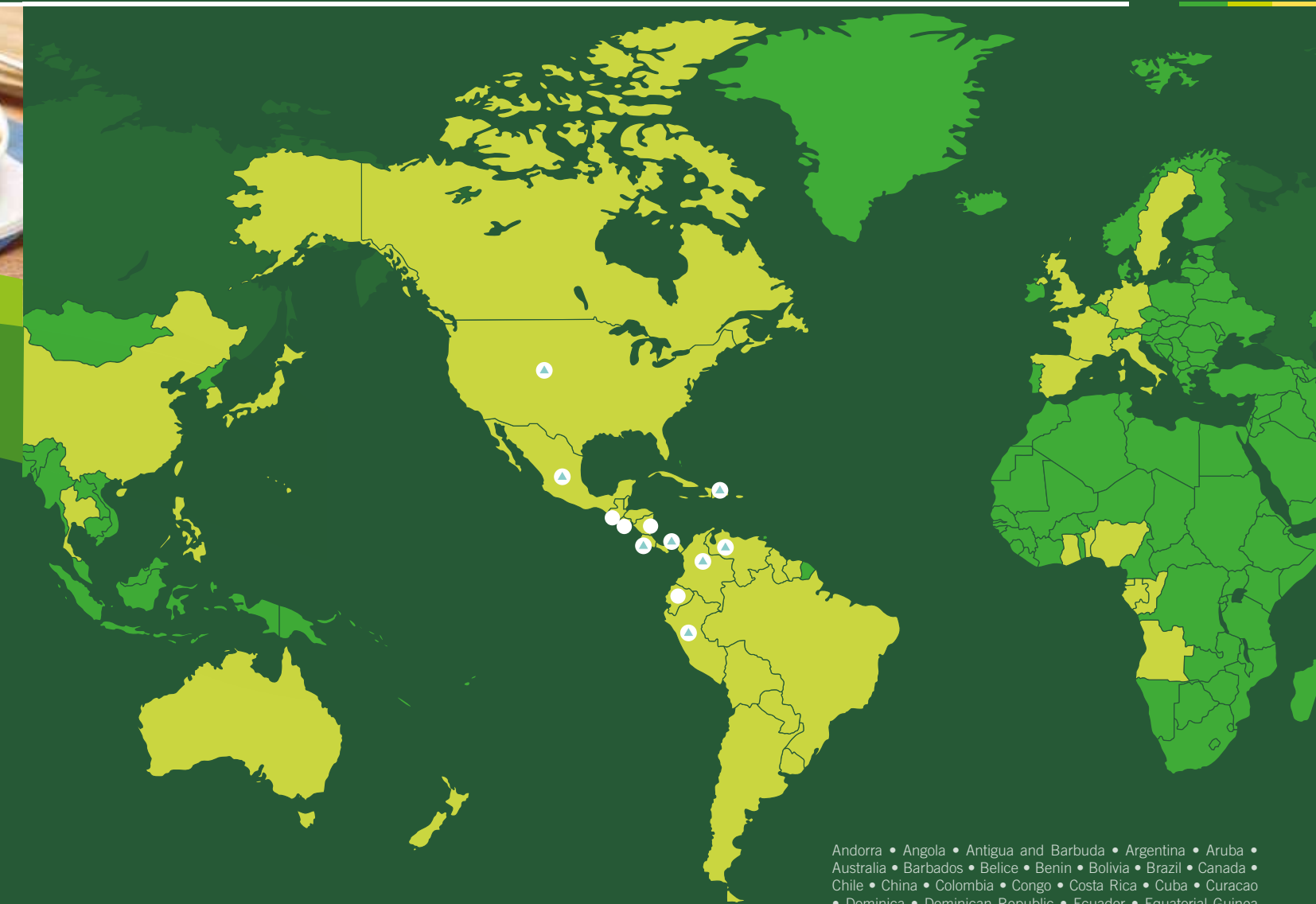


Annual and Sustainability Report 2011

Our global presence



We Cultivate Nutrition, wellness, and pleasure



Grupo
nutresa

www.gruponutresa.com



Plants in
8
countries

- Colombia • Costa Rica • Dominican Republic • Ecuador • El Salvador • Guatemala • Mexico • Nicaragua • 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

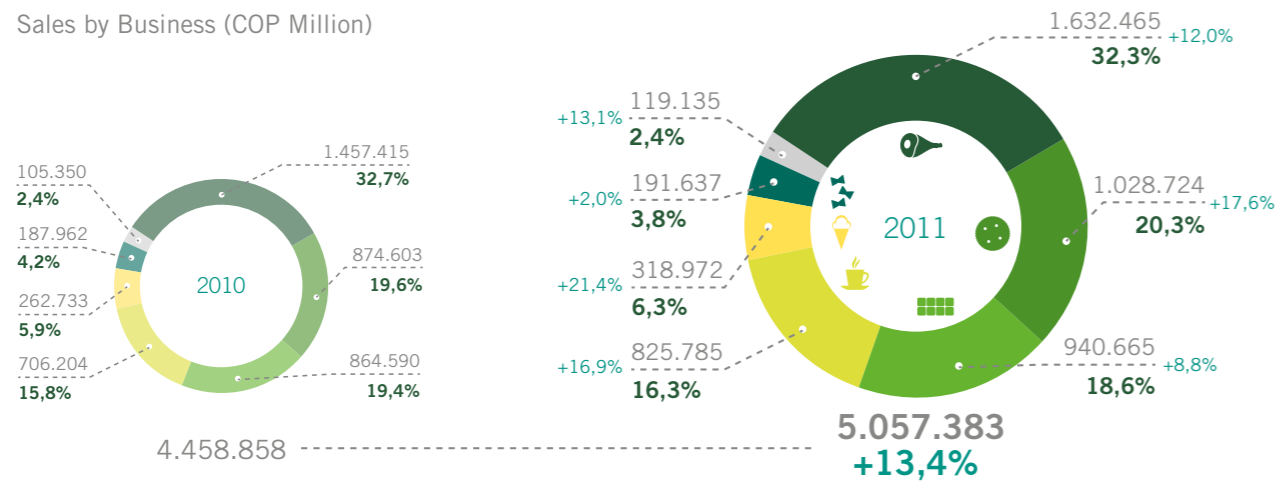
- Andorra • Angola • Antigua and Barbuda • Argentina • Aruba • Australia • Barbados • Belice • Benin • Bolivia • Brazil • Canada • Chile • China • Colombia • Congo • Costa Rica • Cuba • Curacao • Dominica • Dominican Republic • Ecuador • Equatorial Guinea • El Salvador • England • France • Gabon • Germany • Ghana • Granada • Guatemala • Guyana • Haiti • Holland • Honduras • Italy • Jamaica • Japon • Malta • Mexico • Monaco • Nicaragua • Nigeria • New Zealand • 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

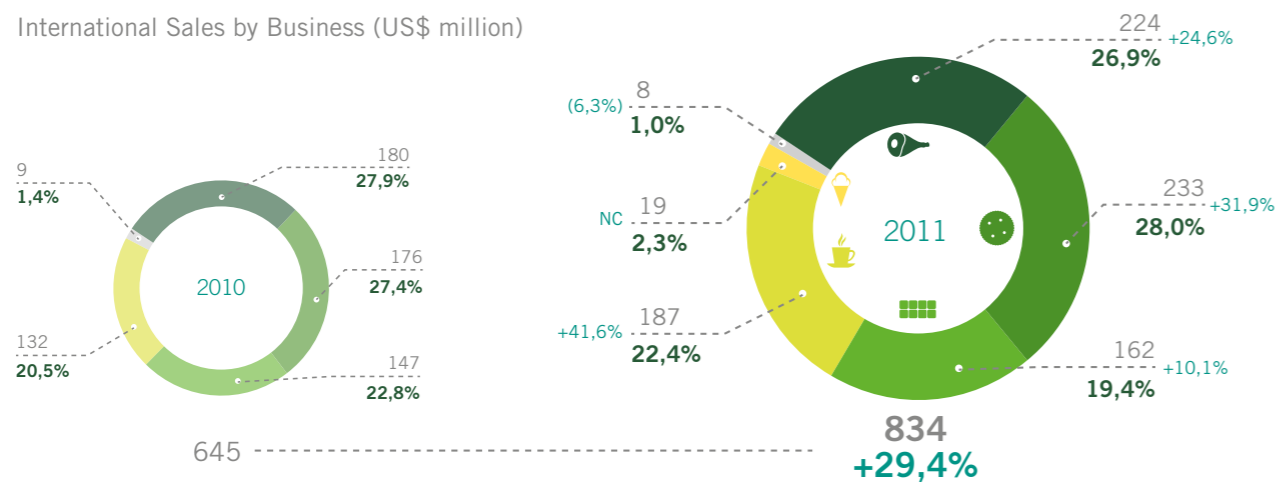
■ % share over total sales
 ■ % change 2010-2011

Cold Cuts
 Biscuits
 Chocolates
 Coffee
 Ice Cream
 Pasta
 Others

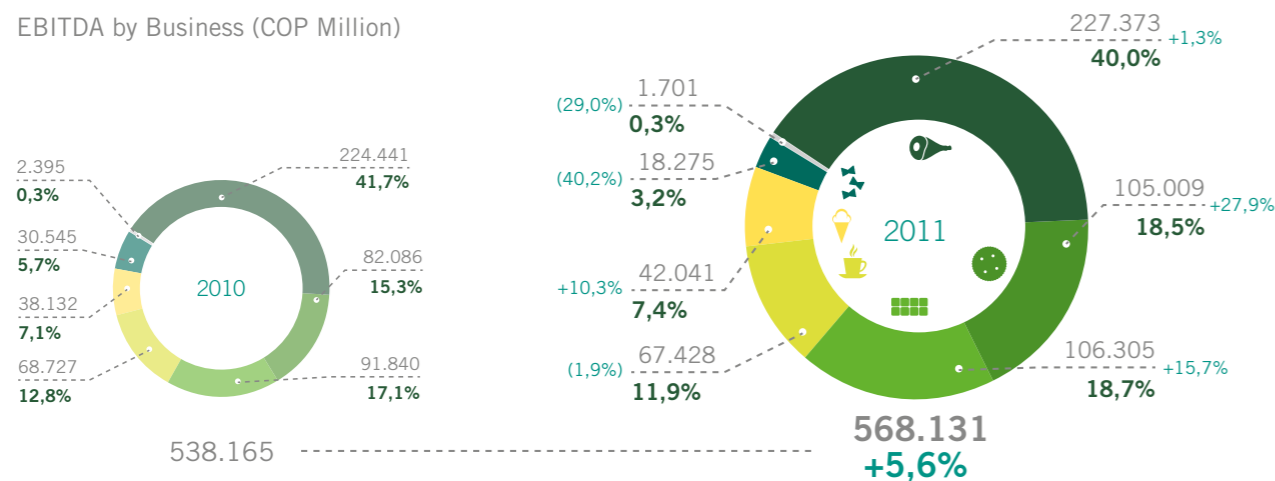
Sales by Business (COP Million)



International Sales by Business (US\$ million)



EBITDA by Business (COP Million)



Our Businesses

Grupo nutresa

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

Comercial nutresa

novaventa

La Recetta

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

+243.000

points of sale in
Colombia

+23.900

employees
in Colombia

10

International
production
plants



+335.000

points of sale
outside 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)

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%
(m³/t.p.)

Compared to 2010

Direct Greenhouse – Gas (GHG)

Emissions

113,9
(kg CO₂ eq./t.p.)

Variation from 2010 -2,1%

OUR PLANET



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 supplement. 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.)

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

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.

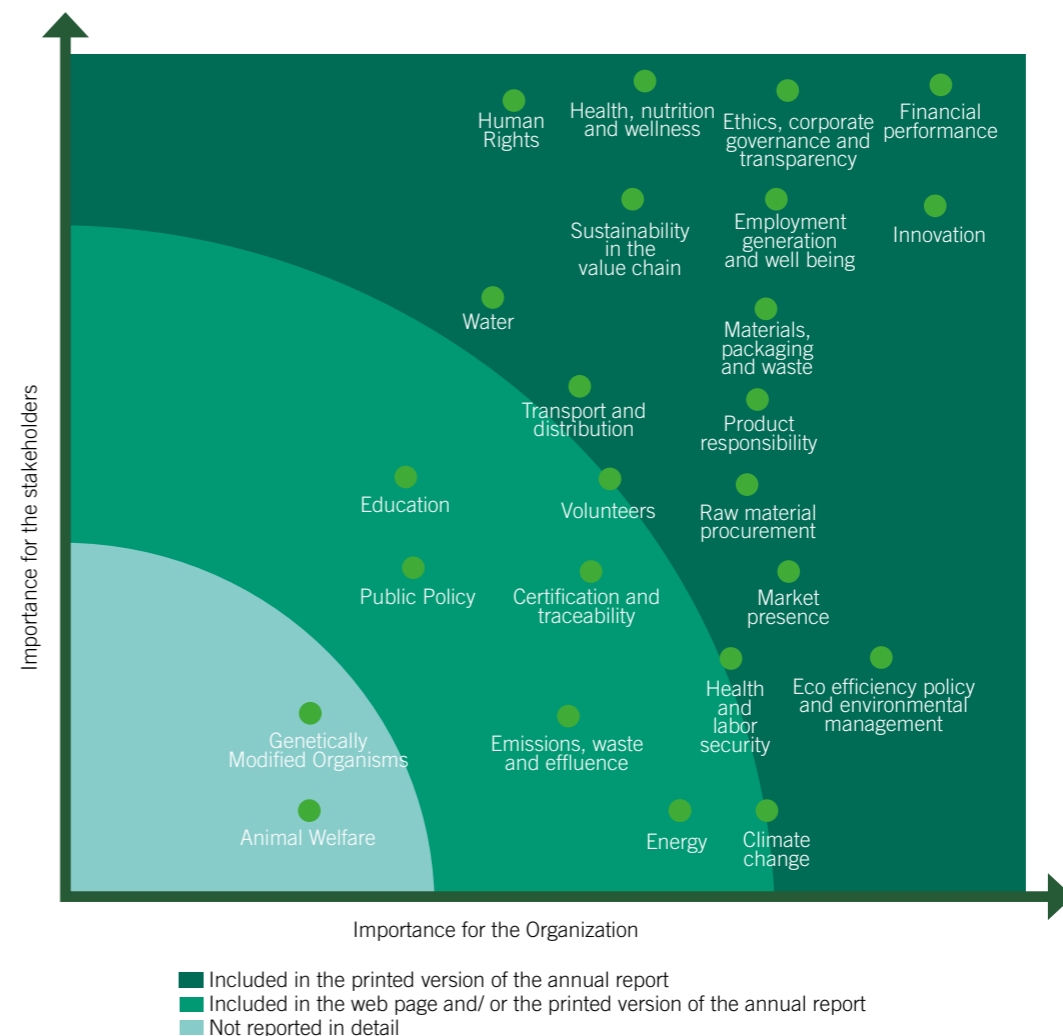
- The 2011 Report can be found at www.gruponutresa.com/es/informes_anuales.
- The opinion of the financial auditors is on page 152 and 202.
- The opinion of the auditors of the sustainability information is on page 82.
- The GRI level of application is on page 80.
- The GRI Indicator information is in 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 life to consumers with products that satisfy their aspirations for wellness, nutrition and pleasure.

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

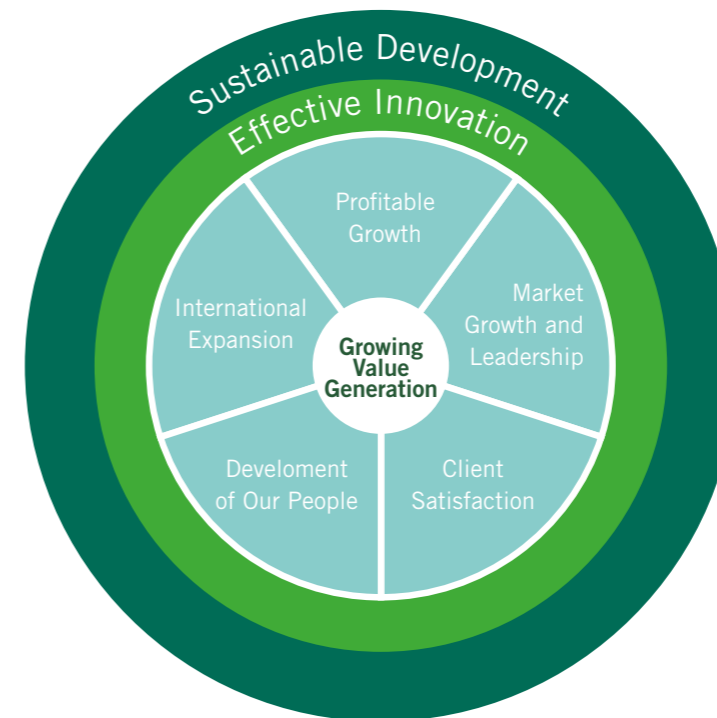
MISSION

- ◆ 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 | ◆ Development of our people |
| ◆ Good corporate governance | ◆ Ethics |
| ◆ Responsible corporate citizenship | ◆ Collaborative participation and management |
| ◆ World – class competitiveness | ◆ Respect |
| ◆ A culture of innovation and knowledge | ◆ 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.



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, Prostantafé 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 Project 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

Board of Directors

Steering Committee



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

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.

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

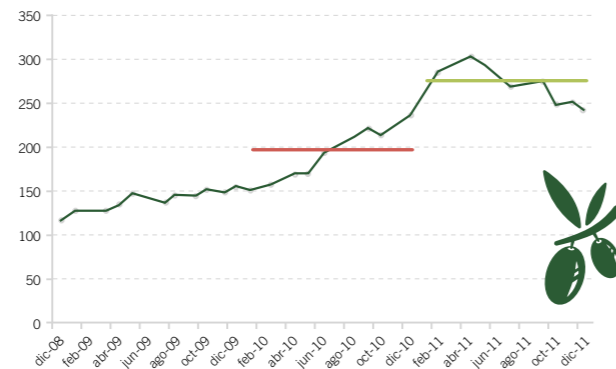
companies exported US\$251 million, 26,6% more than in 2010, with our Coffee Business achieving growth of 43%. This figure positions *Grupo Nutresa* as the largest exporter of consumer products in Colombia.

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.

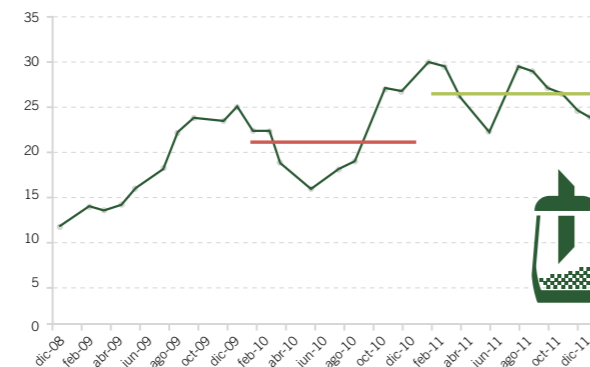


COP 568.131 million
was Grupo Nutresa's consolidated EBITDA

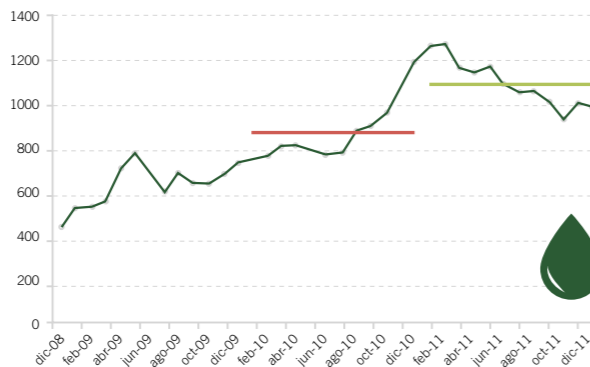
PRICE OF COFFEE (US\$ CENTS/ POUND)
DEC 08-DEC 11.



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



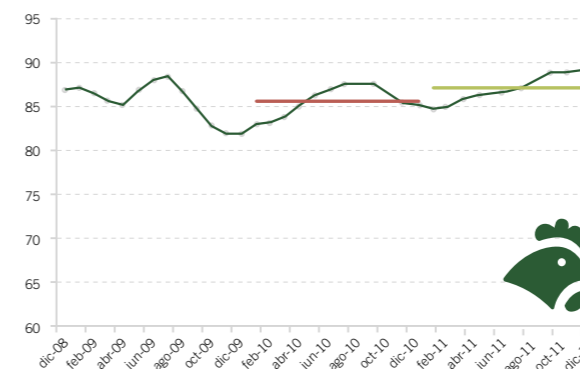
PRICE OF PALM OIL (US\$ / TON)
DEC 08 – DEC 11.



— Average Price 2010
— average price 2011

Source: Indexmundi, except for beef and pork.

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

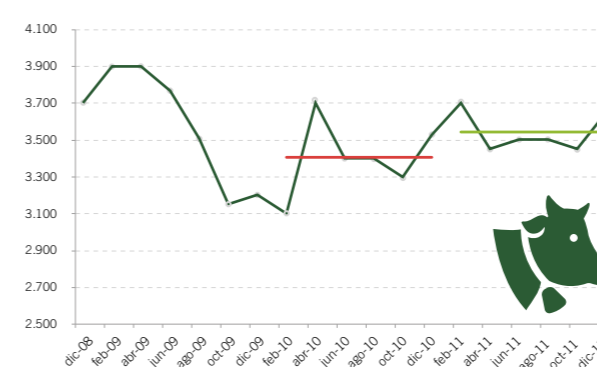


PRICE OF PORK (\$/ KILOGRAM)
DEC 08 – DEC 11.



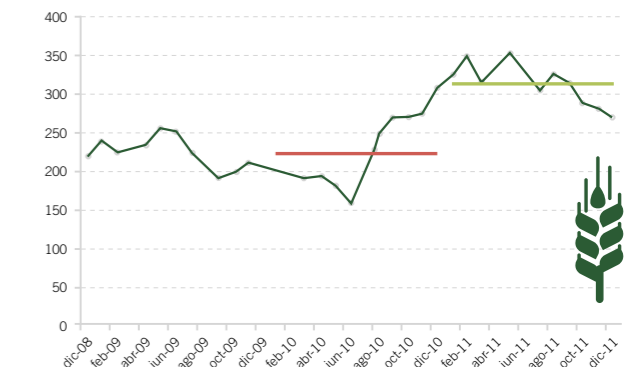
Source: Asociación Colombiana de Porcicultores

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

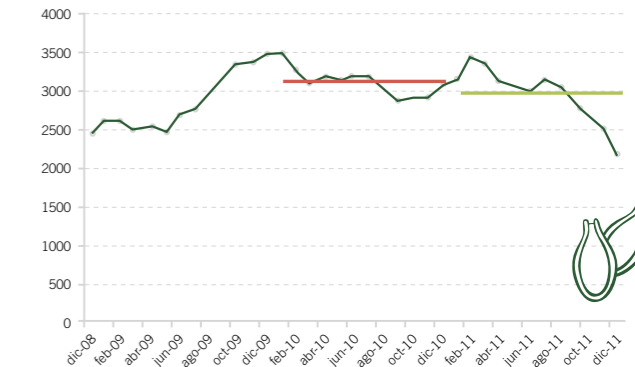


Source: Feria ganados Medellín, Colombia.

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



PRICE OF COCOA BEANS (US\$ / TON)
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.

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.



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.



The Colcafé Plant; Medellín, Colombia

OUR SIX BUSINESSES

BUSINESS	Total sales		Sales Colombia		International sales		EBITDA		EBITDA margin %	Sales from innovation % of sales
	COP million	change	COP million	change	US\$ million	change	COP million	change		
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%

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 *Dow 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.

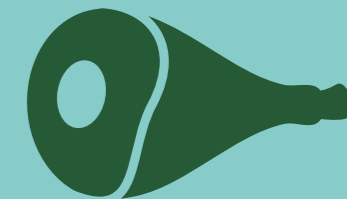
David Bojanini García
José Alberto Vélez Cadavid
Gonzalo Alberto Pérez Rojas
Alberto Velásquez Echeverri
Jaime Alberto Palacio Botero
Antonio Mario Celia Martínez - Aparicio
Mauricio Reina Echeverri
Carlos Enrique Piedrahíta Arocha - CEO

Our Businesses





COLD CUTS



COP 1,6
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 *Olimpica*, 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.

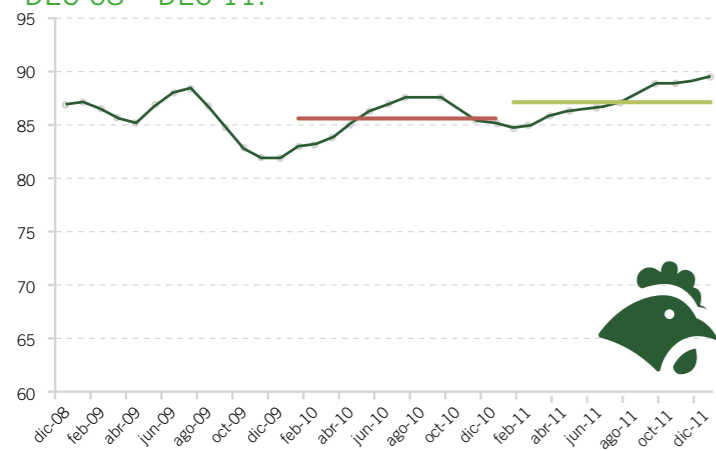


Pietrán brand ham.



The Suizo Plant; Bogotá, Colombia.

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



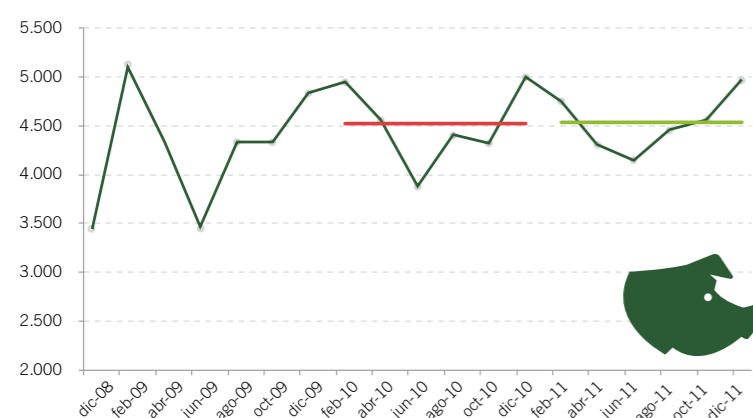
Source: Indexmundi

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



OUR BRANDS

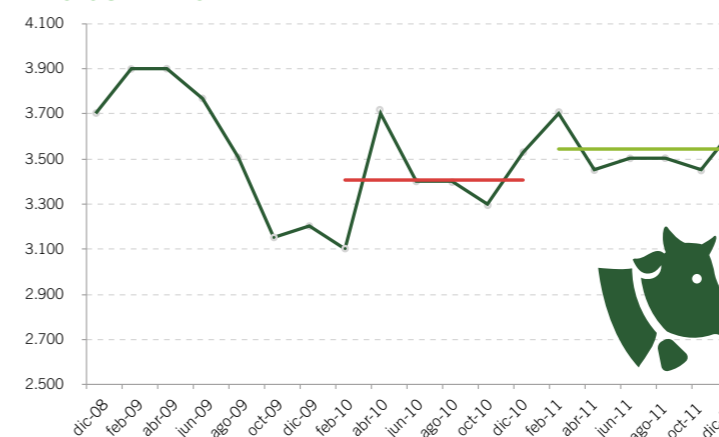
PRICE OF PORK (\$/ KILOGRAM)
DEC 08 – DEC 11.



Source: Asociación Colombiana de Porcicultores

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

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



Source: Feria ganados Medellín, Colombia.

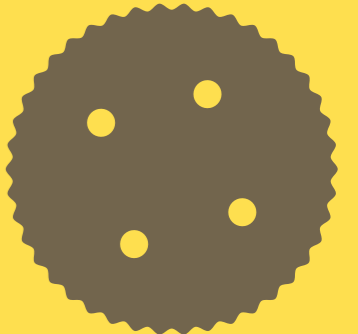
OUR PEOPLE

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



COP 1,0
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.

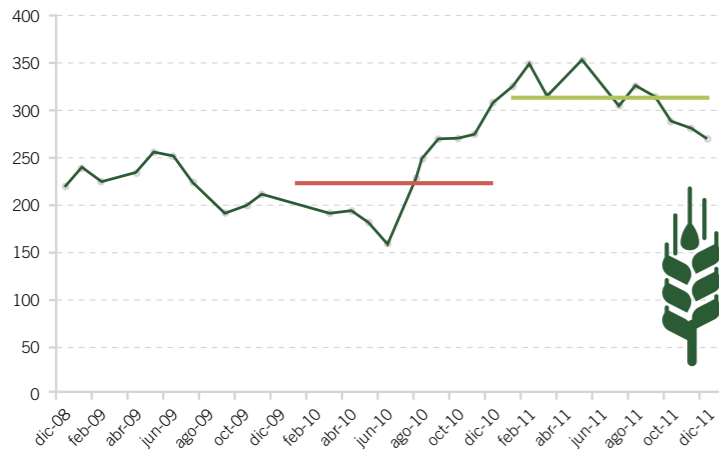
production processes in Noel in Colombia with the *Grupo Nutresa* Exemplary Practice “Learning from the Experts” award and recognition of the research project “Increasing Productivity in Ovens” in the *Vidarium* Academic Event, which is *Grupo Nutresa's* Research, Nutrition, Health and Wellness Center. 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.

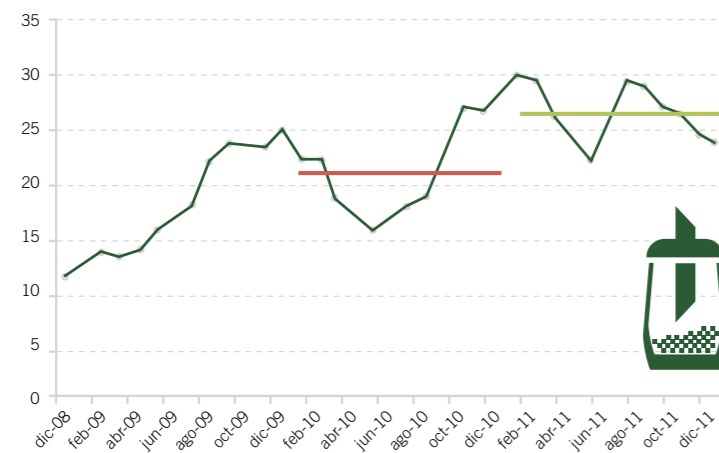
The Biscuits Business ended 2011 with 3.093 direct employees in Colombia and abroad and continues its

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.

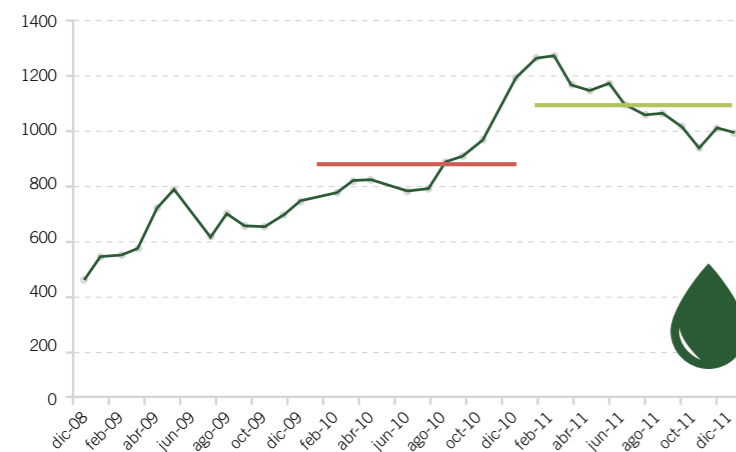
PRICE OF WHEAT (US\$ / TON). DEC 08-DEC 11



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



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



OUR BRANDS



INNOVATION

Sales of innovative products totaled COP 92.200 million, 9,0% of the sales, led by two successful launches: *Saltin* 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: Indexamundi



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.



CHOCOLATES

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

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.

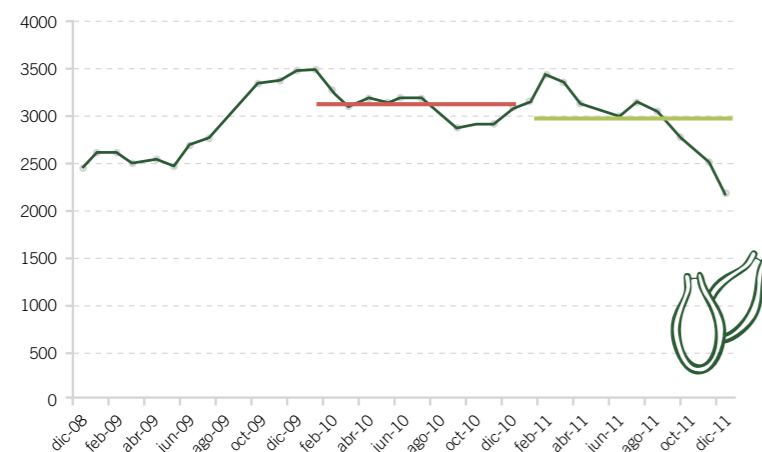


The *Jet* chocolate – candy – bar production process; the Rionegro, Colombia Plant.

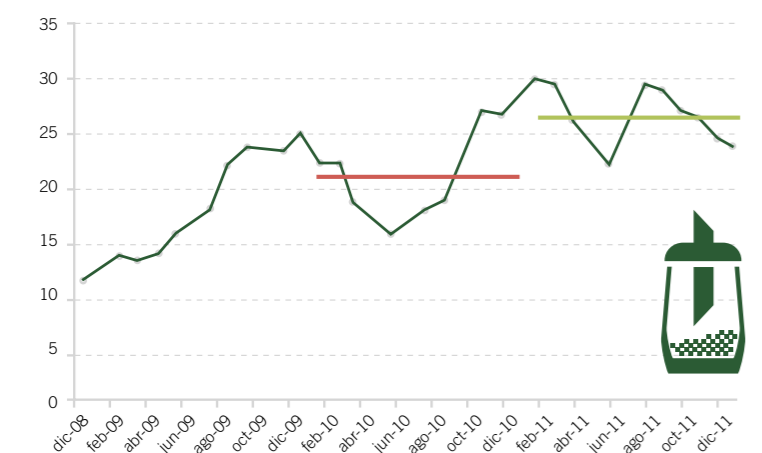
OUR BRANDS



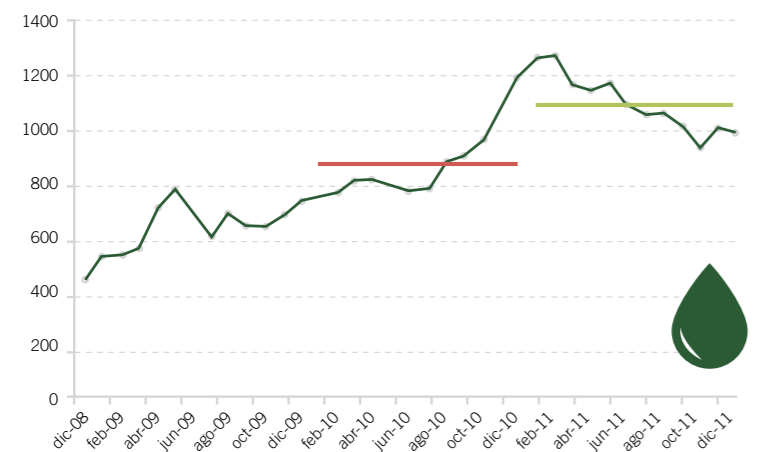
PRICE OF COCOA BEANS (US\$ / TON). DEC 08-DEC 11.



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



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



COMPETITIVENESS

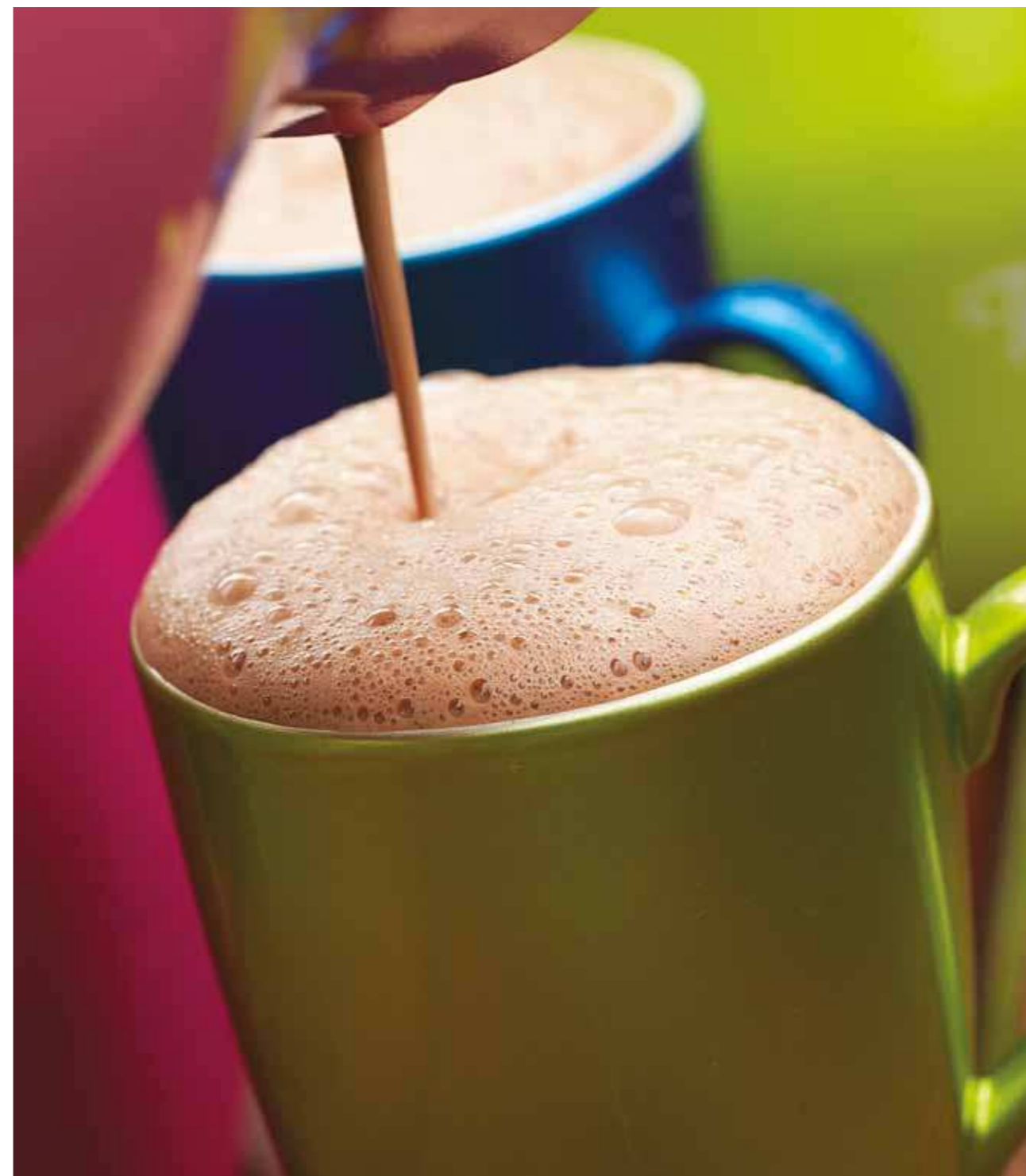
To search for competitiveness, we have focused on operational efficiency, productivity, progress in TPM (Total Productive Management) and optimizing portfolios. On this front, we had many advances: a 28,3% reduction in references, a 15,0% decrease in brands, a 4,2% improvement in efficiency of equipment 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:
Indexamundi

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



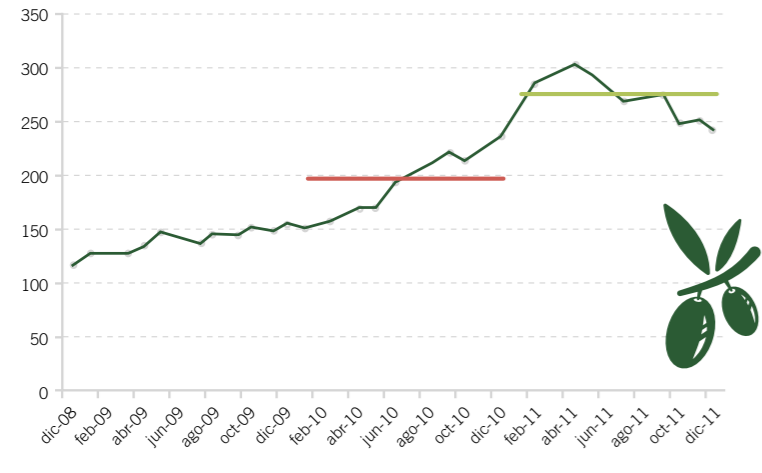
Colcafé brand Cappuccino.

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: Indexamundi

The Colcafé Plant; Medellín, Colombia.



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



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



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

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

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.

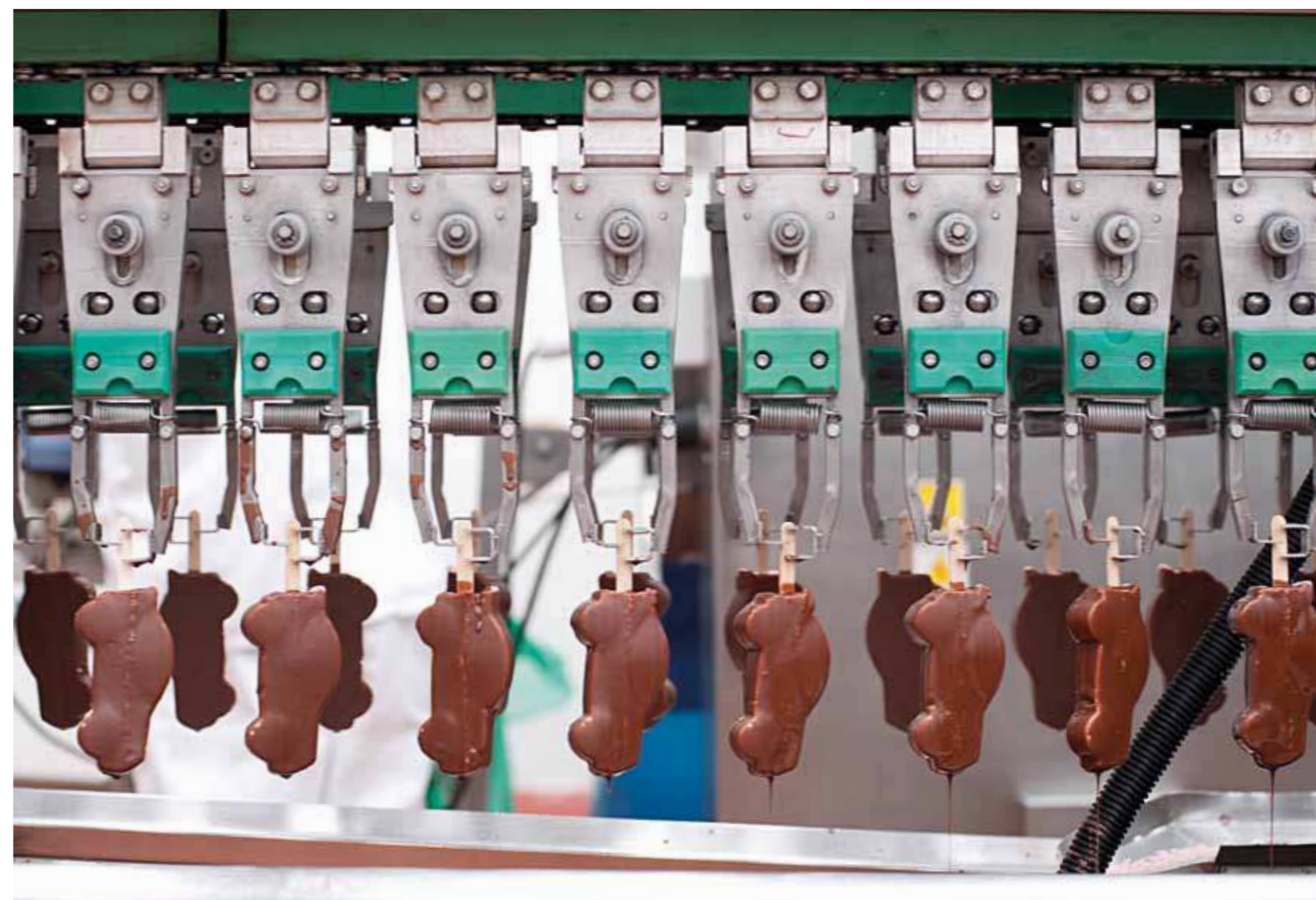
Sales grew
21,4%

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.



OUR BRANDS





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, re-processing, 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.

OUR BRANDS



Puro Piacere

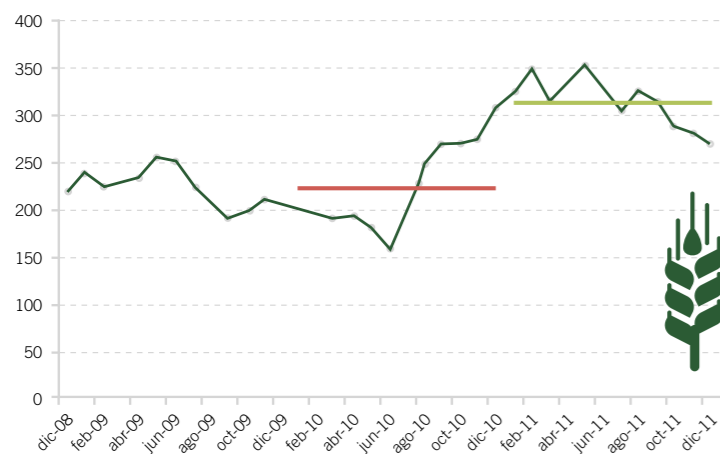
INNOVATION

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.

— Average price 2010
— Average price 2011
Source:
Indexamundi

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



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.