia and abroad.

» *Molinos Santa Marta S.A.S.*:

This Colombian company was incorporated on April 18, 1980, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Santa Marta, Provincial Department of Magdalena, Colombia.

Its business purpose is to mil grain, as well as develop the business and activities that are directly related to the milling industry and conduct any other legal economic activity.

» *Litoempaques S.A.S.*:

This Colombian company was incorporated on March 16, 1995, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to exploit the metal – works and packing – industry activities in general and, in particular, to produce or manufacture and/or assembly, and/or market bottles, lids and packaging made of any material and for any use. It may also do lithography work in metal or in any other base aimed at all kinds of industries; to sell, distribute, import, export and commercialize all of the above elements in general, whether produced by the company or by other manufactures, as well as the raw materials or inputs used in the metal – works industry and packing industry. It may also conduct any other legal economic activity.

» *Pastas Comarrico S.A.S.*:

This Colombian company was incorporated on November 30, 2004, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 18, 2009. It has an indefinite term and its main domicile is in Barranquilla, Provincial Department of Atlántico, Colombia.

Its business purpose is to conduct food – industry activities in general and, in particular, to manufacture and/or commercialize flours, pastas, prepared food made from cereals and their derivatives, as well as conduct business activities directly related to said industry; and to conduct any other legal economic activity.

» *Novaventa S.A.S.*:

This Colombian company was incorporated on October 2, 2000, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to commercialize and distribute food products, raw materials and elements used in food industries and manage specialized channels to commercialize said products and other articles that are susceptible to being distributed through the same channels. It may also provide maintenance services for equipment used to commercialize the items mentioned above, and conduct any other legal economic activity.

» *Meals Mercadeo de Alimentos de Colombia S.A.S.*:

This Colombian company was incorporated on January 29, 1964, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Bogotá, Provincial Department of Cundinamarca, Colombia.

Its business purpose is to conduct food – industry activities in general and, in particular, ice cream, dairy beverages, desserts, yoghurts, juices, refreshments, and fruit – based prepared food; to conduct business activities directly related to said industry. It general it may distribute, sell and trade the products mentioned above, produced by the company or by other manufacturers, as well as the raw materials,

materials or inputs used in the food – production industry, as well as distribute, sell and trade in general popular products that are susceptible to being distributed through the same channels. It may also invest or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity.

» *Servicios Nutresa S. A. S.* (Formerly *Servicios Nacional de Chocolates S. A. S.*)

This Colombian company was incorporated on April 21, 2006, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 17, 2009. It has an indefinite term and its main domicile is in Medellín, Provincial Department of Antioquia, Colombia.

Its business purpose is to provide in Colombia and/or abroad specialized business services in areas such as risk management and insurance, assistance in legal, auditing and control, accounting, tax, negotiation in purchases, financial – planning, human – resource support and development, administrative, informational technology, treasury matters and any other that can create value for its clients. In addition, to invest or apply resources or have holdings under any of the associative forms authorized by law, and conduct any other legal economic activity.

On April 1, 2011, the statutory reform was registered in the Medellín Chamber of Commerce in which the name of the company was changed from *Servicios Nacional de Chocolates S. A. S.* to *Servicios Nutresa S. A. S.*.

» *La Recetta Soluciones Gastronómicas Integradas* S.A.S.:

This Colombian company was incorporated on April 11, 2008, as a *Sociedad Anónima* (stock company) and unanimously transformed by the Assembly of Shareholders into a *Sociedad por Acciones Simplificada* on March 25, 2010. It has an indefinite term and its main domicile is in Cota, Provincial Department of Cundinamarca, Colombia.

Its business purpose is to distribute products of any nature through the institutional channel on its own behalf or for third parties; these products include mass – consumption foods and products, with its own brands or with third – party brands, as well as packaging and packing them.

» *Compañía Nacional de Chocolates de Perú S.A.:*

The Peruvian company was incorporated on November 13, 2006, for an indefinite term and its main domicile is in Lima, Peru.

The business purpose is to conduct industrial and agro – industrial activities by manufacturing and commercializing all kinds of beverages and foods, as well as all types of farm and livestock exploitation. It may also devote itself to warehousing, merchandising, distributing, exporting and importing activities for goods in general and, in particular, it is dedicated to the industry of cookies, chocolates and other sweets.

On December 1, 2010, the short – form merger was effected, whereby *Compañía Nacional de Chocolates de Perú S. A.* absorbed *Compañía de Cacao del Perú S. A. C.*.

» *Industrias Aliadas S.A.S.:*

This Colombian company was incorporated on September 21, 1988, through Public Deed Number 4349, registered in the Office of the Second Notary Public of Ibagué. Its term is until September 21, 2038 and its main domicile is in Ibagué, Provincial Department of Tolima, Colombia.

On April 28, 2011, Memorandum Number 28 was registered in the Ibagué Chamber of Commerce, whereby the company was transformed in a *Sociedad por Acciones Simplificada*.

Its business purpose is to purchase, sell, dry, sort and export coffee. In general, the company conducts all activities related to the coffee industry.

» *Setas Colombianas S.A.:*

This Colombian company was incorporated on December 16, 1991. Its term is until December 16, 2041, and its main domicile is in Medellín, Provincial Department of Department, Colombia.

Its business purpose is to exploit, cultivate, produce, process, distribute and commercialize mushrooms and, in general, food – industry products for human consumption and food for animals, and conduct business activities directly related to the food industry. It may also invest in livestock, farming and industrial units or businesses to process, exploit or distribute food products for human consumption and food for animals.

Through Public Deed Number 4161, dated December 10, 2010, registered in the Office of the Twentieth Notary Public of the Circuit of Medellín, the statutory reform of *Setas Colombianas S. A.* was formalized in which the company's paid – up capital was decreased by COP 8.443.034.446 with a cash reimbursement of contributions. This reform was approved by the Assembly of Shareholders in an ordinary meeting on March 12, 2010 and was later authorized by the Office of the Financial Superintendent through Resolution 1088 dated May 31, 2010, as well as by the Ministry of Social Protection through Resolution 1870 dated November 18, 2010.

» *Portafolio de Alimentos S.A.S. y Valores Nacionales S.A.S.:*

On August 10, 2010, the Colombian Financial Superintendent, through Resolution 1627, approved the short – form merger through which *Grupo Nacional de Chocolates S. A.* absorbed its subordinated companies *Valores Nacionales S. A. S.* and *Portafolio* *de Alimentos S. A. S.* Pursuant to the resolution, the merger would be fully effective on the date on which the mercantile registration was made in the Chamber of Commerce. Said registration was made on September 10, 2010.

The values presented below were taken from the financial statements of the subordinate companies as of December 31, along with their corresponding certificates and fiscal auditor's opinion, subject to the legal regulations in force:

2011 COMPANY	Company Stock	Capital Surplus	Reserves	Equity Revaluation	Profit (Loss)	Loss from Previous Fiscal Year	Valuation Surplus	TOTAL EQUITY
Ind. Colombiana de Café S.A.S.	22	138.595	88.156	7.841	21.095	0	242.620	498.329
Cía. Nacional de Chocolates S.A.S.	25	194.755	179.703	18.821	37.566	0	237.267	668.137
Compañía de Galletas Noel S.A.S.	119.000	281.196	154.540	7.901	31.999	0	215.849	810.485
Ind. de Alimentos Zenú S.A.S.	250	(3.150)	123.042	73.660	13.851	0	90.320	297.973
Productos Alimenticios Doria S.A.S.	6.853	0	14.933	24.668	4.424	0	55.182	106.060
Molino Santa Marta S.A.S.	30	6.721	4.502	20.169	5.522	(1.910)	21.604	56.638
Alimentos Cárnicos S.A.S.	47.376	44.405	131.936	0	66.440	0	54.359	344.516
Tropical Coffee Company S.A.S.	4.891	0	3.363	382	(321)	(975)	18.130	25.470
Litoempaques S.A.S.	4.000	0	2.082	6.726	(35)	0	8.732	21.505
Pastas Comarrico S.A.S.	400	6.951	2.589	0	1.230	0	9.454	20.624
Novaventa S.A.S.	1.600	3.588	18.367	8.215	1.983	0	5.872	39.625
Cía. Nacional de Chocolates del Perú S.A.	169.204	0	3.329	0	8.852	9.498	0	190.883
La Recetta S.A.S.	500	1.820	1.118	0	1.634	0	336	5.408
Meals Mercadeo de Alimentos de Colombia S.A.S.	22.700	127.597	31.444	0	10.972	0	61.100	253.813
Servicios Nutresa S.A.S. (formerly Serv. Nal. de Chocolates S.A.S.)	100	0	163	2	330	0	44	639
Setas de Colombia S.A.	7.237	3.800	10.888	31.656	4.928	(29.906)	30.313	58.916
Alimentos Cárnicos Zona Franca S.A.S.	5	0	0	0	(726)	(42)	0	(763)
Gestión Cargo S.A.S	5	0	4.786	0	7.014	0	0	11.805
Comercial Nutresa S.A.S. (formerly Cordialsa Colombia S.A.S.)	2.725	23.785	661	0	9.543	0	0	36.714
Industrias Aliadas S.A.S.	13.959	1.362	551	6.506	7.104	(2.650)	24.904	51.736

2010	Company Stock	Capital Surplus	Reserves	Equity Revaluation	Profit (Loss)	Profit or Loss from Previous Fiscal Period	Valuation Surplus	TOTAL EQUITY
Ind. Colombiana de Café S.A.S.	16	12.778	46.110	9.409	42.045	0	178.646	289.004
Cía. Nacional de Chocolates S.A.S.	22	73.284	171.417	21.421	21.399	0	248.398	535.941
Compañía de Galletas Noel S.A.S.	116.660	41.406	120.567	10.953	33.972	0	190.289	513.847
Ind. de Alimentos Zenú S.A.S.	250	227	87.502	76.638	58.805	0	75.900	299.322
Productos Alimenticios Doria S.A.S.	6.853	0	4.413	27.543	10.520	0	45.963	95.292
Molinos Santa Marta S.A.S.	30	6.721	4.502	20.589	(1.909)	0	18.209	48.142
Alimentos Cárnicos S.A.S.	44.034	14.267	103.522	0	32.913	0	47.603	242.339
Tropical Coffee Company S.A.S.	4.891	0	3.042	501	(652)	0	14.649	22.431
Litoempaques S.A.S.	4.000	0	1.897	6.921	185	0	8.455	21.458
Pastas Comarrico S.A.S.	400	6.951	1.359	82	1.230	0	8.040	18.062
Novaventa S.A.S.	1.600	3.588	11.684	8.761	7.774	0	6.090	39.497
Cía. Nacional de Chocolates del Perú S.A.	136.209	0	21.169	0	(148)	0	0	157.230
La Recetta S.A.S.	500	1.820	12	0	1.105	0	0	3.437
Meals Mercadeo de Alimentos de Colombia S.A.S.	22.700	127.597	25.535	837	5.908	0	47.073	229.650
Servicios Nutresa S.A.S. (formerly Serv. Nal. de Chocolates S.A.S.)	100	0	65	2	98	0	41	306
Setas de Colombia S.A.	7.237	3.800	6.813	33.478	5.401	(29.906)	28.110	54.933
Alimentos Cárnicos Zona Franca S.A.S.	5	0	0	0	(12)	(30)	0	(37)
Gestión Cargo S.A.S.	5	0	0	0	4.771	0	0	4.776
Comercial Nutresa S.A.S. (formerly Cordialsa Colombia S.A.S.)	1.000	1.010	0	0	661	0	0	2.671
Industrias Aliadas S.A.S.	13.959	1.362	292	7.791	897	(3.288)	25.023	46.036

ECONOMICALLY BOUND COMPANIES IN WHICH GRUPO NUTRESA S.A. DOES NOT HAVE A DIRECT STAKE

ISSUER COMPANY / COMPANY SHAREHOLDER	Compañía Nacional de Chocolates S.A.S.	Compañía de Galletas Noel S.A.S.	Colcafé S.A.S.	Compañía Nacional de Chocolates DCR S.A.	Industria de Alimentos Zenú S.A.S.	Compañía de Galletas Pozuelo DCR S.A.	Compañía Nacional de Chocolates de Perú S.A.	Alimentos Cárnicos S.A.S.	Helados Bon S.A.	ECONOMIC ACTIVITY
Alimentos Cárnicos de Panamá S.A. (formerly Blue Ribbon Products S.A.)					100,00%					Production
Cordialsa Noel Venezuela S.A.	50,00%	50,00%								Merchandising
Industrias Alimenticias Hermo de Venezuela						100,00%				Production
Corp. Distrib. de Alimentos S.A. (Cordialsa)	50,00%	50,00%								Merchandising
Cordialsa Boricua Empaque, Inc.	24,09%	75,91%								Merchandising
Cordialsa USA, Inc.	10,28%	74,66%	15,06%							Merchandising
Compañía Nacional de Chocolates DCR, S.A.	100,00%									Food – Industry Exploitation
Cordialsa Costa Rica, S.A.	50,00%	50,00%								Merchandising
Comercial Pozuelo Guatemala S.A. (formerly Dist. Cordialsa Guatemala S.A.)				0,01%		99,99%				Merchandising
Cordialsa Honduras, S.A.	50,00%	50,00%								Merchandising
Comercial Pozuelo El Salvador S.A. de C.V. (formerly Cordialsa Salvador S.A. de C.V.)						99,997%			0,003%	Merchandising
Compañía de Galletas Pozuelo DCR S.A.	35,75%	62,84%			1,41%					Food – Industry Exploitation
Comercial Pozuelo de Panamá S.A. (formerly Dist. Tropical de Nicaragua S.A.)						100,00%				Production
Comercial Pozuelo Nicaragua S.A. (formerly Dist. Tropical de Nicaragua S.A.)				0,08%		99,92%				Merchandising
Nutresa S.A. de C.V.	10,22%		40,13%		14,00%		35,65%			Production
Serer S.A. de C.V.			44,70%		15,59%		39,71%			Production
Fehr Holdings, LLC		100,00%								Production
Compañía de Galletas Pozuelo de República Dominicana S.A.						100,00%				Investments
Helados Bon S.A.									73,11%	Production
Distribuidora Bon S.A.								0,06%	99,94%	Merchandising

INVESTMENT IN OTHER COMPANIES

COMPANY	Number of Common Stock	Holdings %	Cost 2011	Cost 2010	Valuation (Devaluation) 2011	Valuation (Devaluation) 2010	Dividends Received 2011
Compañía de Distribución y Transporte S.A.	0	0,00%	$ 0	$ 1.315	$ 0	$ 899	$ 665
Grupo Suramericana de Inversiones S.A.	469.037.260	12,66%	161.433	161.433	1.685.527	2.064.421	16.896
Inversiones Argos S.A.	645.400.000	12,37%	148.703	148.703	1.193.611	1.439.409	15.642
Predios del Sur S.A.	0	0,00%	0	783	0	(131)	0
Promotora de Manufacturas para Exportación S.A.	0	0,00%	0	177	0	0	0
Promotora de Proyectos S.A.	3.093.368	12,87%	265	265	(176)	(177)	0
Sociedad Central Ganadera S.A.	279.859	17,40%	1.025	958	1.032	717	228
Fondo Ganadero de Antioquia	43.321.254	3,57%	88	88	(6)	(9)	0
Bimbo de Colombia S.A.	5.811.574	40,00%	52.985	52.985	5.581	(3.410)	0
Carnes y Derivados	0	0,00%	0	3	0	2	1
Others			0	0	0	0	0
Subtotal			**$ 364.499**	**$ 366.710**	**$ 2.885.569**	**$ 3.501.721**	**$ 33.432**
Investment Allowance			(46)	(532)	0	**0**	**0**
TOTAL INVESTMENTS			**$ 364.453**	**$ 366.178**	**$ 2.885.569**	**$ 3.501.721**	**$ 33.432**

NOTE 6 » Memorandum Accounts

The balance as of December 31 included:

	2011	2010
Debtor Memorandum Accounts:		
Contingent Rights		
Assets and Securities Given Out as Guarantee	$ 401.760	$ 499.770
Litigations and Lawsuits	0	1.469
Subtotal	**$ 401.760**	**$ 501.239**
Fiscal Debtor Memorandum Accounts		
Investments	$ (4.098.029)	$ (4.126.012)
Intangible Assets	110	0
Expenses	(11.389)	(8.506)
Fiscal Losses to Be Compensated	783	14.344
Fiscal Losses Compensated	9.934	5.268
Excess Presumptive Income Compensated	9.281	4.231
Subtotal	**$ (4.089.310)**	**$ (4.110.675)**
Other Control Debtor Memorandum Accounts		
Assets and Securities in Trust	$ 152	$ 7.785
Asset Inflation Adjustment	611.979	611.979
Subtotal	$ 612.131	$ 619.764
TOTAL DEBTOR MEMORANDUM ACCOUNTS	**$ (3.075.419)**	**$ (2.989.672)**

		2011		2010
Creditor Memorandum Accounts				
Contingent Responsibilities				
Assets and Securities Received as Guarantee	$	(607)	$	1.605
Litigations and/or Lawsuits		805		746
Credits		1.245.857		1.220.603
Labor		956		0
Other Contingent Responsibilities		725		1.187
Subtotal	**$**	**1.247.736**	**$**	**1.224.141**
Fiscal Creditor Memorandum Accounts				
Operating Income		(257.437)		281.639
Control Creditor Memorandum Accounts				
Equity Inflation Adjustments		803.802		803.802
TOTAL CREDITOR MEMORANDUM ACCOUNTS	**$**	**1.794.101**	**$**	**2.309.582**

NOTE 7 » Accounts Payable

The balance as of December 31 included:

		2011		2010
Economically Bound Companies (Note 18)	$	15.120	$	30.455
Costs and Expenses Payable		668		655
Dividends Payable		43.138		38.851
Withholdings and Payroll		30		33
Withholdings at the Source		345		245
Others		8		23
TOTAL ACCOUNTS PAYABLE (SHORT TERM)	**$**	**59.309**	**$**	**70.262**
Others (1)		157		158
TOTAL ACCOUNTS PAYABLE (LONG TERM)	**$**	**157**	**$**	**158**

(1) We expect to pay the balance in 2021.

NOTE 8 » Taxes, levies and rates

As of December 31, the taxes, levies and rates included:

		2011		2010
Sales Tax Payable	$	82	$	476
Municipal Taxes		0		128
Equity Tax (*)		503		0
		585		**604**
Les: Non – Current Portion of Equity Tax		336		0
TOTAL	**$**	**249**	**$**	**604**

(*) The maturity of the non – current portion of the Equity Tax is as follows:

Year	Value
2013	$ 168
2014	168
TOTAL	**$ 336**

INCOME TAX AND COMPLEMENTARY TAXES

Current tax dispositions applicable to the Company stipulate that:

a) Fiscal income is generally taxed at a rate of 33% for the concept of income tax and complementary taxes, except for the contributors that, by express disposition, handle special rates.
b) The taxable base to determine the income tax cannot be less than 3% of the net worth of the net worth (shareholders' equity) on the last day of the immediately previous taxable fiscal period.
c) As of tax year 2007, for tax purposes, the system of integral – inflation adjustments was eliminated; the occasional – earnings tax on the total taxable occasional earnings that taxpayers obtained during the year was reactivated for legal corporate entities. The sole applicable tax rate for taxable occasional earnings is 33%.
d) As of tax year 2007 and solely for tax purposes, taxpayers may annually adjust the cost of real estate and personal property that have the nature of fixed assets. The adjustment percentage will be set by the Colombian National Tax and Customs Directorate through a resolution.
e) As of December 31, 2011, the Company presented fiscal losses to be compensated in the amount of COP 782 originated in 2006 and 2008. Pursuant to effective tax regulations, the fiscal losses generated from 2003 to 2006 can be offset and/or fiscally readjusted with the net ordinary income for the following eight (8) years, without exceeding 25% of the value of the loss annually, without prejudice to the presumptive income for the fiscal period. Losses originated as of tax year 2007 may be offset and/or fiscally readjusted, without any limit on the percentage, at any time, with net ordinary income without prejudice to the presumptive income for the fiscal period. Company losses will not be transferred to the shareholders. Fiscal losses originated in revenue that do not constitute income or occasional earnings, and originated in costs and deductions that have no relation of causality with the generation of taxable income, may not – under any circumstance – be offset with the taxpayers net income.
e) As of December 31, 2011, the Company presented excesses of presumptive income over ordinary income in the amount of COP 9.281, generated in 2009 and 2010. Pursuant to effective tax regulations, the excesses presumptive income over ordinary income may be offset and/or fiscally readjusted with the net ordinary income, within the following five (5) years.

The maturity of the fiscal losses and the excesses of presumptive income is the following:

Date of Maturity	Fiscal Losses	Excesses of Presumptive Income
No Date of Maturity	$ 62	$ 0
2015	0	6.084
2014	13	3.197
2013	613	0
2012	61	0
	$ 749	$ 9.281

f) Since 2004, taxpayers of income tax which has entered into operations with economically bound companies or related parties abroad and/or residents in countries deemed tax havens are required to determine their ordinary and extraordinary income, for income tax and complementary tax purposes, considering the so – called market prices and profit margins for these operations.

During 2011 and 2010, the Company did not enter into operations with economically bound companies or related parties abroad and/or with residents in countries deemed tax havens; therefore, it did not have to prepare the transfer price study that regulations covering such operations require.

Below is the breakdown of the reconciliation between before – tax profits and remittance and the taxable income for the years ended on December 31:

		2011		2010
Profit before Allowance for Estimated Income Tax	$	256.109	$	280.279
Plus:				
Taxes and Other Non – Deductible Expenses		430		1.822
Non – Deductible Expenses		407		124
Increase in Non – Deductible Allowances		233		214
Loss in Holding Method		360		2.876
Costs and Expenses from Previous Fiscal Periods		490		12
Dividend Received Due to the Holding Method		43.145		165.611
Levy on Financial Movements		511		53
Expenses for Emission of Shares		9.524		0
TOTAL Items that Increase the Net Taxable Income	**$**	**55.100**	**$**	**170.712**
Minus:				
Untaxed Income		1		27
Income Using Holding Method		224.005		242.712
Dividends that Do Not Constitute Income		76.576		196.564
Repayment of Costs and Expenses from Prior Fiscal Periods		0		5.896
Presumptive Income Losses and Excesses Offset		9.934		5.268
Investment Sales Cost		693		502
Repayment of Allowances		0		21
TOTAL Items that Decrease the Net Taxable Income	**$**	**311.209**	**$**	**450.990**
Presumptive Income	$	385	$	5.856
Taxable Net Income		385		5.856
Tax Rate		33%		33%
Allowance for Current Income Tax Before Discounts		127		1.933
Minus: Tax Discounts		0		(57)
Allowance for Current Year Income Tax		**127**		**1.876**

The credit balance for income tax and complementary taxes as of December 31 was determined as follows:

		2011		2010
Allowance for Income Tax and Current Occasional Earnings	$	127	$	1.876
Minus:				
Auto – Retentions and Withholdings		827		1.469
Uncompensated Credit Balance		0		966
Credit Balance for Income Tax and Complementary Taxes	**$**	**700**	**$**	**559**

RECONCILIATION BETWEEN ACCOUNTING NET WORTH AND FISCAL NET WORTH

Below is the reconciliation between the accounting net worth and the fiscal net worth for the years ending as of December 31:

		2011		2010
Accounting Net Worth	$	6.476.240	$	6.323.674
Plus (Minus) Items that Increase (Decrease)				
Net Worth for Fiscal Effects:				
Allowances		1.149		1.639
Valuations		(2.979.150)		(3.596.672)
Goodwill Amortization Pending		110		0
Fiscal Cost of Investments		(1.120.029)		(530.978)
FISCAL NET WORTH	**$**	**2.378.320**	**$**	**2.197.663**

The tax returns for income taxes and complementary taxes for the 2006, 2008, 2009 and 2010 tax years are subject to review and acceptance by the tax authorities. The Company Administrators and its legal advisors consider that the sums posted as liabilities for that concept are sufficient to attend any requirement that may be set forth regarding those years.

CAPITAL TAX

Under the terms of Law 1370 of 2009, a capital tax was created for taxable year 2011, which income taxpayers must pay. Therefore, those taxpayers with a net worth above COP 5.000 Million are subject to a rate of 4,8%; those with a net worth of between COP 3.000 Million and COP 5.000 Million must pay a tax rate of 2,4%.

Emergency Decree Number 4825 of December 2010 included a new range of taxpayers required to pay this tax. It establishes a rate of 1% for those taxpayers whose net worth is between COP 1.000 Million and 2.000 Million; those whose net worth is between COP 2.000 Million and 3.000 Million must pay a rate of 1,4%.

This decree also established a 25% surcharge on this tax, which is applicable only to capital – tax taxpayers under Law 1370 of 2009.

Decree 514 of 2010 added the following transition paragraph to Article 78 of Regulatory Decree 2649 of 1993: "Taxpayers may allocate annually the value of the contributions due in the respective capital – tax periods covered by Law 1370 of 2009 against the revaluation account of the capital. When the capital revaluation account does not record a credit balance or is insufficient to allocate the capital tax, taxpayers may annually allocate the value of the required installments in the Profit and Loss Accounts of the respective period.

The tax value, including the surcharge, was COP 670. The tax was accrued on January 1, 2011 and is paid in eight (8) installments during four (4) years; that is, two (2) installments per year. The Company registered COP 670 of capital tax under the deferred assets account, which will be amortized on a straight line under the equity revaluation account. The amortized value of this deferred asset for 2011 is COP 168.

NOTE 9 » Deferred Revenue

This corresponds to the dividends decreed by companies that are not controlled between March 2011 and April 2012, payable monthly and quarterly, as the case may be.

The balance as of December 31, 2011 and 2010 included:

NAMES	2011	2010
Inversiones Argos S.A.	$ 3.990	$ 3.671
Grupo de Inversiones Suramericana S.A.	4.306	3.979
TOTAL	**$ 8.296**	**$ 7.650**

NOTE 10 » Capital Stock

The balance as of December 31, 2011 and 2011 included:

	2011	2010
Authorized Capital of 480.000.000 shares at a par value of COP 5 each	$ 2.400	$ 2.400
Non – Issued Shares 19.876.542 (2010: 44.876.542)	(99)	(224)
SUBSCRIBED AND PAID – UP CAPITAL	**$ 2.301**	**$ 2.176**

NOTE 11 » Reserves

- **Legal Reserve**
  Pursuant to Colombian commerce legislation, 10% of the net profits must be appropriated each year as a legal reserve, until the reserve balance reaches at least 50% of the subscribed capital. In accordance with its bylaws, the Company keeps its legal reserve until it reaches 100% of the subscribed capital. The reserve cannot be distributed until the Company is liquidated, but it must be used to absorb losses. Any excess above the minimum amount required by law may be freely disposed of by the Assembly of Shareholders.

- **Reserve for Stock Buy – Back**
  Pursuant to the provisions set forth in the Commerce Code, all rights inherent in stock buy – back have a suspended status and these must be excluded when determining the intrinsic value of the issued stock. The Company must maintain a reserve equal to the cost of the buy – backs of its own stock.

- **Other Reserves**
  This includes other reserves that are substantially for free disposal by the Assembly of Shareholders.

NOTE 12 » Equity Revaluation

The adjustments for inflation made from January 1, 1992, until December 31, 2006 were accredited to this account and charged to the fiscal period Profit and Loss Statement, except for the Valuation Surplus. This item is decreased with the Equity Tax and may not be distributed as a profit until the Company is liquidated or capitalized, pursuant to legal provisions.

NOTE 13 » Administration Operating Expenses

The balance as of December 31 included:

	2011	2010
Personnel Expenses	$ 3.621	$ 3.584
Taxes	691	1.750
Travel Expenses	1.572	1.615
Professional Fees	439	1.131
Miscellaneous and Others	2.681	3.483
TOTAL	**$ 9.004**	**$ 11.563**

NOTE 14 » Net Profit on Sale and Liquidation of Investments

The balance as of December 31 included:

YEAR 2011			
Name	**Cost**	**Sale Price or Value Received**	**Profit or (Loss)**
Withdrawal of Investments			
Predios del Sur S.A.	$ 764	$ 491	$ (273)
Sale of Investments			
Meats and Derivatives	2	4	2
Ditransa	1.023	12.318	11.295
TOTAL	**$ 1.789**	**$ 12.813**	**$ 11.024**
YEAR 2010			
Name	**Cost**	**Sale Price or Value Received**	**Profit or (Loss)**
Sale of Investments			
Planeco S.A.	$ 15	$ 1.724	$ 1.709
Confecciones Colombia S.A.	172	14	(158)
Compañía de Cacao del Perú S.A.C	1.331	1.359	28
Comercial Nutresa S.A.S.	10	10	0
TOTAL	**$ 1.528**	**$ 3.107**	**$ 1.579**

NOTE 15 » Dividends Decreed

In the ordinary Assembly of Shareholders held March 31, 2011, a monthly per – share dividend of COP 28,50 was decreed between April 2011 and March 2012 inclusive, on 435.123.458 outstanding shares. Beginning with the issuance of shared in July 2011, the dividend was paid on 460.123.458 outstanding shares. Dividends were decreed for 2011 in the amount of COP 154.512 (2010: COP 140.980).

During 2011, dividends were paid in the amount of COP 150.226 (2010: COP 139.487).

NOTE 16 » Administration of Stocks and Dividends

The Company entered into a contract with *Deceval* by virtue of which the latter is in charge of providing comprehensive deposit and administration services of the Company stock, beginning on June 1, 2011.

The main contractual commitments are the following:

- To have custody of and update the Shareholder's Registry Ledger
- To make annotations regarding trading account and custody
- To update and correct data
- To oversee the assemblies
- To serve shareholders
- To serve third parties
- To attend to off – exchange operations
- To administer subscriptions
- To administer risks
- To liquidate and control dividends
- To maintain documentation / files
- To provide reports and consultations
- To provide legal support
- To provide other services

NOTE 17 » Financial Ratios

	2011	2010
Liquidity Ratio		
(Current Assets / Current Liabilities)	0,16 time	1,13 time
Indicates the capability that the Company has to attend its short – term obligations, using current assets as endorsement.		
Debt Ratio		
(Total Liabilities / Total Assets)	1,06%	1,25%
Indicates the part of the Company's assets that are financed with third – party resources.		
Profitability Ratio		
• (Net Profit / Net Worth)	3,95%	4,40%
Percentage of Net Worth that Represents the Net Profit		
• (Net Profit / Total Assets)	3,91%	4,35%

Percentage of Total Assets that Represents the Net Profit.

	2011	2010
Stock Information		
Number of Outstanding Shares	460.123.458	435.123.458
Nominal Value (*)	5	5
Commercial Value (*)	21.800	27.100
Intrinsic Value (*)	14.075	14.533
Number of Shareholders	22.092	9.181
Average Price on the Stock Market (*)	22.922	26.341
Maximum Price on the Stock Market (*)	27.100	27.520
Minimum Price on the Stock Market (*)	20.500	19.920

(*) Values expressed in Colombian Pesos (COP)

NOTE 18 » Balances and Transactions among Economically Bound Companies

(Colombian Law 222 of 1995, Articles 29 and 47, and Circular 002 of 1998 from the Colombian Financial Superintendent).

	Operating Value 2011	Operating Value 2010	Effect on Profit and Loss Results 2011	% of Share in Operating Income (Expenses) 2011
COMPAÑÍA DE GALLETAS NOEL S.A.S.				
Professional Fees and Services	$ 1.531	$ 2.651	$ 1.531	0,55%
Interest Received	0	51		
Dividends Received	0	14.623		
Balance Receivable	10	11		
INDUSTRIAS ALIMENTICIAS ZENÚ S.A.S.				
Professional Fees and Services	0	5.292		
Interest Received	23.264	12.368		
Dividends Received	0	1		
Balance Receivable	0	1.826		
COMPAÑÍA NACIONAL DE CHOCOLATES S.A.S.				
Professional Fees and Services	1.107	1.625	1.107	0,40%
Interest Received	0	170		
Dividends Received	13.114	40.932		
Balance Receivable	93	250		
Balance Payable	(153)	5		
PRODUCTOS ALIMENTICIOS DORIA S.A.S.				
Professional Fees and Services	494	418	494	0,18%
Interest Received	26	15	26	0,01%
Dividends Received	0	28.111		
Balance Receivable	0	17.443		
ALIMENTOS CÁRNICOS S.A.S.				
Professional Fees and Services	2.632	1.261	2.632	0,95%
Interest Received	4.500	24.287		
Dividends Received	0	90		
Balance Receivable	0	12.613		
INDUSTRIA COLOMBIANA DE CAFÉ S.A.S.				
Professional Fees and Services	1.113	1.175	1.113	0,40%
Interest Received	0	33.363		
Dividends Received	9	269	9	0,003%
Balance Receivable	442	35.939		
MOLINO SANTA MARTA S.A.S.				
Interest Received	0	262		
MEALS DE COLOMBIA S.A.S.				
Professional Fees and Services	339	666	339	0,12%
Interest Received Intereses recibidos	22	16	22	0,01%
SERVICIOS NUTRESA S.A.S.				
Dividends Received		487		
Other Expenses	375	0	375	4,16%
Balance Receivable	7	2		
Professional Fees	11	13	11	0,12%
Balance Payable	15.273	30.446		

	Operating Value 2011	Operating Value 2010	Effect on Profit and Loss Results 2011	% of Share in Operating Income (Expenses) 2011
NOVAVENTA S.A.S.				
Interest Received	$ 0	$ 87		
Dividends Received	1.009	0		
ALIMENTOS CÁRNICOS ZONA FRANCA SANTAFÉ S.A.S.				
Interest Received	26	7	26	0,01%
Balance Receivable	661	654		
GESTIÓN CARGO ZONA FRANCA S.A.S.				
Dividends Received	0	624		
Balance Receivable	0	624		
LITOEMPAQUES S.A.S.				
Dividends Received	0	3.793		
Balance Receivable	0	3.797		
PASTAS COMARRICO S.A.S.				
Dividends Received	0	4.322		
Balance Receivable	0	4.322		
TROPICAL COFFEE COMPANY S.A.S.				
Dividends Received	0	1.784		
Balance Receivable	0	1.784		
SETAS COLOMBIANAS S.A.				
Dividends Received	1.258	915		
COMPAÑÍA NACIONAL DE CHOCOLATES DEL PERÚ S.A.				
Balance Payable	$ 0	$ 4		

Operations with companies in which Grupo Nutresa S.A. Board of Directors members, its Legal Representatives, and Chief Officers have a share greater than 10%:

	Operating Value 2011	Operating Value 2010	Effect on Profit and Loss Results 2011	% of Share in Operating Income (Expenses) 2011
Grupo de Inversiones Suramericana S.A.				
Dividends Received	$ 16.896	$ 15.677	$ 16.896	6,10%
Dividends Paid	50.978	38.728	0	
Portafolio Inversiones Suramericana S.A.				
Dividends Paid	0	13.010	0	
Inversiones Argos S.A.				
Dividends Received	15.642	14.466	15.642	5,65%
Dividends Paid	4.491	4.271	0	

GRI Content Index

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	2011 Annual and Sustainability Report. Pages 14 to 24	
1.2	Description of key impacts, risks, and opportunities.	2011 Annual and Sustainability Report. Pages 15 to 16	
2. Organizational Profile			
2.1	Name of the organization.	2011 Annual and Sustainability Report. Pages 20 and 98	
2.2	Primary brands, products, and/or services.	2011 Annual and Sustainability Report. Page 3	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	2011 Annual and Sustainability Report. Pages 3 and 98	
2.4	Location of organization's headquarters.	2011 Annual and Sustainability Report. Pages 20 and 98	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	2011 Annual and Sustainability Report. Information Regarding this Annual and Sustainability Report. Pages 6 and 7	
2.6	Nature of ownership and legal form.	2011 Annual and Sustainability Report. Pages 20 and 98	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2011 Annual and Sustainability Report. Page 36	
2.8	Scale of the reporting organization.	2011 Annual and Sustainability Report. Pages 4, 18 and 20	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	2011 Annual and Sustainability Report. Page 18	
2.10	Awards received in the reporting period.	2011 Annual and Sustainability Report. Pages 5 and 90 to 97	
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	2011 Annual and Sustainability Report. Page 6 This report corresponds to the January 1 – December 31, 2011 fiscal year.	
3.2	Date of most recent previous report (if any).	2011 Annual and Sustainability Report. The most recent report was done in 2010, corresponding to the period from January 1 to December 31.	
3.3	Reporting cycle (annual, biennial, etc.)	2011 Management and Sustainability Report. Information Regarding this Annual and Sustainability Report. Page 6 This report compiles annual management.	
3.4	Contact point for questions regarding the report or its contents.	2011 Annual and Sustainability Report. Page 115	

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
3.5	Process for defining report content.	2011 Annual and Sustainability Report. Materiality Analysis. Page 7	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	2011 Annual and Sustainability Report. Information Regarding this Annual and Sustainability Report. Pages 6 to 8	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	2011 Annual and Sustainability Report. Information Regarding this Annual and Sustainability Report. Page 6	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	2011 Annual and Sustainability Report. Pages 18 and 98	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	2011 Annual and Sustainability Report. Pages 6 to 8	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	2011 Annual and Sustainability Report. Page 7	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	2011 Annual and Sustainability Report. Pages 6 to 8	
3.12	Table identifying the location of the Standard Disclosures in the report.	This content forms an integral part of *Grupo Nutresa*'s Annual and Sustainability Report.	
3.13	Policy and current practice with regard to seeking external assurance for the report.	2011 Annual and Sustainability Report. Page 34	
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	2011 Annual and Sustainability Report. Page 29 Twenty – one point forty – three percent (21.43%) of the members of the *Grupo Nutresa* Board of Directors is women and 78.57% are men. None of them belongs to ethnic minorities; 14.29% range in age from 30 – 50 years and 85.71% are over 50 years old."	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	The President of the Board of Directors does not have a managerial position. This is different from the President of *Grupo Empresarial Nutresa.*	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	2011 Annual and Sustainability Report. Page 29 See the definition in the Code of Good Governance: http://www.gruponutresa.com/en/node/213"	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	2011 Annual and Sustainability Report. Page 31 See Contact with Investors: http://www.nutresa.com/es/relacion_inversionistas"	

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	2011 Annual and Sustainability Report. Pages 21 and 22 We have a Performance Management System that included sustainability matters, which are approved by the Appointment and Retribution Committee.	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	2011 Annual and Sustainability Report. Corporate Government. Pages 29 and 30	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	2011 Annual and Sustainability Report. Pages 11 to 13 See the definition in the Code of Good Governance: http://www.gruponutresa.com/en/node/213	
4.8	See the definition in the Code of Good Governance: http://www.gruponutresa.com/en/node/213"	2011 Annual and Sustainability Report. Pages 9, 21, 29 and 30	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	2011 Annual and Sustainability Report. Pages 14 to 24, 29 http://www.unglobalcompact.org/participant/4638-Grupo-Nutresa-S-A- Each month, *Grupo Nutresa*'s Board of Directors reviews and monitors the sales and financial report, the strategy and the relevant business and sustainability matters, as well as monitoring pending topics. In addition, each month a member of the Corporate Committee forms part of the Board meeting and presents his management report.	Statement of Continuous Support, Page. 81
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	We are currently carrying out an internal – evaluation process of the Board of Director's management, which includes the economic, social and environmental variables. Beginning in 2012, this review will be made by a third party.	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	2011 Annual and Sustainability Report. Pages 14 to 24 http://www.unglobalcompact.org/participant/4638-Grupo-Nutresa-S-A-"	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	2011 Annual and Sustainability Report. Pages 30, 32 and 33 http://www.unglobalcompact.org/participant/4638-Grupo-Nutresa-S-A-"	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	2011 Annual and Sustainability Report. Pages 44, 88 and 89	
4.14	List of stakeholder groups engaged by the organization.	The stakeholder groups defined by *Grupo Nutresa* are: Employees, Community, Suppliers, Clients and Consumers, the Nation, and its Shareholders.	
4.15	Basis for identification and selection of stakeholders with whom to engage.	2011 Annual and Sustainability Report. Pages 7 and 8	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	2011 Annual and Sustainability Report. Pages 7 and 8	

	GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL PACT
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	2011 Annual and Sustainability Report. *Grupo Nutresa's Materiality Matrix.* Page 8	
Sourcing			
FP1	FP1 Percentage of purchased volume from suppliers compliant with company's sourcing policy.	Our procurement policy is the "Code of Conduct for Suppliers," which was made known in 2011 to common, direct material suppliers (raw materials and packing material). The method used was evaluation visits by staff from Purchasing Management. The total volume purchased from these suppliers that we visited corresponds to 4.39%.	Principle 1 and 2
FP2	FP2 Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard.	Fifty – eight point twenty – four percent (58.24%) of the raw materials purchased have international certifications; the remaining 41.76% comply with internal standards established and the legislation of the countries of origin and destination. Of these certified purchases, 83% come from Colombian suppliers and the remaining 17% come from suppliers in countries such as the United States, Brazil and Chile.	Principle 1
Economic			
EC1 COMM	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	2011 Annual and Sustainability Report. Page 36	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	2011 Annual and Sustainability Report. Pages 15 and 16, 85 and 86 The Organization has not made a quantitative estimate of the financial implications of climate change.	Principle 7
EC3	Coverage of the organization's defined benefit plan obligations.	2011 Annual and Sustainability Report. Page 54 By law, provision is made for retirement pensions and were recorded based on actuarial calculations as of December 31, 2011, for Colombian companies.	
EC4 COMM	Significant financial assistance received from government.	No significant financial assistance was received	
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	2011 Annual and Sustainability Report. Global Presence. Page 3 and 74	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	As part of the internationalization strategy formalized in *Grupo Nutresa*'s Strategic Plan, we have decided to maintain the local teams. In addition, we have a selection policy that promotes hiring senior management from the local communities. In 2011, of the 129 *Grupo Nutresa* directors, 96 correspond to local communities and 33 to foreigners.	Principle 6

	GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL PACT
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	2011 Annual and Sustainability Report. Page 63 and 71 to 73	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		
Environmental			
EN1 COMM	Materials used by weight or volume.	The consumption of direct raw materials in the Businesses reached 502,242 tons. A total of 311,272 gallons of liquid fuel was used, along with 6,296 tons of solid fuels and 29,134,736 m2 of gaseous fuels. Consolidated information for packaging materials and their classification, 2011 Annual and Sustainability Report Page 82	Principle 8
EN2	Percentage of materials used that are recycled input materials.	Raw materials are from natural sources. We wish to highlight that 80.5% of the corrugated use recycled material.	Principle 8 and 9
EN3	Direct energy consumption by primary energy source.	2011 Annual and Sustainability Report. Page 82, the "Consolidated Indicators of Environmental Performance" table. Eighty – four point nine percent (84.9%) of primary energy comes from the use of natural gas; 15.1% comes from the use of other fuels (Coal, LPG, Gasoline, Diesel Fuel, etc.). In the Pastas Doria plant, 9,090,318 kWh are cogenerated per year with a gas engine.	Principle 8
EN4	Indirect energy consumption by primary source.	2011 Annual and Sustainability Report. Page 84, the "Consolidated Indicators of Environmental Performance" table. All indirect electrical energy consumed in Colombia by *Grupo Nutresa* is purchased from EPM (a private public – utilities company).	Principle 8
EN5	Energy saved due to conservation and efficiency improvements.	The indicator of energy consumption (kWh/t.p) decreased by 4.5%. The absolute value reduced the consolidated net consumption of electrical energy by 1.7%, while the use of thermal energy increased 0.45%.	Principle 8 and 9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	2011 Annual and Sustainability Report. Page 83, "Energy Consumption". In the Coffee Business, the I. Aliadas plant in Ibagué and the Colcafé plant in Medellín use the coffee grounds to produce instant coffee. These initiatives can generate the equivalent of 87,115,164.8 kWh per year from biofuels. In the Cold Cuts Business in Caloto, we continue with the plan to convert to cleaner fuels, by going from using crude oil to using natural gas.	Principle 8 and 9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	2011 Annual and Sustainability Report. Page 83, "Energy Consumption". The practices in the Chocolate and Pasta Businesses are focused on efficient use of electric energy (indirect consumption) and these practices have achieved a savings of 2,061,901 kWh/year. These calculations are based on consumption records before and after implementing the initiatives.	Principle 8 and 9

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
EN8	Total water withdrawal by source.	2011 Annual and Sustainability Report. Page 82, the "Consolidated Indicators of Environmental Performance" table and Page 84 "Water Consumption". Municipal aqueduct systems supply 88.31% of the water supplied; 6.06% of the collected water is taken directly from superficial sources, and 5.57%, from subterranean sources. We wish to highlight the Chocolate Business, which has a project to use rainwater to supply 0.7% of the water consumed in the Business.	Principle 8
EN9	Water sources significantly affected by withdrawal of water.	All water supplies that are not provided by aqueduct systems meet the requirements of environmental authorities regarding the amounts that may be extracted from each one of the sources.	Principle 8
EN10	Percentage and total volume of water recycled and reused.	2011 Annual and Sustainability Report. Page 84, "Water Consumption". With the initiatives developed in several plants, 1.37% of the total amount of water consumed is reutilized; this equals 20,569.1 m3 of water per year. In the Coffee Business, the steam condensates are recovered in the caldera de borra, improving its efficiency. The reutilized water equals 4.68% of the water consumption of the Business. In the Pastas Doria plant, treated industrial wastewater is reutilized to use in secondary processes, which represents a savings of 2.47% of the total water consumed in the Business.	Principle 8 and 9
EN11 COMM	Location and size of land or waters owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	The industrial plants and their areas of influence are not located in protected areas or in areas of high – unprotected biodiversity.	Principle 8
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	The industrial plants and their areas of influence are not located in protected areas or in areas of high – unprotected biodiversity.	Principle 8
EN13 COMM	Habitats protected or restored.		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		
EN16	Total direct and indirect greenhouse gas emissions by weight.	2011 Annual and Sustainability Report. Page 85. The Greenhouse Gas (GHG) Report was validated by GAIA, using the methodology proposed in the GHG Protocol. Eighty – four percent (84%) of the emissions corresponds to the use of direct energy (Scope 1) and 16% corresponds to the consumption of indirect energy (Scope 2).	Principle 8
EN17	Other relevant indirect greenhouse gas emissions by weight.		

	GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL PACT
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	2011 Annual and Sustainability Report. Page 85, "Climate Change". We have developed several initiatives to reduce greenhouse gases, such as: The use of grounds in the Coffee Business, which replaces the equivalent of 8,425,083 m3 of natural gas per year (this consumption of natural gas would generate 15.735 tons of CO_2 Equivalent per year). The GHG emissions associated with the use of coffee ground are neutral. We have the experimental cocoa bean farm in the Chocolate Business.	Principle 7,8 and 9
EN19	Emissions of ozone-depleting substances by weight.	for organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Principle 8
EN20	NOx, SOx, and other significant air emissions by type and weight.	Seventeen point six (17.6) tons of MP, 5.4 tons of SO_2 and 111.9 Tons of NOx are emitted. These emissions come from the heating sources of each plant, ovens and boilers. The Environmental Protection Agency (EPA) factors (Emission Factors AP-42) are utilized.	Principle 8
EN21	Total water discharge by quality and destination.	2011 Annual and Sustainability Report. Page 87 The final destination of the waters utilized in our plants is sewer systems or bodies of water, in which we comply with the discharge standards required by the authorities. Seventy – one point four percent (71.4%) of the discharges pass through primary treatment; 23.3% pass through secondary treatment and the remaining 5.3% pass through advanced treatments.	Principle 8
EN22	Total weight of waste by type and disposal method.	2011 Annual and Sustainability Report. Page 82 and Page 87. Thirteen point five percent (13.5%) is ordinary waste and go to landfills; 36.5% is organic waste from the processes and is recovered; 49% of the waste is recycles. All of these wastes are classified as non – hazardous waste. The remaining 1% is characterized as hazardous, of which 0.3% is usable and 0.7% is non – usable; these are incinerated according to current regulations.	Principle 8
EN23	Total number and volume of significant spills.	2011 Annual and Sustainability Report. Page 88. No significant accidental spills occurred.	Principle 8
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	The Businesses have management plans to reduce the environmental impacts of their industrial processes. Examples of these initiatives are: Reduction in the use of packing material (See 2011 Annual and Sustainability Report. Pages 75 and 76, "Decrease in the Consumption of Packing Material"), Practices implemented to reduce water consumption (See 2011 Annual and Sustainability Report Page 84, "Water Consumption"), the installation of emission – control equipment (See 2011 Annual and Sustainability Report. Page 87), Improvements in wastewater treatment (see 2011 Annual and Sustainability Report. Page 87), Use of cleaner fuels (See 2011 Annual and Sustainability Report. Page 83).	Principle 7,8 and 9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	The returns of finished products close to fulfilling their useful life or with any non – conformity, reached 2% of sales in 2011 (the packing material is not measured separately). This principal indicator is calculated with *Comercial Nutresa's* consolidated sales. Neither cold cuts nor ice cream is included.	Principle 8 and 9
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	2011 Annual and Sustainability Report. Page 88. No sanctions or fines were imposed in 2011 due to non – compliance with environmental regulations.	Principle 28
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		
EN30	Total environmental protection expenditures and investments by type.	2011 Annual and Sustainability Report. Page 87, "Environmental Expenditures or Investments". Forty – six point six percent (46.6%) corresponds to investments made to improve the wastewater – treatment systems, the handling of waste and emission control, 24.3% to maintain the wastewater – treatment systems, 16.2% for comprehensive waste management, 10.9% for environmental – management systems, and 2.2% to maintain emission controls.	Principle 7,8 and 9
Social: Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region.	2011 Annual and Sustainability Report. Toward a Better Society – Generation of Employment. Pages 57 to 59	

	GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL PACT
LA2	Total number and rate of employee turnover by age group, gender, and region.	2011 Annual and Sustainability Report. Page 52 <30 / 30-50 / >50 / Total Men 6,6% 4,9% 0,01% 11,5% Women 1,4% 1,3% 0,00% 2,8% TOTAL 8,0% 6,2% 0,01% 14,3% The gender and age proportion abroad are: <30 / 30-50 / >50 / Total Men 11,8% 5,8% 0,4% 17,0% Women 12,4% 11,3% 0,3% 24,0% TOTAL 24,0% 17,1% 0,7% 42,8%	Principle 6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	2011 Annual and Sustainability Report. Pages 53 and 54	
LA15	Return to work and retention rates after parental leave, by gender.	We have Information related to parental leave: In 2011, 239 men and 194 women had the right to parental leave, of which 100% exercised the right. In relation to employees who returned after completing the parental leave, at the time of this report, there were 231 men and 179 women.	
LA4	Percentage of employees covered by collective bargaining agreements.	2011 Annual and Sustainability Report. Pages 59 and 60	Principle 1 and 3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	*Grupo Nutresa* does not have a minimum notice period in its collective agreements for operational changes. In the cases that apply by law, there is a period of four (4) weeks. In countries outside of Colombia, the period is in accordance with the legislation of the country of origin.	Principle 3
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs, by country.	In 2011, there were no disputes or strikes that would have generated labor interruptions in *Grupo Nutresa*.	Principle 1 and 2
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	In the companies in Colombia, 100% of the *Grupo Nutresa* employees are represented through Health and Safety Committees. The committees meet periodically according to the work plan established, which is developed in the year.	Principle 1
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	2011 Annual and Sustainability Report. Page 54	Principle 1
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Healthy Habits and Healthy Living. Pages 54 and 55	Principle 1
LA9	Health and safety topics covered in formal agreements with trade unions.	2011 Annual and Sustainability Report. Pages 54 and 55 One hundred percent (100%) of *Grupo Nutresa* agreements consider benefits, along with health and industrial – safety programs.	Principle 1
LA10	Average hours of training per year per employee by employee category.	2011 Annual and Sustainability Report. Pages 55 and 56	

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	2011 Annual and Sustainability Report. Page 54 Provision is made by law for retirement pensions and is based on actuarial calculations as of December 31, 2011 for the retirements in Colombia.	
LA12	Percentage of employees receiving regular performance and career development reviews.	In *Grupo Nutresa*, 55.72% of the women and 41.49% of the men received a performance evaluation.	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Of the 14 members of the Board of Directors, three (3) are women and 11 are men. Fourteen point twenty – nine percent (14.29%) range in age from 30 – 50 years and 85.71% are over 50 years old and none of the members belongs to ethnic minorities. 2011 Annual and Sustainability Report. Pages 57 to 59	Principle 1 and 6
LA14	Ratio of basic salary of men to women by employee category.	"Our assessment system for salary positions is based on the contribution and responsibility of the position. Gender is not considered an assessment criterion. The Chairman of the Parent Company is excluded from the indicator, since there is no gender ratio comparable in this same category. In Management, the salary ratio of men to women is 1:1.5. For Administration, the ratio of men to women is 1:1. For the operations category, the salary ratio of women to men is 1:1.2.	Principle 1 and 6
Social: Human Rights			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Human – rights clauses were not included in the significant investment agreements in 2011.	Principle 1,2,3,4,5 and 6
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	In 2011, no contracts were celebrated with suppliers and contractors that included human – rights clauses.	Principle 1,2,3,4,5 and 6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Zero point fifty – nine percent (0.59%) of *Grupo Nutresa* employees attended training workshops in human rights. In addition, some teams from the companies with union representatives attended human – rights training with the ILO, for a total of 69 hours in Human – Rights training.	Principle 1, 4, 5, 6 and 3
HR4	Total number of incidents of discrimination and actions taken.	Through the systems that the Organization has established, in none of the *Grupo Nutresa* companies have incidents of discrimination been identified.	Principle 1,2 and 6
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Through the systems that the organization has established, in none of the *Grupo Nutresa* companies have significant risks that threaten the freedom of association and collective bargaining been identified.	Principle 1,2 and 3
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Through the systems that the organization has established, in none of the significant *Grupo Nutresa* suppliers have incidents of child labor been identified. An example in the Coffee Business is "Requirements for the Supply of Green Coffee," a pamphlet for Coffee suppliers.	Principle 1,2 and 5

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Through the systems that the organization has established, in none of the significant *Grupo Nutresa* suppliers and in none of the *Grupo Nutresa* companies have incidents of forced labor been identified.	Principle 1, 2 and 4
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Through the systems that the organization has established, in none of the *Grupo Nutresa* companies have incidents of the violation of human rights of the Indigenous people been identified.	Principle 1 and 2
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Of the 21 manufacturing and marketing operations *Grupo Nutresa* has in the countries where it operates, 18 operations in human rights – corresponding to 85.71% of its operations – were reviewed. 2011 Annual and Sustainability Report. Page 30	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Through the systems that the organization has established, in none of the *Grupo Nutresa* companies have complaints or grievances related to human rights by our stakeholders have been identified.	
Social: Society			
SO1 (FPSS)	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	2011 Annual and Sustainability Report. Page 62	
SO1 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	2011 Annual and Sustainability Report. Pages 62 to 70 and 71 to 73	Principle 10
SO9	Operations with significant potential or actual negative impacts on local communities.	We have identified the vulnerability and risks to the communities that provide cocoa beans and coffee, due to the low level of economic development of these communities and their dependence on the prices of these raw materials.	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Our Programs to Strengthen the Small Farmer. 2011 Annual and Sustainability Report. Pages 71 to 73	
FP4	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	Nutrition, Health and Wellness. 2011 Annual and Sustainability Report. Pages 42 and 64	
SO2	Percentage and total number of business units analyzed for risks related to corruption.	One hundred percent (100%) of the business units have been analyzed for risks related to corruption. 2011 Annual and Sustainability Report. Page 30	Principle 10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	In 2010, 100% of the employees received training in anti – corruption programs. In 2011, in – depth programs in anti – corruption topics were carried out for 15.5% of the members of the Steering Committee and who have staff. Likewise, 1.52% of the non – administrative employees received this training.	Principle 10

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
SO4	Actions taken in response to incidents of corruption.	During 2011, we learned of 69 incidents of corruption committed against the *Grupo Nutresa* companies; 110 persons directly or indirectly linked to the companies participated. All of them had their contracts cancelled and the corresponding legal actions were filed against them.	Principle 10
SO5 COMM	Public policy positions and participation in public policy development and lobbying.	The incidence of *Grupo Nutresa* in public policy is made through the union participation and public private – cooperation agencies.	Principle 1, 2, 3, 4, 5, 6, 7, 9 and 10
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	In 2011, *Grupo Nutresa* was not subject to any sanctions in relation to this indicator.	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	In 2011, there were no significant fines. Seven (7) cases were presented through conflict – resolution mechanisms and there were three (3) cases with minor fines for a total of less than US$ 23,000.	
Social: Product Responsibility			
PR1 COMM	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	From product conception, we take into account the health and nutrition aspects in accordance with *Grupo Nutresa*'s nutrition policies and the comprehensive management and food – safety systems. 2011 Annual and Sustainability Report. Page 46	Principle 1
PR2 COMM	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	During the period reported, there was no fine or sanction derived from the safety and health non – compliance of our products. In relation to voluntary labeling codes, there were 428 cases.	Principle 1
FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	To produce food in Colombia, we have certifications in comprehensive – management and food – safety systems, made by entities recognized nationally and internationally, in the different production lines in the food plants, demonstrating that 70.72% of our total volume of production in Colombia is certified in comprehensive – management and food – safety systems.	
FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and sugars.	Each Business established commitments to innovate with products with Health profiles and improve existing products. In the *Pastas Doria* Business, 100% of the products comply with healthy profiles; in the rest of the companies, there are commitments to improve indicators. In 2011, 8.7% of the total volume of consumer – product sales were reformulated to reduce their content of saturated fat, trans fat, sodium and sugars.	

	GRI INDICATOR	COMMENT ON APPLICABILITY	GLOBAL PACT
FP7	Percentage of total sales volume of consumer products, by product category sold, that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives.	Eight point fifty – five percent (8.55%) of *Grupo Nutresa*'s total sales are products enriched with nutritional ingredients, such as fiber, vitamins, minerals, phytochemicals, and functional food additives.	
PR3 COMM	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	According to *Grupo Nutresa* policy, all products in our portfolio comply with the labeling regulations of the country of origin and destination. *Grupo Nutresa* has undertaken the GDA (Guideline Daily Amount) labeling project to improve information for consumers.	Principle 8
FP8	Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements.	We have nutrition – communication policy and we are implementing the labeling of products in our portfolio under the GDA parameters.	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	During the period reported, there were no fines or sanctions derived from non – compliance of the regulations related to product information. In relation to the voluntary codes, there were 30 cases.	Principle 8
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	2011 Annual and Sustainability Report. Pages 77 and 78	
PR6 COMM	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	*Grupo Nutresa* has an advertising and marketing self – regulation policy in order to comply with the principles of honesty, truthfulness and fair competition; this policy is available at http://www.gruponutresa.com/es/content/nutrici%C3%B3n.	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	In 2011, there was one incident of non – compliance with marketing regulations.	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	In 2011, there were two (2) complaints for this indicator.	Principle 1
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	There were no significant sanctions in this period.	
Animal Welfare			

GRI INDICATOR		COMMENT ON APPLICABILITY	GLOBAL PACT
FP9	Percentage and total of animals raosed and/or processed, by species and breed type.	Of the 7,963 animals for reproduction, 11% belongs to the Landrace breed; 20%, Large White; 1%, Duron; 2%, Muscled; 59%, F1, F2; and 7%, PIC. A total of 152,027 animals were raised among these breeds. Genetic material is imported from high – level sanitary and reproductive genetic companies and is utilized in a program that permits greater benefits, yield, resistance to diseases, among others.	
FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic.	The Cold Cuts Business has replaced surgical – castration practices for immunological – castration processes, eliminating the pain to which the animal is subjected.	
FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type.	Of the animals raised, 92.04% are in pens and 7.9 are in cages. The pens are differentiated and the populations are homogenous by age and size to equal developmental conditions, protect the health of the pigs and decrease stress.	
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type.	The Cold Cuts Business has a biosecurity program that ensures health in the pigs and safety in the final product, minimizing the risk of introduction and spread of infectious diseases in the pig farms. This program includes special control and monitoring of the imported genetic material, a strict vaccination plan for the pigs, the implementation of Good – Manufacturing Practices throughout the process and the design of indoor and outdoor facilities with the materials and equipment necessary to ensure optimal conditions for the development of the animals.	
FP13	Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.	In 2011, there was no incident related to this issue. As an internal practice, we have specialized trucks to transport the live animals, with bodywork to ensure the comfort of the animal in terms of loading and unloading, adequate ventilation, non – slip floors, and dividers.	

CONTACTS

Jorge Eusebio Arango López
President Coffee Business
Vicepresident Grupo Nutresa Sustainable Development

Carlos Ignacio Gallego Palacio
President Servicios Nutresa
General Manager Fundación Nutresa

Claudia Rivera Marín
Executive Director
Fundación Nutresa

INFORMATION

www.gruponutresa.com
e-mail: fundacionnutresa@fundacionnutresa.com
Phone: 574 – 365 5600
Fax: 574 – 365 5657

Graphic and journalistic editing

Taller de edición
INNOVACIÓN, DISEÑO Y EDICIÓN DE MEDIOS IMPRESOS Y ELECTRÓNICOS

Grupo
nutresa

www.gruponutresa.com