

Grupo Nutresa

**Condensed Consolidated Financial Statements
for the three month interim period ended March 31, 2015**

(Unaudited information)



Consolidated Financial Statements

International Financial Reporting Standards

March 31, 2015 and December 31, 2014

(Values expressed in Millon COP)

(Unaudited Information)

	Notes	March 2015	December 2014
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 275.986	\$ 419.428
Accounts receivable		821.560	742.561
Inventories		947.055	839.716
Biological assets		48.656	50.087
Other assets		195.641	151.911
Total Current Assets		\$ 2.288.898	\$ 2.203.703
Non-current Assets			
Accounts receivable		24.137	25.134
Investments in associated and joint ventures		98.149	93.261
Non-current financial assets	8	3.326.010	4.016.472
Property, plant, and equipment		3.082.521	2.966.128
Investment properties		91.582	98.245
Goodwill	6	2.190.572	1.373.072
Intangible assets		805.736	760.869
Deferred tax assets	10	315.164	300.627
Other assets		17.530	2.232
Total non-current assets		\$ 9.951.401	\$ 9.636.040
TOTAL ASSETS		\$ 12.240.299	\$ 11.839.743
LIABILITIES			
Current Liabilities			
Financial debt		726.921	451.677
Suppliers		830.219	645.530
Tax charges		180.908	150.218
Employee benefit liabilities		108.415	131.072
Provisions		1.449	3.093
Other liabilities		19.877	17.659
Total current liabilities		\$ 1.867.789	\$ 1.399.249
Non-current liabilities			
Financial obligations		2.262.774	1.691.120
Accounts payable		168	167
Employee benefit liabilities		225.659	217.401
Deferred tax liabilities	10	464.192	457.209
Total non-current liabilities		\$ 2.952.793	\$ 2.365.897
TOTAL LIABILITIES		\$ 4.820.582	\$ 3.765.146
SHAREHOLDER EQUITY			
Issued capital		2.301	2.301
Paid-in capital		546.832	546.832
Reserves		1.917.478	1.770.964
Other accumulated comprehensive income (loss)		3.230.600	3.805.786
Retained earnings	5.3	1.542.524	1.284.015
Profit and loss for the year		151.034	635.962
Equity attributable to the controlling interest		\$ 7.390.769	\$ 8.045.860
Non-controlling interest		28.948	28.737
TOTAL SHAREHOLDER EQUITY		\$ 7.419.717	\$ 8.074.597
TOTAL LIABILITIES AND EQUITY		\$ 12.240.299	\$ 11.839.743

The notes are an integral part of the consolidated financial statements

Comprehensive Income Statement

International Financial Reporting Standards

(Unaudited information)

From January 1 to March 31
(Values expressed in Millon COP)

	Notes	January-March 2015	January-March 2014
Continuing operations			
Operating revenues	7	\$ 1.717.458	\$ 1.523.205
Cost of goods sold	9	976.867	842.135
Gross profit		\$ 740.591	\$ 681.070
Administrative expenses	9	(93.780)	(84.773)
Sales expenses	9	(427.282)	(376.002)
Production expenses	9	(32.038)	(29.293)
Exchange difference on operating assets and liabilities	12	8.021	1.062
Other operating revenues (expense), net		3.024	3.618
Operating income	7	\$ 198.536	\$ 195.682
Financial income		3.133	3.334
Financial expenses	9	(50.910)	(40.751)
Exchange difference on non-operating assets and liabilities		6.095	6.073
Gain on net monetary position		(4.195)	(6.193)
Share of profit (loss) of associates and joint ventures		390	1.468
Dividend portfolio	8	46.468	43.363
Other income (expense), net	6	-	3.153
Income before income tax and non-controlling interest		\$ 199.517	\$ 206.129
Current income tax	10	(51.436)	(36.466)
Deferred income tax	10	3.407	(10.317)
Profit or loss after tax from continuous operations		\$ 151.488	\$ 159.346
Discontinued operations after income tax		(304)	254
Net profit or loss for the year		\$ 151.184	\$ 159.600
Profit for the period attributable to:			
Controlling interest		151.034	158.343
Non-controlling interest		150	1.257
Net income		\$ 151.184	\$ 159.600
OTHER COMPREHENSIVE INCOME NET TAXES			
Items that are not subsequently reclassified to profit or loss:			
Actuarial gains/losses on defined benefit plans		\$ -	\$ (21)
Equity investments measured at fair value through equity	8	(690.425)	265.280
Income tax relating to components that will not be reclassified		-	(12)
Items that are or may be subsequently reclassified to profit or loss:		\$ (690.425)	\$ 265.247
Share of other comprehensive income of associate and joint ventures		-	385
Exchange differences on translation of foreign operation	12	115.239	(289.906)
Income tax related components that can be reclassified		\$ 115.239	\$ (289.521)
Other comprehensive income, after tax		\$ (575.186)	\$ (24.274)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ (424.002)	\$ 135.326
Total comprehensive income attributable to:			
Controlling interests		(424.152)	134.069
Non-controlling interests		150	1.257
Total comprehensive income		\$ (424.002)	\$ 135.326
Earnings per share (*)			
Basic, attributable to controlling interests		328,24	344,13

(*) Calculations based on 460.123.458 share that have not been modified during the period covered on these financial statements

The notes are an integral part of the consolidated financial statements

Cash-flow Statement

January 1, 2013 to March 31, 2015
(Values expressed in Millions of COP)

International Financial Reporting Standards

(Unaudited information)

	January-March 2015	January-March 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Collection from suppliers for goods and services	\$ 1.713.674	\$ 1.550.470
Payments to suppliers for goods and services	(1.361.265)	(1.194.807)
Payments to and on behalf of employees	(318.675)	(299.927)
Income taxes paid	(19.028)	(27.861)
Other inflows (outflows) of cash	(30.776)	20.134
Net cash flow from (used in) operating activities	\$ (16.070)	48.008
CASH FLOW FROM INVESTMENT ACTIVITIES		
Payments to third parties for control of subsidiaries	(743.401)	(14.460)
Expense equity of associates and joint ventures	(4.498)	-
Proceeds from sale of properties, plant and equipment	787	2.215
Purchases of property, plant and equipment	(52.297)	(47.498)
Dividends received	10.757	9.736
Interest receivable	2.125	2.531
Other inflows (outflows) of cash	11.445	20.385
Net cash flow from (used in) investment activities	\$ (775.082)	\$ (27.091)
CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from loans	699.926	8.226
Dividends paid	(49.203)	(45.446)
Interest paid	(38.188)	(27.412)
Other inflows (outflows) of cash	21.712	4.967
Net cash flow from (used in) financial activities	\$ 634.248	(59.665)
Decrease in cash and cash equivalent from activities	\$ (156.905)	(38.747)
Net foreign exchange differences	7.011	(15.659)
Increase in cash and cash equivalents from acquisitions	6.452	-
Net decrease cash and cash equivalents	(143.442)	(54.406)
Cash and cash equivalents to the beginning of the period	419.428	415.867
Cash and cash equivalents to the end of the period	\$ 275.986	\$ 361.461

The notes are an integral part of the consolidated financial statements

Change in Equity Statement

International Financial Reporting Standards

From January 1 to March 31
(Values expressed in Millon COP)

(Unaudited information)

	Equity issued	Premium on shares issued	Reserves	Accumulated Reserves	Profit for the period	Other accumulated comprehensive results	Total equity attributable to controlling interests	Total equity attributable to non-controlling interests	Total
Equity to January 1, 2014	\$ 2.301	\$ 546.832	\$ 1.522.607	\$ 1.664.250	\$ -	\$ 3.377.631	\$ 7.113.621	\$ 19.518	\$ 7.133.139
Profit for the period					158.343		158.343	1.257	159.600
Other comprehensive income for the period, net of income tax						(23.707)	(23.707)	(567)	(24.274)
Comprehensive income for the period					\$ 158.343	\$ (23.707)	\$ 134.636	\$ 690	\$ 135.326
Cash dividends (Note 11)				(198.773)			(198.773)		(198.773)
Appropriation of reserves			181.462	(181.462)			-		-
Business combinations (Note 6)							-	5.539	5.539
Purchases to non-controlling interests			(46)				(46)	(92)	(138)
Revaluation of equity for hyperinflationary economies			19.700				19.700		19.700
Equity at March 31, 2014	\$ 2.301	\$ 546.832	\$ 1.723.723	\$ 1.284.015	\$ 158.343	\$ 3.353.924	\$ 7.069.138	\$ 25.655	\$ 7.094.793
Equity at January 1, 2015	\$ 2.301	\$ 546.832	\$ 1.770.964	\$ 1.284.015	\$ 635.962	\$ 3.805.786	\$ 8.045.860	\$ 28.737	\$ 8.074.597
Profit for the period					151.034		151.034	150	151.184
Other comprehensive income for the period, net of income tax						(575.186)	(575.186)	-	(575.186)
Comprehensive income for the period					\$ 151.034	\$ (575.186)	\$ (424.152)	\$ 150	\$ (424.002)
Cash dividends (Note 11)				(212.577)			(212.577)		(212.577)
Appropriation of reserves			164.876	471.086	(635.962)		-		-
Business combinations (Note 6)							-	61	61
Wealth tax (Note 10.6)			(24.680)				(24.680)		(24.680)
Revaluation of equity for hyperinflationary economies			6.318				6.318		6.318
Balance at March 31, 2015	\$ 2.301	\$ 546.832	\$ 1.917.478	\$ 1.542.524	\$ 151.034	\$ 3.230.600	\$ 7.390.769	\$ 28.949	\$ 7.419.717

The notes are an integral part of the consolidated financial statements

A MESSAGE FROM MANAGEMENT AT GRUPO NUTRESA

Grupo Nutresa S.A. is the leader in processed foods in Colombia and one of the most relevant players in this sector in Latin America, with consolidated annual sales of 6.4 trillion COP (2014), in 8 categories: Meats, Biscuits, Coffee, Tresmontes Luchetti (TMLUC), Ice cream, Pasta, and Retail foods. Grupo Nutresa is a diverse company across different geographies, products and supplying; with direct presence in 14 countries and international sales in 71 countries

Our Centennial strategy aims to double our 2013 sales by 2020, with sustained profitability between 12% and 14% of the EBITDA margin. To achieve this, we offer our consumers foods and the experience of recognized and beloved brands that nourish, generate wellness and well-being and that are distinguished by the best value for price relationship; widely available in our strategic regions, managed by talented, innovative, committed, and responsible people, who contribute to our sustainable development.

What makes us unique is our Company Model:

Human talent is one of our most valuable assets. The cultural platform is based on the promotion of participatory environments, development of skills of being and doing, recognition, building a leading brand, as well as a balanced life for people.

Our brands are leaders in the markets in which we participate; they are recognized, loved and part of people's daily life. They are based on nutritional, reliable products with high value at affordable prices.

Our extensive distribution network, with differentiated by channels and segments, with teams of specialized staff, allows us to have our products available, at an appropriate frequency, and a close relationship with clients.

The principle risks in our business model and the mitigation factors are:

Principle Risks	Mitigating Factors
Volatility in the prices of raw materials	<ul style="list-style-type: none"> – Diversification of raw materials – A clear hedging policy administered by a specialized committee – A highly trained team dedicated to monitoring and negotiating these supplies – Active search and exploitation of new opportunities for global sourcing
Impact on the businesses due to a highly competitive environment, including pressures from consumers and channels	<ul style="list-style-type: none"> – Large distribution capacity with differentiated strategies addressing the each of the segments – Attractive proposals with a good price/ product relationships – Recognized and beloved brands – Innovation and differentiation portfolios – Search to enter new markets
Regulatory changes in nutrition, health and obesity in countries where we are present	<ul style="list-style-type: none"> – Vidarium Corporation: Nutrition Research Center – Active participation with governments in discussion on regulations – Monitoring and strict compliance of the regulations in each country

Table 1

2015 First quarter Results

For the mandatory adoption of the IFRS , a process that, in addition, has allowed us to incorporate the best practices of international financial reporting and have a better comparability of our performance, we have the advice and support of different renowned consulting firms and have made the adjustments required in a timely manner. The following comparative report of the March 31, 2015 and 2014 results is made under IFRS.

At the end of the first quarter of 2015, Grupo Nutresa sales totaled COP 1,7 trillion, an increase of 12,8% compared to those reported in the same period last year. In Colombia, sales had an outstanding performance in line with the dynamics of recent quarters, reaching COP 1,1 trillion, which represents 63,1% of the total sales and an increase of 13,2%, which includes – within the figures of the Retail Food Unit, the revenue from Grupo El Corral since March 2015. The solid growth in sales in Colombia of 9,6% is supported by a 5,9% rise in volumes and a price increase of 3,5%, a figure that is still below the rate of inflation. The outstanding performance in Colombia is explained, among others, by the effective innovation and the work that has been developed for several periods to develop specialized knowledge consistently applied to the management of our leading brands, and to the efficient, differentiated approach of the networks and channels through which Grupo Nutresa offers its products.

Sales abroad were USD 256 million, 9,0% lower than those reported in the first quarter last year, where the impact of the consolidation of operations in Venezuela is clearly evidenced at an exchange rate with a marked devaluation, as well as the devaluation of other currencies in Latin America. Without this impact, there would be a positive performance with a 3,9% increase in sales. We must stress that international sales expressed in Colombian Pesos, grew 12,0%.

In terms of profitability, the EBITDA margin of 13,7% at the end of the quarter stands out. The EBITDA was COP 234.673 Billion, 1,0% below the same period last year. This level is mainly due to the negative impact of the devaluation in Latin American currencies against the US Dollar, which implies an increase in the cost of some of our raw materials.

The operating profit was COP 198.536 million, which represents an increase of 1,5% over the first quarter last year, with an operating margin of 11,6%.

Net non – operating income is lower than that of last year, as financial expenses have increased over those registered in 2014, due to the debt incurred to acquire Grupo El Corral in February 2015. Finally, and after considering the aspects mentioned, there is a consolidated net profit of COP 151.034 million, 4,6% lower than the same period last year.

Monitoring management indicators

Grupo Nutresa uses a number of indicators for management evaluation, contained within its strategic objectives: environmental, social, and economic sustainability.

Total sales, international sales, sales in Colombia, and EBITDA are some of the indicators used by Grupo Nutresa to evaluate the management of economic sustainability.

For Grupo Nutresa, EBITDA (Earnings before interest, taxes, Depreciation, and Amortization) is calculated eliminating operating income due to depreciation charges and amortization, as well as unrealized gains or losses on exchange differences of operating assets and liabilities. EBITDA is considered to be more meaningful to investors because it provides an analysis of operating results and segment profitability using the same measure used by management.

EBITDA also allows us to compare the results with those of other companies in similar industry and market.

EBITDA is used to track the development of the business and establish operating and strategic objectives. EBITDA is a common reporting measurement and is widely used among analysts, investors, and other stakeholders, in the industry. EBITDA is not a measure that is explicitly defined in IFRS, and may therefore not be comparable with similar indicators used by other companies. EBITDA should not be considered an alternative to operating income as an indicator of operating results, or as an alternative to cash flow from operating activities as a measure of liquidity.

The following table presents the reconciliation between EBITDA and Grupo Nutresa’s operating income, for the period covered in the financial statements presented:

	March 2015	March 2014
Operating income	\$ 198,536	\$ 195,682
Depreciation and amortization	45,059	41,668
Unrealized exchange differences from operating assets and liabilities	(8,922)	(345)
EBITDA	\$ 234,673	\$ 237,005

Table 2

Capital management

The increasing value creation is a fundamental part of the strategic goals set by the Group. This results in the active management of the capital structure, which balances the sustained growth of current operations, which requires constant investment in capital expenditures (CapEx), and growth through acquisitions of ongoing businesses, which bring economic and strategic value to the Group. In the allocation of resources, both investments in fixed assets, as well as, acquisitions, we use, as a reference point from which to measure of added value, the cost of capital (WACC) relevant to

each type of investment, geography and particular level of risk. In every one of our investments, we seek that the return exceeds the cost of capital.

Equally, for each investment, we analyze the various sources of funding, both internal and external, assuring a suitable profile for the duration of that specific investment, as well as, cost optimization. Along with a moderate financial risk profile, the capital structure of the Group is aimed at obtaining the highest credit ratings.

Notes for the condensed consolidated Financial Statement

Intermediate periods ended at March 31, 2015 and 2014

(Values are expressed as Millions of Colombian Pesos, except for the values in foreign currency, exchange rates and number of shares)

Note 1. Corporate Information

1.1 Entity and corporate purpose of Parent Company and subsidiary

Grupo Nutresa S.A. and its subsidiaries (hereinafter referred to as: Grupo Nutresa, the Company, the Group, or Nutresa) constitute an integrated and diversified food industry group, that operates mainly in Colombia and Latin America.

The Parent Company is Grupo Nutresa S.A., a corporation of Colombian nationality, incorporated on April 12, 1920, with its

investment or application or resource availability, in organized enterprises, organized under any of the forms permitted by law, whether domestic or foreign, and aimed at, operating any legal economic activity, with either tangible or intangible assets with the purpose of safeguarding its capital.

Below is information of subsidiaries, organized by: name, main activity, Country of Incorporation, functional currency, and percentage of ownership held by Grupo Nutresa:

Table 3

Entity	Main Activities	Functional Currency ⁽²⁾	% Participation	
			March 2015	December 2014
Colombia				
Industria Colombiana de Café S.A.S	Production of coffee and coffee related products.	COP	100.00%	100.00%
Compañía Nacional de Chocolates S. A. S	Production of chocolates, its derivatives, and related products.	COP	100.00%	100.00%
Compañía de Galletas Noel S. A. S	Production of biscuits, cereals, et al.	COP	100.00%	100.00%
Industria de Alimentos Zenú S. A. S	Production and merchandising of meats and its derivatives	COP	100.00%	100.00%
Productos Alimenticios Doria S. A. S	Production of pasta, flour, and cereals.	COP	100.00%	100.00%
Molino Santa Marta S.A.S	Milling of grains.	COP	100.00%	100.00%
Alimentos Cárnicos S.A.S	Production of meats and its derivatives	COP	100.00%	100.00%
Tropical Coffee Company S. A. S	Assembly and production of coffee products.	COP	100.00%	100.00%
Litoempaques S. A. S	Production or manufacturing of packaging material.	COP	100.00%	100.00%
Pastas Comarrico S. A. S	Production of pasta, flour, and cereals.	COP	100.00%	100.00%
Novaventa S.A.S	Merchandising of foods and other items via direct sales channels.	COP	100.00%	100.00%
La Recetta Soluciones Gastronómicas Integradas S.A.S	Distribution of foods via institutional channels.	COP	70.00%	70.00%
Meals Mercadeo de Alimentos de Colombia S.A.S	Production and merchandising of ice-cream, dairy beverages, et al.	COP	100.00%	100.00%
Servicios Nutresa S.A.S	Provision of specialized business services.	COP	100.00%	100.00%
Setas Colombianas S.A	Processing and merchandising of mushrooms.	COP	99.48%	99.48%
Alimentos Cárnicos Zona Franca Santa Fe S.A.S	Provision of logistic services	COP	100.00%	100.00%
Gestión Cargo Zona Franca S.A.S	Provision of logistic services	COP	100.00%	100.00%
Comercial Nutresa S.A.S	Merchandising of food products.	COP	100.00%	100.00%
Industrias Aliadas S.A.S	Provision of Services related to coffee.	COP	100.00%	100.00%
Operar Colombia S.A.S.	Provision of transportation services.	COP	100.00%	100.00%
Fideicomiso Grupo Nutresa	Management of financial resources.	COP	100.00%	100.00%
Fondo de capital privado "Cacao para el futuro" – Compartimento A	Investment in cocoa production.	COP	83.41%	83.41%
IRCC Ltda. ⁽¹⁾	Production of foods and operation of food establishments providing to the consumer.	COP	100,00%	-
LYC S.A.S. ⁽¹⁾	Production of foods and operation of food establishments providing to the consumer.	COP	100,00%	-
PJ COL S.A.S ⁽¹⁾	Production of foods and operation of food establishments providing to the consumer.	COP	100,00%	-
Panero S.A.S ⁽¹⁾	Production of foods and operation of food establishments providing to the consumer.	COP	100,00%	-
New Brands S.A. ⁽¹⁾	Production of dairy and ice-cream.	COP	100,00%	-
Schadel Ltda. ⁽¹⁾	Production of dairy and its derivatives.	COP	99,88%	-
Chile				
Tresmontes Lucchetti S.A.	Provision of specialized business services.	CLP	100.00%	100.00%
Nutresa Chile S.A.	Management of financial resources.	CLP	100.00%	100.00%
Tresmontes Lucchetti Agroindustrial S.A.	Agricultural and industrial production.	CLP	100.00%	100.00%
Tresmontes Lucchetti Internacional S.A.	Merchandising of food products.	CLP	100.00%	100.00%
Tresmontes Lucchetti Servicios S.A.	Management of financial resources.	CLP	100.00%	100.00%
Tresmontes S.A.	Production and merchandising of foods.	CLP	100.00%	100.00%
Inmobiliaria Tresmontes Lucchetti S.A.	Management of financial resources.	CLP	100.00%	100.00%
Lucchetti Chile S.A.	Production of pasta, flour, and cereals.	CLP	100.00%	100.00%
Novaceites S.A.	Production and merchandising of vegetable oil.	CLP	50.00%	50.00%
Inmobiliaria y Rentas Tresmontes Lucchetti	Management of financial resources.	CLP	100.00%	100.00%
Costa Rica				
Compañía Nacional de Chocolates DCR. S.A.	Production of chocolates and its derivatives	CRC	100.00%	100.00%
Compañía de Galletas Pozuelo DCR S.A.	Production of biscuits, et al.	CRC	100.00%	100.00%

Entity	Main Activities	Functional Currency ⁽²⁾	% Participation		
			March 2015	December 2014	
Industrias Lácteas de Costa Rica S.A.	Production and merchandising of dairy.	CRC	100.00%	100.00%	
Cía. Americana de Helados S.A.	Production and ice-cream sales.	CRC	100.00%	100.00%	
Fransouno S.A.	Production and merchandising of foods.	CRC	100.00%	100.00%	
Helados H.D. S.A.	Production and merchandising of foods.	CRC	100.00%	100.00%	
Americana de Alimentos Ameral S.A.	Production and merchandising of foods.	CRC	100.00%	100.00%	
Inmobiliaria Nevada S.A.	Wide-trade exercise and industry representation.	CRC	100.00%	100.00%	
Guatemala					
Comercial Pozuelo Guatemala S.A.	Distribution and merchandising of food products.	QTZ	100.00%	100.00%	
Heladera Guatemalteca S.A.	Production and merchandising of ice-cream.	QTZ	100.00%	100.00%	
Distribuidora POPS S.A.	Merchandising of ice-cream.	QTZ	100.00%	100.00%	
Nevada Guatemalteca S.A.	Property leasing services.	QTZ	100.00%	100.00%	
Guate-Pops S.A.	Employee services.	QTZ	100.00%	100.00%	
México					
Nutresa S.A. de C.V.	Production and merchandising of food products.	MXN	100.00%	100.00%	
Serer S.A. de C.V.	Production and merchandising of food products.	MXN	100.00%	100.00%	
Comercializadora Tresmontes Lucchetti S.A. de C.V.	Merchandising of food products.	MXN	100.00%	100.00%	
Servicios Tresmontes Lucchetti S.A. de C.V.	Management of financial resources.	MXN	100.00%	100.00%	
Tresmontes Lucchetti México S.A. de C.V.	Production and merchandising of foods.	MXN	100.00%	100.00%	
TMLUC Servicios Industriales. S. A. de CV	Management of financial resources.	MXN	100.00%	100.00%	
Panamá					
Promociones y Publicidad Las Américas S.A.	Management of financial resources.	PAB	100.00%	100.00%	
Alimentos Cárnicos de Panamá S.A.	Production of meats and its derivatives	PAB	100.00%	100.00%	
Comercial Pozuelo Panamá S. A	Production of biscuits, et al.	PAB	100.00%	100.00%	
American Franchising Corp. (AFC)	Management of financial resources.	USD	100.00%	100.00%	
Aldage, Inc. ⁽¹⁾	Management of financial resources.	USD	100.00%	-	
LYC Bay Enterprise INC. ⁽¹⁾	Management of financial resources.	USD	100.00%	-	
Sun Bay Enterprise INC. ⁽¹⁾	Management of financial resources.	USD	100.00%	-	
United States of America					
Abimar Foods Inc.	Production and merchandising of food products.	USD	100.00%	100.00%	
POPS One LLC	Operation of food establishments providing to the consumer. - Ice-cream	USD	98.00%	98.00%	
POPS Two LLC	Operation of food establishments providing to the consumer. - Ice-cream	USD	98.00%	98.00%	
Cordialsa Usa. Inc.	Merchandising of food products.	USD	100.00%	100.00%	
Costa Rica´s Creamery LLC.	Operation of food establishments providing to the consumer. - Ice-cream	USD	100.00%	100.00%	
Venezuela					
Cordialsa Noel Venezuela S.A.	Merchandising of food products.	VEI	100.00%	100.00%	
Industrias Alimenticias Hermo de Venezuela	Production of foods.	VEI	100.00%	100.00%	
Entity	Main Activities	Country	Funcional Currency	% participation Mar-15	Dec-14
TMLUC Argentina S.A.	Production and merchandising of foods.	Argentina	ARS	100.00%	100.00%
Corp. Distrib. de Alimentos S.A (Cordialsa)	Merchandising of food products.	Ecuador	USD	100.00%	100.00%
Comercial Pozuelo El Salvador S.A. de C.V.	Distribution and merchandising of food products.	El Salvador	USD	100.00%	100.00%
Americana de Alimentos S.A. de C.V.	Merchandising of food products.	El Salvador	USD	100.00%	100.00%
Comercial Pozuelo Nicaragua S.A.	Merchandising of food products.	Nicaragua	NIO	100.00%	100.00%
Industrias Lácteas Nicaragua S.A.	Merchandising and logistics management.	Nicaragua	NIO	100.00%	100.00%
Compañía Nacional de Chocolates del Perú S.A.	Production of foods and beverages.	Peru	PEN	100.00%	100.00%
TMLUC Perú S.A.	Production and merchandising of foods.	Peru	PEN	100.00%	100.00%
Cordialsa Boricua Empaque. Inc.	Merchandising of food products.	Puerto Rico	USD	0%	100.00%
Helados Bon	Production and merchandising of ice-cream, beverages and dairy, et al.	Dominican República	DOP	81.18%	81.18%
Gabon Capital LTD. (1)	Management of financial resources.	Panama	USD	100.00%	-
Baton Rouge Holdings LTD. (1)	Management of financial resources.	British Virgin Island	USD	100.00%	-
Ellenbrook Holdings Limited (1)	Management of financial resources.	British Virgin Island	USD	100.00%	-
Perlita Investments LTD. (1)	Management of financial resources.	British Virgin Island	USD	100.00%	-
El Corral Investments INC (1)	Management of financial resources and franchises	British Virgin Island	USD	100.00%	-

(1) Companies incorporated as part of a business combination in February of 2015 of Grupo El Corral. See note 6.

(2) See Note 12.1: a reference list of acronyms used for foreign currencies and the main impact on Grupo Nutresa's financial statements.

Changes in the scope of consolidation

During the first 3 months of 2015 and 2014, the following changes occurred within the consolidation perimeters:

2015: The acquisition of Grupo El Corral was conducted, incorporating Grupo Nutresa S.A.'s consolidated assets and liabilities representing the companies acquired to February 28, 2014 and its results as of March 1, 2015

2014: Control of the “Fondo de Cacao” was obtained. An entity, over which, Grupo Nutresa S.A. had significant influence, and so the equity method was applied until March 2014. The assets and liabilities of the subsidiary are incorporated in the consolidated financial statement of Grupo Nutresa S.A. at March 31, 2014, and profit and loss from April 1, 2014.

Note 2. Basis of preparation

Grupo Nutresa S.A.'s condensed consolidated financial statements, for the interim period ending March 31, 2015, are prepared in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (hereinafter, IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter, IFRIC), and approved in Colombia through Decree 2784 of 2012, Decree 3023 of 2013, its regulations, and other accounting standards issued by the Superintendencia Financiera de Colombia.

Grupo Nutresa prepared consolidated financial statements until December 31, 2014, applying the principles generally accepted in Colombia; the Condensed Financial Statements, for the interim period of three months ended March 31, 2015, are the first interim Financial Statements which were prepared in accordance with IFRS; See Note 5 - "Transition to International Financial Reporting Standards" for a more details regarding the impact of First-time Adoption of IFRS in Grupo Nutresa.

2.1 Basis of measurement

The condensed consolidated financial statements for the quarterly period ending March 31, 2015, have been prepared in accordance with IAS 34 Interim Financial Reporting; therefore, they do not include all the information and disclosures required by the annual financial statements. The consolidated financial statements have been prepared, based on historical cost, except for the measurement at fair value of certain financial instruments, as described in the policies below.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Colombian Pesos COP, which is the functional and presentation currency of Grupo Nutresa S.A. These figures are expressed as Millions of Colombian Pesos (COP), except for earnings per share and the market representative exchange rate which are expressed as Colombian Pesos (COP) and other currencies [e.g. USD, Euros(€), Pounds Sterling(£), etc.]

2.3 Classification of items in current and non-current

Grupo Nutresa presents assets and liabilities, in the Statement of Financial Position, classified as current and non-current.

An asset is classified as current when the entity: Expects to realize the asset, or intends to sell or consume within its normal operating cycle;

Holds the asset primarily for trading purposes; Expects to realize the asset within twelve months after the reporting period is reported; or

The asset is cash or cash equivalent, unless the asset is restricted for a period of twelve months after the close of the reporting period.

All other assets are classified as non-current. A liability is classified as current when the entity expects to settle the liability within its normal operating cycle or holds the liability primarily for trading purposes;

Note 3. Significant accounting policies

3.1 Basis of consolidation

3.1.1 Investments in subsidiaries

The consolidated financial statements include Grupo Nutresa S.A.'s financial information, as well as, its subsidiaries as of March 31, 2015 with its corresponding comparative financial information. A subsidiary is a company controlled by one of the companies that make up the entity Grupo Nutresa. Control exists when any of the Group companies, have the power to direct the relevant activities of the subsidiary, which are generally: the operating activities and the financing to obtain benefits from its activities, and is exposed, or has rights, to those variable yields.

The accounting policies and practices are applied evenly, by the Parent Company and its subsidiary companies. In cases of subsidiaries located abroad, the practices do not differ significantly from the accounting practices used in the countries of origin, and / or have been homologized to those that have a significant impact on the consolidated financial statements. All balances and significant transactions between companies and the unrealized profits or losses, are eliminated in the consolidation process. The financial statements of subsidiaries are included in the consolidated statements from the date of acquisition until the date that Grupo Nutresa loses its control; any residual interest that is retained, is measured at fair value; the gains or losses arising from this measurement are recognized in the results for that period.

3.1.2 Non-controlling interest:

Non-controlling interests in net assets of the consolidated subsidiaries are presented separately within Grupo Nutresa's equity. The profit or loss and other comprehensive income is also attributed to non-controlling and controlling interests.

Subsidiaries' purchases or sales involving non-controlling ownership that do not involve a loss of control are recognized directly in the equity.

Grupo Nutresa considers minority interests transactions, as transactions with shareholders of the Company. When carrying out acquisitions of minority interests, the difference between the consideration paid and the interest acquired over the book value of the subsidiary's net assets are recognized as equity transactions; therefore goodwill for those acquisitions is not recognized.

3.2 Investments in associates and joint ventures

An associate is an entity over which Grupo Nutresa S.A. has significant influence over financial and operating policies, without having control or joint control of those policies.

A joint venture is an entity that Grupo Nutresa controls jointly with other participants, where, together, they maintain a contractual agreement that establishes joint control over the relevant activities of the entity.

At the date of acquisition, the excess acquisition cost over the net fair value of the identifiable assets, liabilities, and contingent liabilities assumed by the associate or joint venture, is recognized as goodwill. Goodwill is included in the book value of the investment and is not amortized, nor is it individually tested for impairment.

The results, assets, and liabilities of the associate or joint venture are incorporated in the consolidated financial statement, using the equity method, under which the investment is initially recorded at cost and is adjusted with changes of Grupo Nutresa shares, over the net assets of the associate or joint venture after the date of acquisition less any impairment loss on the investment. The losses of the associate or joint venture that exceed Grupo Nutresa's shares in the investment, are recognized as a provision, only when it is probable that there is an outflow of economic benefit and there is a legal or implied obligation.

Where the equity method is applicable, adjustments are made to homologize the accounting policies of the associate or joint venture with Grupo Nutresa, the portion that corresponds to Grupo Nutresa in the profits or losses obtained by measuring of net assets, at fair value, at the date of acquisition, gains and losses from transactions between Grupo Nutresa and the associate or joint venture are eliminated, to the extent of Grupo Nutresa's participation in the associate or joint venture. The equity method is applied from the date of acquisition until the significant influence or joint control over the entity is lost.

The portion of profit or loss of an associate or joint venture is presented in the statement of comprehensive income, in the results section for the period, net of taxes and non-controlling interests in the subsidiaries of the associate or joint venture; the portion of changes recognized directly in equity and other comprehensive income of the associate or joint venture, is presented in the statement of changes in equity and other consolidated comprehensive income.

Cash dividends received, from the associate or joint ventures, are recognized by reducing the carrying amount of the investment.

Grupo Nutresa periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses of the associate or joint venture investment. Impairment losses are recognized in profit or loss and are calculated as the difference between the recoverable amount of the associate or joint venture (being the recoverable amount: the higher of value in use and its fair value less cost to sell) and their book value.

When the significant influence over an associate or joint control is lost, Grupo Nutresa measures and recognizes any retained residual investment at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income)

and the fair value of the retained residual investment at its value from sale is recognized in profit or loss in that period.

Investments in associates and joint ventures to March 31, 2015 and December 31, 2014 are:

		% Participation	
		March 2015	December 2014
Associates			
Bimbo de Colombia S.A.	Colombia	40%	40%
Dan Kaffe Sdn. Bhd	Malaysia	37%	37%
Estrella Andina S.A.S.	Colombia	30%	30%
Joint ventures			
Oriental Coffee Alliance Sdn. Bhd	Malaysia	50%	50%

Table 4

3.3 Significant accounting policies

Grupo Nutresa and its subsidiaries apply the accounting policies and procedures of the Parent Company. The accounting policies applied in preparing the condensed consolidated financial statements for the interim period ended March 31, 2015, are consistent with those used in preparing the annual financial statements prepared under IFRS as of December 31, 2014.

Grupo Nutresa applies the following significant accounting policies in preparing its consolidated financial statements:

3.3.1 Business combinations and goodwill

Operations whereby the joining of two or more entities or economic units into one single entity or group of entities occurs are considered business combinations.

Business combinations are accounted using the acquisition method. Identifiable assets acquired, liabilities assumed, and contingent liabilities of the acquiree are recognized at fair value at the date of acquisition; acquisition costs are recognized in profit or loss and goodwill as an asset in the consolidated statement of financial position.

The consideration transferred is measured as the value added of the fair value at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by Grupo Nutresa, including any contingent consideration, for obtaining control the acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest, and when applicable, the fair value of any previously held equity interest over the net value of the assets acquired, liabilities, and contingent liabilities assumed at the date of acquisition. The resulting gain or loss from the measurement of previously held interest can be recognized in current earnings or other comprehensive income, accordingly. In previous periods for which it is reported, the acquirer may have recognized in other comprehensive income, changes in the value of its equity interest in the acquired. If so, the amount that was recognized, in other comprehensive income, shall be recognized on the same basis as would be required, if the acquirer had disposed directly of the previously held equity interest. When the consideration transferred is less than the fair value of the net assets acquired, the gain is recognized in profit or loss on the date of acquisition.

For each business combination, at the date of acquisition, Grupo Nutresa chooses to measure non-controlling interest at the proportionate share of the identifiable assets acquired, liabilities, and contingent liabilities assumed from the acquired or at fair value.

Any contingent consideration in a business combination is classified as liability or equity and is recognized at fair value at the date acquisition. Subsequent changes in fair value of a contingent consideration, classified as financial liability, are recognized in profit or loss results in that period or in other comprehensive income; when it is classified as equity, it is not re-measured and its subsequent settlement is recognized in equity. If the consideration is not classified as a financial liability, it is measured in accordance with applicable IFRS.

Goodwill acquired in a business combination is allocated, at the date of acquisition, to cash-generating units of Grupo Nutresa, that are hoped to be benefitted with the combination, irrespective of whether other assets or liabilities of the acquired are assigned to these units.

When goodwill is part of a cash-generating unit, and part of the operation within that unit is sold, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss by the arrangement of the operation. Goodwill written off is determined based upon the percentage of the operation sold, which is the ratio of the book value of the operation sold and the book value of the cash-generating unit.

3.3.2 Foreign currency

Transactions made in a currency other than the functional currency of the Company are translated using the exchange rate at the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the closing of the financial statements and taken from the information published by the official body responsible for certifying this information; non-monetary items that are measured at fair value are converted using the exchange rates on the date when its fair value is determined and non-monetary items that are measured at historical cost are translated using the exchange rates determined on the date of the original transaction.

All exchange differences arising from operating assets and liabilities are recognized on the income statement, as part of revenue and operating expenses; exchange differences in other assets and liabilities are recognized as income or expense, except for, monetary items that provide an effective hedge for a net investment in a foreign operation and from investments in shares classified as fair value through equity. These items and their tax impacts are recognized in other comprehensive income until disposal of the net investment, at which time are recognized in profit or loss.

For the presentation of Grupo Nutresa's consolidated financial statements, the financial condition and results of entities whose functional currency is different from the presentation currency of the Company and whose economy is not classified as hyperinflationary are translated as follows:

- Assets and liabilities, including goodwill, and any adjustment to the fair value of assets and liabilities, arising from the acquisition are translated at end of period exchange rates.

- Income and expenses are translated at the monthly average exchange rate.

In companies whose economy has been classified as hyperinflationary, assets, liabilities, income, and expenses are translated at the end of period exchange rates.

Exchange differences, arising from translation of foreign operations, are recognized in other comprehensive income on a separate ledger account named "Exchange differences on translation of foreign operations", as well as, exchange differences in accounts long-term receivable or payable that are part of the net investment abroad. In the disposal of foreign operations, the current amount of other comprehensive income that relates to the foreign operation is recognized in the period results.

a) Measurement of financial statements in

hyperinflationary economies

The financial statements of subsidiaries whose functional currency is the currency of a hyperinflationary economy, including comparative information, are restated in terms of the measuring unit current at the date of closing of the reporting period, before being translated into Colombian Pesos for consolidation. Gains or losses on the net monetary position are included in profit or loss.

3.3.3 Cash and cash equivalents

Cash and cash equivalents, in the statement of financial position and statement of cash flows, include cash on hand and banks, highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in its value, with a maturity of three months or less from the date of purchase. These items are initially recognized at cost and restated to recognize fair to the date of each accounting year.

3.3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and, simultaneously, to a financial liability or equity instrument of another entity. Financial assets and liabilities are initially recognized at fair value plus (less) the transaction costs directly attributable, except for those who are subsequently measured at fair value.

On initial recognition, Grupo Nutresa S.A. classifies its financial assets for subsequent measurement at amortized cost or fair value depending on the business model Grupo Nutresa S.A. to manage the financial assets and the characteristics of the contractual cash flows of the instrument.

(i) *Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest rate if the asset is held within a business model whose objective is to keep for the contractual cash flows and contractual terms of the grant, on specific dates, cash flows that are solely payments of principal and interest on the outstanding principal value. Notwithstanding the foregoing, Grupo Nutresa S.A. designates a financial asset irrevocably as measured at fair value through profit or loss.

Grupo Nutresa S.A. has determined that the business model for accounts receivable is to receive the contractual cash flows, which are included in this category.

(ii) *Financial assets measured at fair value*

The different financial assets of those measured at amortized cost are subsequently measured at fair value with changes

recognized in the period results. However, for investments in equity instruments that are not held for trading purposes, Grupo Nutresa S.A. irrevocably chooses to present gains and losses on the fair value measurement in other comprehensive income. On disposal of investments at fair value, through other comprehensive income, the cumulative value of the gain or loss is transferred directly to retained earnings and are not reclassified to profit or loss, in that period. Cash dividends received from these investments are recognized in the statement of comprehensive income, in the profit or loss of that period.

The fair values of quoted investments are based on the current trading price.

Financial assets measured at fair value are not tested for impairment.

(iii) *Impairment of financial assets at amortized cost*

Financial assets measured at amortized cost are evaluated for indicators of impairment on each balance sheet date. Financial assets are impaired when there exists objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future flows of the financial asset (or group of financial assets) have been affected.

The criteria used to determine if there is objective evidence of impairment loss includes:

- significant financial difficulty of the issuer or counterparty
- non-payment of principal and interest
- probability that the lender will declare bankruptcy or financial reorganization

The amount of the impairment is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the original effective rate of the financial asset. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss.

(iv) *Derecognition*

A financial asset or a part of it, is dropped from the statement of financial position when it is sold, transferred, expires, or Grupo Nutresa S.A. loses control over the contractual rights or the cash flows of the instrument. A financial liability or part of it is discharged from the statement of financial position when the contractual obligation has been discharged or has expired. When an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income in the state results.

(v) *Off-setting financial instruments*

Financial assets and financial liabilities are offset so that the net value is reported on the consolidated statement of financial position, only if (i) there is, at present, a legally enforceable right to offset the amounts recognized, and (ii) there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(vi) *Derivative instruments*

A financial derivative is a financial instrument whose value changes in response to changes in an observable market

variable (such as an interest rate, foreign exchange, the price of a financial instrument or a market index, including credit ratings) whose initial investment is very small compared to other financial instruments with similar changes in response to market conditions and are generally settled at a future date.

In the normal course of business, companies engaged in transactions with derivative financial instruments with the sole purpose of reducing its exposure to fluctuations in the exchange rate and interest rates on foreign currency liabilities. These instruments include, among others, swap, futures, forwards, and options over commodities traded for own-use.

Derivatives are classified under the category of financial assets or liabilities, according to the nature of the derivative, and are measured at fair value on the income statement, except those that are designated as hedging instruments.

Commodities contracts with the purpose of receipt or delivery of non-financial item in accordance with the purchase, sale, or usage requirements expected by the entity, are considered "derivatives for own use", and its impact is recognized as part of cost of the inventory.

3.3.5 Inventories

Inventories are classified as assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process, or services provided / rendered. Inventories are valued at the lower of acquisition or manufacturing cost or net realizable value. Cost is determined using the average cost method. Net realizable value is the estimated selling price of inventory in the ordinary course of operations, less the cost and applicable variable sales expenses. Inventories are valued using the weighted average method and the cost includes the costs directly related to the acquisition and those incurred to give them their current condition and location. The cost of finished goods and work in progress comprises: raw materials, direct labor, other direct costs and indirect manufacturing expenses.

Trade discounts, rebates, and other similar items are deducted from the acquisition cost of inventory.

In the case of commodities, the cost of the inventory includes any gain or loss on the hedging of raw material procurement.

3.3.6 Biological assets

Biological assets held by Grupo Nutresa S.A. are measured from initial recognition, the fair value less costs to make the sale; the changes are recognized in the statement of earnings. Agricultural products coming from biological assets are measured at fair value less costs to sell at the time of collection or harvest, when they are transferred to inventory.

When fair value cannot be reliably measured, they are measured at cost and the existence of impairment indicators permanently assessed.

3.3.7 Properties, plant and equipment

Properties, plant and equipment include the value of land, buildings, furniture, vehicles, machinery and equipment, computer hardware, and other facilities owned by the

consolidated entities, which are used in the operation of the entity.

Fixed assets are measured at cost, net of accumulated depreciation and loss accumulated impairment, if any. The cost includes the acquisition price, costs directly related to the location of assets in place and the necessary conditions to operate in the manner intended by Grupo Nutresa S.A., borrowing costs for construction projects that take a period of a year or more to be completed if the conditions for approval are met, and the present value of the expected cost for the decommissioning of the asset after its use, if the recognition criteria for a provision are met.

Trade discounts, rebates and other similar items are deducted from the acquisition cost of the asset.

For significant components of property, plant and equipment that must be replaced periodically, the Group derecognizes the replaced component and recognizes the new component as an asset with a corresponding specific life, and depreciates accordingly. Likewise, when a major inspection is performed, its cost is recognized as a replacement of the carrying amount of the asset to the extent that the requirements for recognition are met. All other routine repair and maintenance costs are recognized in the results as they are incurred.

Substantial improvements on properties of third parties are recognized as part of Grupo Nutresa S.A.'s the fixed assets and depreciated for the shortest period between the useful life of the improvements made or the lease term.

Depreciation starts when the asset is available for use and is calculated on a straight line basis over the estimated asset life as follows:

Buildings	20 to 60 years
Machinery	10 to 40 years
Minor equipment - operating	2 to 10 years
Transport equipment	3 to 10 years
Communication and computer equipment	3 to 10 years
Furniture, fixtures and office equipment	5 to 10 years

Table 5

The residual values, useful lives, and depreciation methods of assets are reviewed and adjusted prospectively at year end, in case it is required.

A component of property, plant and equipment or any substantial part of it initially recognized is derecognized upon sale or when no future economic benefits from its use or its sale. Any gain or loss at the time of terminating the asset (calculated as the difference between the net income from the sale and the carrying amount of the asset) is included in the income statement when the asset is written off.

3.3.8 Investment property

Investment properties are initially measured at cost, the acquisition cost of investment property includes its purchase price and any directly attributable expenditure. The cost of self-constructed investment property is its cost at the date when the construction or development is complete.

Subsequent to initial recognition, investment properties are measured at net cost of accumulated depreciation and loss accumulated impairment, if any.

Depreciation is calculated linearly over the asset's useful life estimated between 20 and 60 years. Residual values and useful life are reviewed and adjusted prospectively at year end, or where required.

Investment properties are written off either at the time of disposal, or when it is removed permanently from use and no future economic benefit is expected. The difference between the net disposal and the book value of assets produced is recognized in income for the period in which it was decommissioned.

Transfers to or from investment property are made only when there is a change in use. In case of a transfer from investment property to fixed assets, the cost taken into account in subsequent accounting is the fair value at the date of change use.

3.3.9 Intangible Assets

An intangible asset is an identifiable asset, non-monetary and without physical substance. Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is its fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated depreciation and any accumulated impairment losses in value.

The useful lives of intangible assets are determined as finite or indefinite. Intangible assets with finite useful lives are amortized over their useful life, linearly, and evaluated to determine whether they had any impairment whenever there are indications that the intangible asset might have suffered such impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each period. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits of the asset, are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization expenses of intangible assets with finite useful lives are recognized in the statement of comprehensive income. The useful life of intangible assets with a finite life is between 3 and 100 years.

Intangible assets with indefinite useful lives are not amortized, but are tested annually to determine if they have suffered impairment either individually or at the level of the cash-generating unit. The assessment of indefinite life is reviewed annually to determine whether the assessment remains valid. If not, the change in useful life from indefinite to finite is made prospectively.

Gains or losses that arise when an intangible asset is written off are measured as the difference between the value obtained in the arrangement and the carrying amount of the asset, and are recognized in the statement of comprehensive income in the profit or loss.

Costs of research and development

Research costs are expensed as incurred. The expenditures directly related to the development in an individual project are recognized as intangible assets when the Grupo Nutresa can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;

- Its intention to complete the asset and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to reliably measure the expenditure during development.

In the statement of financial position, the asset development expenditure is stated at cost less accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future economic benefit. During the development period, the asset is subject to annual impairment tests to determine loss of value exists.

Research costs and development costs not eligible for capitalization, are expensed in the profit or loss.

3.3.10 Impairment of non-financial assets

At each reporting date, Grupo Nutresa S.A. assesses if there is any indication that an asset may be impaired in value. Grupo Nutresa estimates the recoverable amount of the asset or cash-generating unit, when it detects an indication of impairment, or annually (at December 31st) for goodwill, intangible assets with indefinite useful lives, and those not yet in use.

The recoverable value of an asset is the greater of the fair value less costs to sell, either an asset or a cash-generating unit, and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of other assets or groups of assets. In this case the asset must be grouped to a cash-generating unit. When the book value of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and its recoverable amount is recoverable.

In calculating the value in use, the estimated future cash flows, whether of an asset or a cash-generating unit, are discounted to their present value using a discount rate, before taxes, that reflects market considerations of value for money over time and the specific risks of the asset. An appropriate valuation model is used to determine the fair value less cost to sell.

The impairment losses of continuing operations are recognized in the statement of comprehensive income, in the statement section in those expense categories that correspond to the function of the impaired asset. Impairment losses attributable to a cash-generating unit is initially allocated to goodwill and, once exhausted, the impairment losses are proportionally attributed to other non-current assets of the cash-generating unit.

The impairment for goodwill is determined by assessing the recoverable amount of each CGU (or group of cash-generating units) related to the goodwill. The impairment losses related to goodwill cannot be reversed in future periods.

For assets in general, excluding goodwill, at each reporting date, an assessment of whether there is any indication that impairment losses previously recognized value no longer exist or have decreased, is performed. If any such indication exists, Grupo Nutresa estimates the recoverable amount of the asset or cash-generating unit. An impairment loss, previously recognized, is reversed only if there was a change in the assumptions used to determine the recoverable value of an

asset since the last time that the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, if it had not recognized impairment loss for the asset in previous years. Such reversal is recognized in the statement of comprehensive income in the profit and loss.

3.3.11 Taxes

This heading includes the value of mandatory general-nature taxation in favor of the State, by way of private closeouts, that are determined based on the taxes of the fiscal year, according to the tax rules of national and territorial governing bodies in each of the countries where Grupo Nutresa S.A. companies operate.

a) Income tax

(i) Current

Assets and liabilities for income taxes for the period are measured by the values expected to be recovered or paid to the taxation authorities. The expense for income tax is recognized in accordance with current tax clearance, made between taxable income and accounting profit or loss affected by the rate of income tax in the current year and in accordance with the provisions of the tax rules of each country. Taxes and tax laws used to compute these values are those that are approved at the end of the reporting period in the countries where Grupo Nutresa S.A. operates and generates taxable income.

(ii) Deferred

The deferred income tax is recognized using the liability method and calculated on temporary differences between the carrying amounts of assets and liabilities in the statement of financial positions and its tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, and the deferred tax assets are recognized for: all deductible temporary differences, future compensation of tax credits, and unused tax losses, to the extent that there is likely availability profit future tax against which they can be attributed. Deferred taxes are not subject to financial discount.

Assets and deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in the case of deferred tax liability, arising from the initial recognition of goodwill.

The deferred tax liabilities related to investments in subsidiaries, associates, and interests in joint ventures, are not recognized when the timing of the reversal of temporary differences can be controlled, and it is probable that such differences will not reverse in the near future, and the deferred tax assets related to investments in subsidiaries, associates, and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will reverse in the near future and it is likely the availability of future taxable profit against which these deductible differences will be charged.

The carrying amount of deferred tax assets is reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available in part or all of the deferred tax asset to be used. Unrecognized deferred

tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable income will be recoverable.

Assets and deferred tax liabilities are measured at the tax rates that are expected to be applicable in the period when the asset is realized or the liability is settled, based on tax rates and tax rules that were approved at the date of filing, or whose approval will be nearing completion by that date.

Assets and deferred tax liabilities are offset if there is a legally enforceable right to do so, and are with the same taxation authority.

Deferred tax is recognized in profit or loss, except when relating to items recognized outside profit or loss, in which case will be presented in other comprehensive income or directly in equity.

The assets and current liabilities for income tax also are offset if related to the same taxation authority and are intended to be settled at net value, or the asset realized and liability settled simultaneously.

b) Income tax for equity CREE

The income tax for equity – CREE, applicable to Colombian Companies, is the assessment for taxpaying legal entities to contribute to the employee benefit, employment, and social investment.

The basis for determining the income tax for equity–CREE, cannot be less than 3% of your net fiscal equity on the last day of the immediately preceding fiscal year.

The income tax for equity-“CREE” applies a fee of 9% under the 1739 Act December 2014.

During the years 2015, 2016, 2017 and 2018, the Law 1739 of December 23, 2014, establishes a surcharge on income tax for equity - CREE, which is at the responsibility of the taxpayer of this tax and is applied to a taxable base in excess of \$800., at rates of 5%, 6%, 8%, and 9% per year, respectively.

The tax base of income tax for equity- CREE, is established by subtracting from the gross income likely to increase the fiscal equity, the returns, rebates and discounts, and those thus obtained, will be subtracted from those which correspond to the non-constituted income established in the Tax Code. Net income, thus obtained, total costs and applicable tax deductions, will be subtracted and you may subtract the exempted income exhaustively fixed, according to tax regulations.

c) Tax on wealth

The tax burden of the "wealth tax" originates, for Colombian Companies, from possession of the same to the First of January of the years 2015, 2016, and 2017, by taxpayers. Therefore, those taxpayers with gross assets minus debts, whose value exceeds \$1.000, should determine their tax under the conditions established in the tax regulations.

According to the provisions of Article 6 of Law 1739 of 2014, which adds article 297-2 of the tax statute, the accrual of wealth tax will take place on January 1 of the years 2015, 2016, and 2017, and will be allocated to capital reserves without affecting net income, in accordance with Article 10 of the same law.

3.3.12 Employee Benefits

a) Short-term benefits

They are, (other than termination benefits), benefits expected to be settled wholly, before the end of the following twelve months, at the end of the annual period, of which the services provided by employees, is reported. Short-term benefits are recognized to the extent that the employee renders the service, to the expected value to be paid.

b) Other long-term benefits

Long-term employee benefits, (and differ from post-employment benefits and termination benefits) whose do not expire within twelve (12) months after the end of the annual period in which the employees renders services, are remunerated, such as long-term benefits and the variable compensation system. The cost of long-term benefits is distributed over time the employee start date and the expected date of when the benefit is received. These benefits are projected to the payment date, and are discounted with the projected *unit credit method*.

c) Pension and other post-employment benefits

(i) Defined contribution plans

Contributions to defined contribution plans are recognized as expenses in the statement of comprehensive income in the profit or loss, on an accrual basis.

(ii) Defined benefit plans

Defined benefit plans are plans for post-employment benefits in which Grupo Nutresa S.A. has a legal or constructive obligation for the payment of benefits. Subsidiary companies domiciled in Colombia, Ecuador, Mexico, and Peru, have actuarial liability as required by law.

The cost of this benefit is determined by the projected unit credit method. The liability is measured annually, by the present value of expected future payments required to settle the obligations arising from services rendered by employees in the current period and prior periods.

Updates of the liability for actuarial gains and losses are recognized in the statement of financial position, against retained earnings through other comprehensive income. These items will not be reclassified to current earnings in subsequent periods; the cost of past and present services, and net interest on the liability, is recognized in profit and loss, distributed among cost of sales and administrative expenses, sales and distribution, likewise as gains and losses by reductions in benefits and non-routine settlements.

Interest on the liability is calculated by applying the discount rate on said liability.

Payments made to retirees are deducted from the amounts provisioned for this benefit.

d) Termination benefits

Termination benefits are provided for the period of employment termination, as a result of the Company's decision to terminate a contract of employment, before the normal retirement date; or the employee's decision to accept an offer of benefits in exchange for termination of an employment contract Termination benefits are measured in accordance with the provisions of the laws and the agreements between Grupo

Nutresa and the employee, at the time the decision to terminate the employment relationship with the employee, is officially released.

3.3.13 Provisions, liabilities and contingents assets

a) Provisions

Provisions are recognized when, as a result of a past event, Grupo Nutresa S.A. has a present legal or constructive obligation whose settlements requires an outflow of resources considered probable and can be estimated with certainty.

In cases where Grupo Nutresa S.A. expects the provision to be reimbursed in whole, or in part, the reimbursement is recognized as a separate asset, only in cases where such reimbursement is virtually certain.

Provisions are measured at best estimate of the disbursement of the expenditure required to settle the present obligation. The expense relating to any provision is presented in the statement of comprehensive income, net result of all reimbursement. The increase in the provision due to the passage of time is recognized as interest expense.

b) Contingent liabilities

Possible obligations arising from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one more uncertain future events, not wholly within the control of Grupo Nutresa S.A. or present obligations arising from past events, but is not likely, but possible that an outflow of resources including economic benefits, is required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the statement of financial position and are instead revealed as contingent liabilities.

c) Contingent assets

Possible assets, arising out of past events and whose existence will be confirmed only by the occurrence, or possibly by the non occurrence of one or more uncertain future events which are not entirely under the control Grupo Nutresa S.A., are not recognized in the statement of financial position, and are however, disclosed as contingent assets when it is probable occurrence, instead are recognized as contingent assets when it is probable occurrence.

3.3.14 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be measured reliably.

Specific recognition criteria listed below must also be met for revenue to be recognized.

a) Sale of goods

The revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been substantially transferred to the buyer.

b) Services

Revenue from providing services is recognized when these are rendered or according to the degree of completion (or percentage of completion) of contracts.

c) Interest

For all financial instruments measured at amortized cost, interest income or expense is recognized with the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or received through the expected life of the financial instrument or in a shorter period, in the carrying value of the financial asset or financial liability.

d) Dividend income

This revenue is recognized when Grupo Nutresa S.A.'s right to receive payment is established, which is generally when the shareholders approve the dividend, except when the dividend represents a recovery of investment costs. Neither is dividend income is recognized when the payment is made to all shareholders in the same proportion in shares of the issuer.

3.3.15 Government Grants

Government grants are recognized when there is reasonable assurance that they will be received and all conditions linked to them will be safely met. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods in which related costs that are intended to compensate are recognized as an expense. When the grant relates to an asset, it is recorded as deferred income and is recognized as profit and loss on a systematic basis over the estimated useful life of the asset.

3.3.16 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of all financial assets and liabilities is determined at the date of presentation of the financial statements, for recognition or disclosure in the Notes to the Financial Statements.

The fair value is determined:

- Based on quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date (level 1).
- Based on valuation techniques commonly used by market participants using variables other than the quoted prices that are observable for the asset or liability, either directly or indirectly (level 2).
- Based on internal discount cash flows techniques or other valuation models, using estimated variables by Grupo Nutresa S.A. unobservable for the asset or liability, in the absence of variables observed in the market (level 3).

The judgments include data such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

In Note 8 Fair Value Measurement analysis of fair values of financial instruments, nonfinancial assets and liabilities, and more detailed measurement, is provided.

3.3.17 Operating segments

An operating segment is a component of Grupo Nutresa S.A. that engages in business activities from which it may earn income from ordinary activities and incur costs and expenses, from which it has financial information and whose operating results are regularly reviewed by the maximum authority in making operating decisions for Grupo Nutresa S.A., which is the Board of Grupo Nutresa S.A., to decide upon the allocation of resources to segments and assess their performance.

The financial information of the operating segments is prepared under the same accounting policies used in the preparation of the consolidated financial statements of Grupo Nutresa S.A.

For those operational segments that overreach the quantitative threshold of 10% of income, EBITDA and operational income, financial information is separately presented; the other segments are grouped in categories called “Other segment”.

3.3.18 Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the period.

The average number of shares outstanding for the periods ended March 31, 2015 and 2'14, is 460.123.458.

Diluted earnings per share are calculated by adjusting, profit or loss attributable to ordinary equity holders and the weighted average number of shares of dilutive potential ordinary shares.

3.3.19 Relative importance or materiality

Information is material or has relative importance will if it can, individually or collectively, influence the economic decisions taken by users, based on the financial statements. Materiality depends on the size and nature of error or inaccuracy and prosecuted depending on the particular circumstances in which they are produced. The size or nature of the item, or a combination of both, could be the determining factor.

Note 4. Judgments, estimates and significant accounting assumptions

The preparation of Grupo Nutresa's financial statements requires that the management must make judgments; accounting estimates and assumptions that affect the amount of revenue and expense, assets and liabilities, and related disclosures, as well as the disclosure of contingent liabilities on the balance sheet date. In this regard, uncertainty about these assumptions and estimates could result in future results, that may require significant changes to the amount of assets and liabilities affected.

In applying Grupo Nutresa S.A.'s accounting policies, management has made the following judgments and estimates which have significant impact on the amounts recognized in these consolidated financial statements:

- Assessment of the existence of impairment indicators, for assets, goodwill, and asset valuation, to determine the existence of impairment losses (financial and non-financial);
- Assumptions used in the actuarial calculation of post-employment and long-term obligations to employees;
- Useful life and residual values of property, plant, and equipment and intangible assets.
- Assumptions used to calculate the fair value of financial instruments;
- Probability of occurrence and the value of the liabilities of uncertain value or contingents;
- Determination of financial or operating leases, based upon the transfer of risks and rewards of the leased assets;

- Development costs;
- Impairment of deferred tax asset;
- Determination of control, significant influence or joint control over an investment;
- Classification of Venezuela as a hyperinflationary economy.

The judgments and estimates made by Management of Grupo Nutresa, in the preparation of the condensed financial statements for the period ended March 31, 2015, do not differ significantly from those made at the end of the previous annual period 31 December 2014.

Note 5. Transition to International Financial Reporting Standards IFRS

The consolidated condensed financial statements, for the interim period ended March 31, 2015, are the first financial statements prepared in accordance with International Financial Reporting Standards (IFRS), approved in Colombia through Decree 2784 of 2012, its regulations and other accounting standards mandated by the Financial Superintendencia Financiera de Colombia, as described in accounting policies paragraph. Grupo Nutresa applied IFRS 1 to recognize the transition of its financial statements from local standards to IFRS, preparing its opening balance sheet at January 1, 2014.

5.1 Transition policies and procedures

5.1.1 Optional exceptions to the retrospective application of IFRS:

Herewith, are the main limited exemptions contained in IFRS 1 for its process of transition:

- Cost attributed to property, plant, equipment and investment properties: the Company used as deemed cost the carrying value, recognized 31 December 2013, under COLGAAP, for assets that had value to that cut in local companies; for other assets, the fair value option was used.
- Business combinations: IFRS 3 has been applied retrospectively to business combinations completed after June 2013. The use of this exception implies that for the other business combinations, the goodwill value corresponds to the value recognized under the previous accounting principles; these, goodwill, were subjected to evaluation of impairment and corresponding losses were charged to retained earnings.
- Cumulative translation differences: cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to IFRS.
- Designation of previously recognized financial instruments: equity instruments were classified as “measured at fair value”, with changes in equity based on existing circumstances at the date of transition to IFRSs.
- Measurement of assets and liabilities of subsidiaries, associates and joint ventures: for foreign companies that had adopted IFRS before the transition date of the Parent Company, assets and liabilities are incorporated into the consolidated financial statements as the book value set in the financial statements of the subsidiary, after making the necessary approvals needed for the uniform application of accounting policies, established by Grupo Nutresa.

– *Other exceptions:* the measurement of financial instruments at fair value upon initial recognition is applied prospectively; like the decline of financial assets and liabilities, capitalization of borrowing costs for qualifying assets, and the measurement of government grants.

difference in accounting policies), items that are significantly different are:

- Pensions and other long-term employee benefits
- Deferred liabilities for purchase returns
- Fair value of property, plant, and equipment and investment property
- Fair value of financial instruments and derivatives

5.1.2 Use of estimates

Accounting estimates made by Grupo Nutresa to January 1 2013 and December 31 2014, reflect the existing conditions at the transition date and comparative period, and are consistent with estimates made for the same date under COLGAAP (after which the necessary adjustments, are made, to reflect any

5.2 Reconciliation

The following reconciliations provide a quantification of the impacts of transition to IFRS at January 1, 2014 (opening balance sheet), March 31, 2014 (comparative interim period), and December 31, 2014 (comparative annual period).

5.2.1 Reconciliation of Grupo Nutresa's equity to January 1, 2014

	COLGAAP	Adjustments and reclassifications	IFRS	Notes
				5.2.6
Assets				
Cash and cash equivalents	\$ 415,478	\$ 389	\$ 415,867	
Accounts Receivable	857,299	(44,850)	812,449	(a) (b)
Inventories	725,323	(27,168)	698,155	(a) (c)
Biological Assets	-	38,417	38,417	(c)
Financial Instruments	357,830	3,200,181	3,558,011	(d)
Investments in associated and joint ventures	-	89,248	89,248	(d)
Property, Plant and Equipment	1,456,074	1,402,477	2,858,551	(a) (e) (f)
Investment Properties	-	73,773	73,773	(e)
Intangibles and Goodwill	2,038,332	(6,861)	2,031,471	(g) (h)
Deferred Tax Assets	39,814	85,065	124,879	(i)
Financial Instruments	-	828	828	
Pre-paid Expenses and Other Assets	77,911	(34,975)	42,936	(a) (d)
Other Assets	4,612,437	(4,612,437)	-	(d) (f)
Total Assets	\$ 10,580,498	\$ 164,087	\$ 10,744,585	
Liabilities				
Financial Obligations	1,996,737	20,335	2,017,072	(j)
Suppliers	638,873	(45,067)	593,806	(h) (j) (k)
Tax Charges	159,523	16,382	175,905	(k)
Employee Benefit Liabilities	138,378	211,621	349,999	(l)
Estimated Liabilities and Provisions	54,184	(51,700)	2,484	(m)
Deferred Tax Liabilities	159,573	307,395	466,968	(i)
Other	3,159	2,053	5,212	
Total Liabilities	\$ 3,150,427	\$ 461,019	\$ 3,611,446	
Non-controlling Interests	19,209	309	19,518	
SHAREHOLDER EQUITY	\$ 7,410,862	\$ 297,241	\$ 7,113,621	

Table 6

5.2.2 Reconciliation of net profit for Grupo Nutresa for a period of three months between January 1 to March 31, 2014

	March 2014 COLGAAP	Adjustments and Reclassifications	March 2014 IFRS	Notes 5.2.6
Operating Revenue	\$ 1.572.825	\$ (49.620)	\$ 1.523.205	(n) (o)
Cost of goods sold	(875.730)	33.595	(842.135)	(f) (n)
Gross Profit	\$ 697.095	\$ (16.025)	\$ 681.070	
Administrative Expenses	(103.109)	18.336	(84.773)	(f) (n) (p)
Sales Expenses	(400.920)	24.918	(376.002)	(f) (h) (n) (o) (p)
Production Expenses	(29.371)	78	(29.293)	(f) (n) (p)
Exchange Differences on Operating Assets and Liabilities	-	1.062	1.062	
Other Operating Income (Expense), Net	-	3.618	3.618	
Operating Income	\$ 163.695	\$ 31.987	\$ 195.682	
Financial Income	7.447	(4.113)	3.334	(q)
Financial Expenses	(39.145)	(1.606)	(40.751)	
Exchange Difference on Non-operating Assets and Liabilities	7.445	(1.372)	6.073	
Gain on Net Monetary Position	-	(6.192)	(6.193)	(n)
Share of Profit (Loss) of Associates and Joint Ventures	-	1.468	1.468	(d)
Dividend Portfolio	9.657	33.706	43.363	(b)
Other Income (expense), net	(8.069)	11.221	3.152	(q)
Income before income tax and non- controlling interest	\$ 141.030	\$ 65.099	\$ 206.129	
Current Income	(36.617)	151	(36.466)	
Deferred Income Tax	(18.202)	7.885	(10.317)	(i)
Net income after taxes from continuous operations	\$ 86.211	\$ 73.135	\$ 159.346	
Discontinued operations	-	254	254	
Net profit or loss for the year	\$ 86.211	\$ 73.389	\$ 159.600	

Table 7

5.2.3 Reconciliation of Grupo Nutresa's equity to March 31, 2014

	Notes
COLGAAP Equity value at March 31, 2014	7.547.567
IFRS Equity value at March 31, 2014	7.069.138
Variation	(478.429)
Translation process Impact	(246.682) (r)
Deferred Taxes	(203.795) (i)
Employee Benefits	(161.954) (l)
Goodwill	(23.769) (h)
Property, plant, and equipment Valuation	98.920 (f)
Dividend Portfolio	33.706 (b)
Cost and Expense Provisions	17.632 (p)
Other adjustments	7.513
Total impact	(478.429)

Table 8

5.2.4 Reconciliation of Grupo Nutresa's net profit for period between January 1 and December 31, 2014

	December 2014 COLGAAP	Adjustments and reclassifications	December 2014 IFRS	Notes 5.2.6
Operating revenue	\$ 6.461.752	\$ (15.662)	\$ 6.446.090	(n) (o)
Cost of goods sold	(3.591.978)	(27.440)	(3.619.418)	(f) (n)
Gross profit	\$ 2.869.774	\$ (43.102)	\$ 2.826.672	
Administrative expenses	(408.021)	67.211	(340.810)	(f) (n) (p)
Sales expenses	(1.703.834)	30.580	(1.673.254)	(f) (h) (n) (o)
Production expenses	(119.579)	(2.607)	(122.186)	(f) (n) (p)
Exchange difference on operating assets and liabilities	-	3.878	3.878	
Other income (expense), net operating	-	(8.791)	(8.791)	
Operating income	\$ 638.340	\$ 47.169	\$ 685.509	
Financial income	12.633	(281)	12.352	
Financial expenses	(157.945)	(7.787)	(165.732)	
Exchange difference on non-operating assets and liabilities	25.572	(7.139)	18.433	
Gain on net monetary position	(9.122)	(3.649)	(12.771)	(n)
Share of the profit or loss from associates and joint ventures	-	3.187	3.187	(d)
Dividend portfolio	53.017	(9.622)	43.395	(b)
Other net income (expenses), net	(18.827)	25.459	6.632	(q)
Income before income tax and minority interest	\$ 543.668	\$ 47.337	\$ 591.005	
Current income tax	(152.103)	3.796	(148.307)	
Deferred income tax	(11.583)	218.957	207.374	(i)
Profit or loss after tax from continuous operations	\$ 379.982	\$ 270.090	\$ 650.072	
Discontinued operations after	-	(12.086)	(12.086)	
Net income or loss for the year	\$ 379.982	\$ 258.004	\$ 637.986	
Non-controlling interest	(2.411)	387	(2.024)	
Net income attributable to controlling interest	\$ 377.571	\$ 258.391	\$ 635.962	5.3

Table 9

5.2.5 Reconciliation of Grupo Nutresa's equity at December 31, 2014

	Notes 5.2.6
COLGAAP Equity value at December 31, 2014	8.198.774
IFRS Equity Value at December 31, 2014	8.045.860
Variation	(152.914)
Employee Benefits	(173.400) (l)
Asset Valuation Surplus	(111.749) (f)
Property, plant, and equipment Valuation	89.233 (f)
Deferred tax	7.256 (i)
Goodwill	35.265 (h)
Other adjustments	481
Total impact	(152.914)

Table 10

5.2.6 Explanatory Notes

(a) \$15,769 was reclassified to property, plant, and equipment advances; \$5,708 to advance for inventories; and \$22,502 to pay in advance for costs and expenses (other assets).

(b) Dividends of outstanding receivables of the investment portfolio, \$9,622, are recognized as receivables in the opening statement of financial position.

Moreover, in March 2014, it is recognized under IFRS total dividends declared receivable from portfolio investment as \$ 33.706 COP, that under COLGAAP are recognized in accordance with the payment periods determined by the issuer.

(c) Presented separately in livestock inventories, \$ 22,827 COP, under IFRS are classified as biological assets. And also included in this group of accounts are contractor participation accounts which are recorded as intangibles under COLGAAP with a corresponding valuation by \$ 10,623 COP.

(d) Financial instruments include equity investments, over which you have neither control nor significant influence. Mainly, investments in Grupo de Inversiones Suramericana (\$2.001.369) y Grupo Argos (\$1.551.402); These are measured in the opening balance sheet at fair value, which means that a valuation of \$3,290,708 COP

In addition, items over which Nutresa Group has significant influence are classified as investments in associates; the deemed cost option is taken by the Company, for the measurement of these investments, and are recognized the book value recorded under accounting principles generally accepted in Colombia in the amount of \$ 89,248 . This includes mainly, Bimbo de Colombia SA (\$71,651 COP), Dan Kaffe (Malaysia) Sdn. (\$ 13,114 COP), and Estrella Andina S.A.S. (\$1,005 COP).

The application of the *equity method* on these investments generated income of \$1,468 COP, during the first quarter of 2014 and \$ 3.187 for the year 2014,

(e) Transferred from property, plant and equipment the properties classified as Investment Properties in accordance with the accounting policies established by Grupo Nutresa. They was measured under the option of deemed cost, as the revalued carrying balance under COLGAAP for \$ 73,773 COP.

(f) The company took, as deemed cost, the revalued carrying amount under COLGAAP, for those assets that had been updated in 2013 with technical appraisals, which implied including property, plant and equipment valuations for \$1,318,569 COP in the carrying amount of property, plant, and equipment; for other assets, the fair value option was taken and new appraisals increased the book value by \$27,199 COP

In the foreign companies that applied IFRS before the Parent Company, deemed cost was taken as the carrying amount of the assets, of each subsidiary, on its financial statements under IFRS, at the date of transition matrix; this implied an increase in value of \$93,279 COP on the consolidated assets.

These adjustments represented a higher depreciation expenses for \$ 6,020 (\$3,521 COP cost of sales and \$2,499 COP of administrative expenses, production, and sales) for the first quarter of 2014. For 2014, the highest value of the depreciation expense was \$15,708 COP (\$ 10,980 cost of sales, \$4,728 administrative, production, and sales expenses).

The impact of measurement of property, plant, and equipment under IFRS in equity at the end of the transition year is \$89,233 COP (\$98,920 at the end of the first quarter).

In addition to this, in December of 2014 under COLGAAP, an update of the appraisal surplus was performed, resulting in an increase of \$111,749 COP; this equity adjustment is not recorded under IFRS in accordance with the policies adopted by the Group.

(g) For intangibles, other than goodwill, the carrying value under COLGAAP was used as deemed cost.

(h) The Company restated the business combination Tresmontes Lucchetti, acquired in 2013. This restatement had no impact on the Grupo Nutresa's consolidated equity, but generated reclassifications between the accounts balance sheets:

Other intangibles	\$	197.824
Goodwill		(175.312)
Property, plant and equipment		6.627
Accounts payable		10.590
Deferred Tax Liabilities		(36.324)
Others		(3.405)

Table 11

Impairment tests were also performed on goodwill from business combinations not restated, and were recorded with a retained earnings charge of \$43,392 COP for this item.

The reversal of the depreciation of goodwill under COLGAAP was homologated for foreign subsidiaries that apply IFRS increase the value of intangibles by \$17,326 COP.

During the transition period, a reduction in spending of \$78,657 COP (\$17,632 COP, in the first quarter) was generated due to the non- amortization of goodwill under IFRS.

All this generates an accumulation in The Company equity, at year-end of transition, an impact of \$35,265 (\$-23,769 in the first quarter of 2014).

(i) In accordance with COLGAAP, recognition of deferred tax is made considering only those temporary differences that arise between the accounting results and fiscal results. Under IFRS, the method is the called the "liability method", which considers all temporary differences between the accounting and tax bases of assets and liabilities. The net impact on of Grupo Nutresa S.A.'s opening balance sheet is \$211,712 COP (\$59,358 deferred tax assets and future income tax liability of \$271,070 COP).

The balance of deferred taxes under IFRS at January 1, 2014, relates mainly to: liabilities for long-term employee benefits in the amount \$50,783 COP (assets), deemed cost of property, plant, and equipment of \$323,562 (passive), change in the useful lives of trademarks and other intangibles of \$31,766 (liability).

The difference in methodology for estimation and recognition of deferred taxes and the IFRS adjustments made to generate income for the period, less deferred tax expense in the transition year of \$41,942 COP (\$7,885 COP for the first quarter).

In addition to this, in 2014, goodwill for tax was generated in some of the companies in Chile (Tresmontes Lucchetti Chile SA, Inmobiliaria Tresmontes Luccetti, and Nutresa de Chile) for CLP \$45.230.485 (COP \$ 176,687) caused by tax rules applicable in this country for the restructuring process TMLUC advance by the Group in order to simplify its corporate structure; This item is not recognized in the consolidated financial statements under COLGAAP because originated in cash accounts rather than results. According to the fiscal projections made by management, the deferred tax asset will be realized over the next 10 years, generating a decrease in net income and therefore a lower amount of tax payable.

The net impact of deferred under IFRS in the equity of the Company at the end of the first quarter of 2015 decreased tax is \$ 203,795, and the end of the transition year is an increase of \$ 7.256.

(j) The adjustment relates to the measurement at amortized cost of financial obligations, implied inclusion in the balance of obligation of accrued interest payment in the amount of \$14,415 COP.

(k) Accounts payable were transferred to current taxes payable by \$17,346 COP.

(l) Grupo Nutresa calculated of pension liabilities in accordance with the Method IAS 19. In addition, using actuarial calculation, long-term benefits were also recognized using the method of projected unit credit. The company recognized 100 % of the profits and losses in its first financial statements under IFRS, under retained earnings. The value of the adjustment made was \$159,675 COP.

During 2014, more spending was generated due to employee benefits in the amount of \$13,725 COP (\$ 2.279 first quarter) , representing a lower value of the assets after the transition year of \$ 173,400 (\$ 161,954 first quarter) .

(m) COLGAAP provisions were transferred: \$51,256 COP of employee benefits and \$2,206 COP in provisions for costs and expenses.

(n) Until December 31, 2013, under COLGAAP, the results of operations of subsidiaries abroad were converted at the cumulative average exchange rate for the period; as of the implementation of International Standards, the Company implemented an accounting policy for translating the results of the period, of foreign companies, to the monthly average of the exchange rate. This change in the conversion process generated an impact on net income detailed as follows:

	First Quarter 2014	Year 2014
Operating revenue	(36.444)	57.931
Sales expenses	28.170	(45.698)
Gross profit	(8.273)	12.233
Administration, sales and production expenses	8.518	(16.008)
Monetary position	3.060	(3.649)
Impact to Net income	3.305	(7.424)

Table 12

(o) In accordance with the definitions of income under IAS 18, discounts and rebates granted to customers and dealers were reclassified as goodwill of operating income in the amount of \$16,031 COP for the first quarter of 2014 and \$ 72,580 for the year 2014 corresponding to discounts and rebates granted to customers and distributors, and export costs reimbursable under COLGAAP were recognized as sales expenses .

(p) Under COLGAAP, during the interim period, provisions for costs and expenses such as advertising and trade, as recognized which for the preparation of interim financial statements under IFRS must be recognized as expenses when they are incurred; This causes a decrease in the cost of sales for the period by \$17,632 COP.

The deferral of some expenditures are also allowed during the period; proper recognition of these expenses at the time they are incurred, results in an increase in expenses by Company in

the amount of \$5,408 COP(\$3,320 COP administration fee, \$1,036 COP expenses, \$1,052 COP sales and production expenses). The impact in the sales expenses for the year 2014 is \$980.

(q) The IFRS results include income of \$3,153 COP from the acquisition of “Fondo de Cacao” as indicated in Note 6. Under COLGAAP, this impact is recognized as financial income in the valuation of the investment.

Separate from other income and non-operating expenses in COLGAAP the gain or loss on net monetary position \$ 6,192 for the first quarter and \$ 9,622 for 2014. In addition, the result is recognized under IFRS other income and operating expenses the lower sales and property, plant and equipment and donations for \$ 1,805 (income) for the quarter and \$ 6,783 (loss) for the year 2014.

(r) In March 2014 under IFRS, and the new SICAD II, a decrease in equity was generated due to the conversion of the assets and liabilities of companies domiciled in Venezuela from \$6,3 VEF (Venezuelan Bolivar Fuerte)/USD, to \$49,8 VEF/USD.

This change in COLGAAP was realized retrospectively as of May 2014.

2014 under IFRS, and validated by SICAD II, a decrease in equity was generated due to the conversion of the assets and liabilities of companies domiciled in Venezuela, and at a rate of COP \$305,84 COP/ VEF (6,3 VEF/USD) to \$39.46 COP / VEF (49,8 VEF/USD). This change in accounting, under COLGAAP, was performed retrospectively, since May 2014.

5.3 Accumulated Utilities generated in the process of First-time Adoption IFRS

The process of First-time adoption of IFRS generated accumulated utilities of \$ 1,284,015 COP in the corresponding opening balance as follows: under earnings: decrease due to equity impact from the First-time Adoption in the amount of \$ 297,241 COP, as well as, a net increase due to reclassification of other equity items such as \$ 1,581 .256 COP (reduced by the elimination of \$ 173.546 COP for the conversion impact of companies abroad and increased reclassification of \$ 1,754,802 COP corresponding to valuation of property, plant, and equipment and other assets).

In addition, during the transition period , profits of \$ 258,509 COP generated by the difference between the net income attributable to controlling interest for the annual period 2014 at values of \$ 635,962 COP and appropriated value of the equity over the same period ,COLGAAP profits accumulate values .

These accumulated \$ 1,542,524 profits are not subject to dividend distribution and will be carried to " Other reserves " once the Shareholders of Grupo Nutresa approve the transfer.

Note 6. Business combinations

6.1 Business combinations realized during the current period

The 19th of February, 2015 the share purchase agreement was finalized at \$743.401 in which Grupo Nutresa S.A. acquired 100% of the outstanding shares of Aldage, INC., owner of Colombian Companies that make up the El Corral Group. The operation was financed by domestic bank loans of \$685,000 Million COP and Grupo resources. El Corral is the leader of retail food in Colombia, with a total of 340 POS in the segment "fast casual" of hamburgers, with the brand El Corral, and "casual dining" with its restaurants El Corral Gourmet, Leños, and Carbón y Leños Gourmet. In addition to operating these chains,

Grupo El Corral operates international brands like Papa John's (pizza), Yogen Fruz (frozen yogurt), and Krispy Kreme (donuts). It has a presence through franchises in Panama, Ecuador, Chile, and the United States.

This acquisition expands Grupo Nutresa S.A.'s presence in the consumption food segment outside the home, which grows at higher rates than the food industry rates, and strengthens its strategy to actively participate in this new line of business, with brands leaders, and leverage its powerful infrastructure in Colombia.

Grupo El Corral includes the following companies:

Entity	Main Activity	Country of Incorporation	Functional Currency	% Participation Grupo Nutresa
Aldage, Inc.	Administration of Investments	Panama	USD	100,00%
Gabon Capital Ltd.	Administration of Investments	British Virgin Islands	USD	100,00%
Baton Rouge Holdings Ltd.	Administration of Investments	British Virgin Islands	USD	100,00%
Lyc Bay Enterprises Inc.	Administration of Investments	Panama	USD	100,00%
Sun Bay Enterprises Inc.	Administration of Investments	Panama	USD	100,00%
Ellenbrook Holdings Limited	Administration of Investments	British Virgin Islands	USD	100,00%
Perlita Investments Ltd.	Administration of Investments	British Virgin Islands	USD	100,00%
El Corral Investments Inc.	Administration of Investments	British Virgin Islands	USD	100,00%
Industria de Restaurantes Casuales Ltda - IRCC	Production and marketing of Foods	Colombia	COP	100,00%
Lyc S.A.S.	Production and marketing of Foods	Colombia	COP	100,00%
PJ Col S.A.S.	Production and marketing of Foods	Colombia	COP	100,00%
Panero S.A.S.	Production and marketing of Foods	Colombia	COP	100,00%
New Brands S.A.	Production de dairy and ice-cream	Colombia	COP	100,00%
Schadel Ltda.	Production de dairy and its derivatives	Colombia	COP	99,88%

Table 13

At the date of preparation of the current financial statements, the measurement of the fair value of assets and liabilities acquired and the purchase price allocation were in progress.

In addition, the Grupo El Corral Companies are currently making thier transition to IFRS, in accordance with the timetable for adoption for companies in Group 2 in Colombia; which is the reason why assets, liabilities, revenues, costs and expenses, are included in the consolidated financial statements of Grupo Nutresa for the month of March 2015 and corresponding to information prepared under accounting principles generally accepted in Colombia, established in decree 2649 of 1993.

The breakdown of the book value of net assets was initially incorporated as part of the business combination and goodwill as a following:

Current assets	\$ 68.323
Non-current assets	130.814
Identifiable assets	\$ 199.137
Current liabilities	73.001
Non-current liabilities	102.724
Assumed liabilities	\$ 175.725
Total assets acquired	\$ 23.412
Non-controlling interest	61
Consideration Transferred	743.401

Goodwill	\$ 719.928
-----------------	-------------------

Table 14

These figures will be modified with the measurements made before the 12 months after the business combination, in accordance with IFRS 3.

The preliminary goodwill recognized as \$719.928 COP is allocated to the Retail Foods Segment and is not deductible from income tax, under the current tax regulations in Colombia.

The Group has opted to measure the non-controlling interest in the acquiree at the value of the proportionate share of the net assets; which, at the date of acquisition is \$61.

At the date of preparation of these financial statements, and considering that the recognition of the business combination is still in progress, no contingent consideration arrangements or indemnification assets are identified.

Revenue from the ordinary activities and results of Grupo El Corral during the reporting period are:

From March 30, 2015 until March 31, 2015	
Revenue	\$ 35.307
Profit or loss	1.461

Table 15

6.2 Business combinations of prior periods

In March 2014, Grupo Nutresa S.A., through its Nacional de Chocolates S.A.S. acquired 69.59% stake in the private equity fund “Cacao para el futuro” - Compartment A for \$14,460 COP, which contributed to a previously held equity interest of 13.82%, reaching 83.41 % which gives Grupo Nutresa S.A. control of the relevant activities of the Fund. The acquisition was made through the direct purchase other investors.

This entity is a private investment fund managed by BTG Pactual S.A. Comisionista de Bolsa; its purpose is the management of private capital to boost the national cocoa production industry, access to new local sources of quality raw material and competitive prices, promote the transfer of knowledge and provide stable employment for rural cocoa families. The managing partner of the fund is Laurel SGP S.A.S., which specializes in structuring and managing private equity funds, and with experience in the development of cacao crops.

Before acquiring National Chocolate Company had 13.82 % stake in the acquired accounted for at fair value through profit or loss, fair value at the acquisition date of the previous investment in the acquiree is \$ 3,566 .

The Group has elected to measure the non-controlling interest in the acquiree the value of the proportionate share of the net assets ; which amounts to the acquisition date to \$ 5,539.

The values incorporated in the consolidated financial statements of Nutresa Group as part of the business combination is as follows:

Current Asset	\$ 26.778
Current Liabilities	60
Total Net assets acquired	\$ 26.718
Non-controlling Interest	5.539
Fair value of shares previously held	3.566
Consideration Transferred	14.460
Gain on bargain purchase	\$ 3.153

Table 16

6.3 Variation of goodwill

Further to the acquisition of Grupo El Corral, during the three months ended March 2015, the goodwill recognized in foreign companies suffer a variation in the consolidated \$ 74.249 for the impact of changes in exchange rates financial statements foreign currencies which are recognized (Chilean Pesos, Costa Rica Colons, USD and Peruvian Soles) .

Note 7. Operating segment

Group Nutresa’s operating segments reflect its structure and how the administration, in particular the Board of Directors,

evaluates the financial information for decision-making for operational matters. For the administration, businesses are considered by combining geographic areas and types of products. The segments for which financial information are presented are:

- **Meats:** Production and sale of processed meats (sausage, pepperoni, and bologna burgers), matured meat (ham, Spanish chorizo, salami), ready to meals and mushrooms.
- **Biscuits:** Production and marketing of sweet biscuits flavored lines, with creme filling and salted wafers like crackers.
- **Chocolate:** Production and sale of chocolate bars, chocolate (bars and milk modifiers), chocolate candies, granola bars, and nuts.
- **Coffee:** Production and marketing of roasted and ground coffee, instant coffee (powdered, granulated, and freeze-dried) and coffee extracts
- **TMLUC:** stands for Tresmontes Lucchetti, a business unit that produces and markets: instant cold drinks through the Zuko and Livean brands, pasta brands (Lucchetti and Talliani), coffee brands (Gold and Monterrey) , snacks brands (Kryzpo), edible oil brands (Miraflores) , juice brands (Yuz and Livean), soups (Naturezza) , dessert brands (Livean) and tea brands (Zuko and Livean).
- **Ice cream:** This segment includes water and milk-based ice creme pops, cones, liters, desserts, cups, and biscuits.
- **Pasta:** is produced and marketed as short, long, egg with vegetables, butter, and instant pasta.
- **Retail Foods:** formats established for direct sale to consumers are restaurants and ice cream parlors, where hamburger products, prepared meats, ice cream, and yogurt are offered.

The Board of Directors monitors the operating results of business units separately, for the purpose of making decisions about allocating resources and assessing financial performance. The financial performance of the segments is evaluated, on the basis of sales and EBITDA which are measured uniformly with the consolidated financial statements. Financing operations, investment, and tax management are managed centrally, and therefore, are not allocated to operating segment.

Transactions between segments correspond mainly to, sales of finished products, raw materials, and services. The sale price between segments is the cost of the product, plus a profit margin. These transactions are eliminated in the consolidation of financial statements.

Assets and liabilities are managed on a consolidated basis, and by the administration of each of the Grupo Nutresa S.A. Companies; no segment allocation is performed.

There are no individual customers whose transactions represent more than 10% of Grupo Nutresa’s revenue.

7.1 Financial performance by segments

2015	Meats	Biscuits	Chocolate	Coffee	TMLUC	Ice cream	Pasta	Retail Foods	Others	Total segments	Adjustments & eliminations	Consolidated
Revenue												
External clients	419.295	336.315	276.511	208.206	199.220	106.996	61.206	73.139	36.570	1.717.458		1.717.458
Inter-segments	51.368	162.674	190.320	111.718	11	9.792	51.673	-	1.601	579.157	(579.157)	-
Total	470.663	498.989	466.831	319.924	199.231	116.788	112.879	73.139	38.171	2.296.615	(579.157)	1.717.458
Operating income												
Operating income	58.657	38.678	24.005	39.051	16.068	6.879	5.746	9.543	(91)	198.536		198.536
Depreciation and amortization	7.528	5.653	7.298	4.955	5.784	7.748	1.762	3.191	1.140	45.059		45.059
Unrealized exchange difference of non-operating assets and liabilities	(10.308)	381	(731)	1.001	588	124	22	(4)	5	(8.922)		(8.922)
EBITDA	55.877	44.712	30.572	45.007	22.440	14.751	7.530	12.730	1.054	234.673		234.673

2014	Meats	Biscuits	Chocolate	Coffee	TMLUC	Ice cream	Pasta	Retail Foods	Others	Total segments	Adjustments & eliminations	Consolidated
Revenue												
External clients	443.560	284.776	235.548	183.696	162.709	99.588	54.756	28.937	29.635	1.523.205		1.523.205
Inter-segments	49.512	142.775	171.866	107.467	72	8.634	(45.994)	-	(176)	434.156	(434.156)	-
Total	493.072	427.551	407.414	291.163	162.781	108.222	8.762	28.937	29.459	1.957.361	(434.156)	1.523.205
Operating income												
Operating income	54.442	37.275	25.874	46.362	9.201	7.534	5.014	4.102	5.878	195.682		195.682
Depreciation and amortization	8.525	6.231	7.592	4.858	4.868	8.559	1.667	812	(1.444)	41.668		41.668
Unrealized exchange difference of non-operating assets and liabilities	(73)	(630)	(109)	551	607	(60)	(288)	512	(855)	(345)		(345)
EBITDA	62.894	42.876	33.357	51.771	14.676	16.033	6.393	5.426	3.579	237.005		237.005

7.2 Information by geographical locations

The breakdown of sales to external customers is herewith detailed by major geographical locations where the Group operates, and is as follows:

	March 2015	March 2014
Colombia	\$ 1.083.452	\$ 957.217
Central America	159.892	115.683
USA	141.474	105.182
Chile	126.672	115.554
Mexico	65.620	40.873
Venezuela	31.515	95.308
Peru	28.043	23.277
Ecuador	22.153	14.692
Dominican Republic and Caribbean	25.491	20.471
Others	33.146	34.948
Total	\$ 1.717.458	\$ 1.523.205

The sales information is carried out with consideration of the geographical location of the customer.

7.3 Information by type of products

Some operating segments are also categorized by geographical location and the revenue, from sales to external customers, is presented by product category as follows:

	2015	2014
Foods	\$ 898.254	\$ 818.387
Beverages	429.788	372.925
Candy and snacks	293.882	248.848
Others	95.534	83.045
Total	\$ 1.717.458	\$ 1.523.205

Note 8. Financial instruments at fair value

Grupo Nutresa S.A. classifies financial instruments measured at fair value and under other results in the comprehensive income portfolio, the investments that are not held for trading.

The results for the period, using these instruments, include income from dividends and are recognized by Grupo Nutresa S.A. on date of the right-to-receive future payments, which is

the date that the declaration of dividends is established by the issuing company.

The other comprehensive income includes changes in the fair value of these financial instruments.

The breakdown of financial instruments at 31 March 2015 and 2014 is as follows:

				March 2015	
	Number of shares held	Participation as %	Book Value	Dividend income	Loss on fair value measurement
Grupo Suramericana de Inversiones S.A.	59.387.803	12,66%	\$ 1.993.055	\$ 25.062	\$ (382.457)
Grupo Argos S.A.	79.804.628	12,36%	1.327.949	21.388	(308.046)
Other companies			5.006	18	78
	139.192.431		\$ 3.326.010	\$ 46.468	\$ (690.425)

				March 2014	
	Number of shares held	Participation as %	Book Value	Dividend income	Income on fair value measurement
Grupo Suramericana de Inversiones S.A.	59.387.803	12,66%	\$ 2.167.655	\$ 23.161	\$ 166.286
Grupo Argos S.A.	79.804.628	12,36%	1.650.360	19.792	98.958
Other companies			4.837	410	36
	139.192.431		\$ 3.822.852	\$ 43.363	\$ 265.280

Dividend income recognized in March 2015 and 2014 for portfolio investments corresponds to the total annual dividend declared by the issuers and no similar income for the remainder of the year is expected.

a) Fair value measurement of financial instruments

The fair value of shares, traded and classified as high trading volume, is determined based on the average of the last 10 trading days; this measurement is located in a hierarchy Level 1, as established by IFRS 13 for the fair value measurement. This category includes investments held by the Company in Suramericana Group and Argos Group. This measurement is done on a monthly basis.

There have been neither changes in the fair value hierarchy for measurement of these investments nor changes in the valuation techniques used.

Investments in other companies, classified under this category, are measured at fair value on a non-recurring basis, only when a market value is available. The company believes this omission of this recurrent measurement for these investments is immaterial for the presentation of Grupo Nutresa S.A.'s financial statements.

Note 9. Analysis of cost and expenses

9.1.1 Expenditure by function

Below is a breakdown of expenditure, by function, for the period ended March 31, 2015 and 2014:

						2015
	Cost of goods sold	Administration expenses	Sales expenses	Production expenses	Total cost and expenses	
Inventory consumption and other expenses	\$ 759.547	\$ -	\$ -	\$ -	\$ 759.547	
Employee benefits	118.098	52.722	133.440	6.092	310.352	
Other services	61.849	10.142	110.366	11.451	193.808	
Transport services	3.388	36	42.563	93	46.080	
Depreciation and amortization	27.186	3.646	13.313	914	45.059	
Leases	4.499	1.545	34.627	427	41.099	
Advertising material	-	-	23.442	-	23.442	
Taxes other than income tax	1.184	3.187	9.447	2.824	16.642	
Fees	783	8.324	6.252	1.012	16.371	
Insurance	271	1.374	1.935	2.455	6.035	
Impairment of Assets	62	7	1.524	-	1.593	
Other expenses	-	12.797	50.373	6.770	69.940	
	\$ 976.867	\$ 93.780	\$ 427.282	\$ 32.038	\$ 1.529.967	

Table 23

						2014
	Cost of goods sold	Administration expenses	Sales expenses	Production expenses	Total cost and expenses	
Inventory consumption and other expenses	\$ 648.553	\$ -	\$ -	\$ -	\$ 648.553	
Employee benefits	106.459	49.598	117.243	6.130	279.430	
Other services	54.436	7.234	96.116	10.434	168.220	
Transport services	3.312	56	40.694	91	44.153	
Depreciation and amortization	23.851	3.939	12.897	981	41.668	
Leases	3.563	1.192	26.488	269	31.512	
Advertising material	-	-	17.930	-	17.930	
Taxes other than income tax	976	2.538	8.260	2.361	14.135	
Fees	667	8.460	5.905	928	15.960	
Insurance	318	1.793	2.311	2.452	6.874	
Impairment of Assets	-	-	1.752	-	1.752	
Other expenses	-	9.963	46.406	5.647	62.016	
	\$ 842.135	\$ 84.773	\$ 376.002	\$ 29.293	\$ 1.332.203	

Table 24

9.1.2 Financial expenses

Financial expenses to March 31, 2015 and 2014 are as follows:

	2015	2014
Interest expenses	\$ 45.082	\$ 34.823
Other financial expenses	5.828	5.928
	\$ 50.910	\$ 40.751

Table 25

The increase in interest expense, from period to period, is mainly due to the interest generated in the first quarter of 2015 due to the financing for the acquisition of Grupo El Corral and the increase in benchmark rates (CPI, IBR, DTF, et Al.).

The financial obligations incurred to finance the business combination of Grupo El Corral was \$ 685,000, with terms of between 1 and 3 years and average rates of 5.15%, based on DTF and IBR. Interest expenses generated from these transactions are as follows: \$ 5,236 for March 2015. The total expenditure in 2015 for these operations is estimated \$ 27,926.

Note 10. Taxes

10.1 Applicable regulations

a) Colombia

Taxable income is taxed at a rate of 25%, paid by taxpayers except for taxpayers under express provision which are handled at special rates and 10% income from windfall.

The basis for determining income tax cannot be less than 3% of their net equity, on the last day of the immediately preceding fiscal year.

For the years 2015, 2016, 2017, and 2018, Law 1739 of December 23, 2014 establishes a surcharge on income tax for equity - CREE, which is at the responsibility of the taxpayer and is applied to a taxable base exceeding \$ 800 COP, at rates of 5%, 6%, 8%, and 9% per year, respectively.

b) Chile

In Chile, the law implemented separate systems for "capital income" and "income from work". The first are taxed at the First

Category Tax which mainly affects businesses. This tax has a fixed 20% for 2013 and 21% for 2014, based on tax rates which is calculated using aggregates or decreases, as mandated by law. These taxes paid is this attributable to the Global Complementario, which is levied on the income of all natural person and residents of the country; or in addition, taxes on income from Chilean sources, for all natural and legal persons residing outside the country, as appropriate.

c) México

During fiscal year 2014, the income tax rate in Mexico was 30%; applied on taxable income for the year. Additionally, for workers the taxable income rate is 10%.

d) Costa Rica

Income tax is calculated based on actual income for the year and estimates during the year. The provision for income taxes includes, besides taxable income, includes a taxable impact on temporary differences between accounting and items used for the calculation of income tax. The value of such tax differences are recognized in an account of deferred income tax. The rate of income tax is 30%.

e) Panamá

The income tax is based on actual net income. The income tax rate is 25%.

f) Ecuador

According to the Taxation Act, companies incorporated in Ecuador have tax incentives applicable for investments that are executed in the country, which consists of the progressive reduction of percentage points in income tax. They were subject to a tax rate of 22% in 2013, as well as 2014.

10.2 Current income tax

The current income tax expense is as follows:

	March 2015	March 2014
Income tax	\$ 38.114	\$ 28.705
Taxes for Equity - CREE	8.653	7.761
CREE Surcharges	4.669	0
Total	\$ 51.436	\$ 36.466

Table 26

The current income tax increased by \$14.970 COP due to the loss of income or deduction from the exchange difference on foreign investments, constituted expenditures for taxpayers, not yet realized, as required by Law 1739 2014 Article 66.

10.3 Deferred income tax

The breakdown of balance of deferred income tax assets and liabilities is as follows:

	March 2015	December 2014
Deferred tax assets		
Goodwill tax TMLUC	\$ 186.425	\$ 176.687
Employee benefits	58.509	56.638
Accounts payables	6.070	2.629
Investments	3.652	3.924
Tax losses	1.718	2.227
Tax credit	1.699	730
Debtors	1.435	1.425
Other assets	55.656	56.367
	\$ 315.164	\$ 300.627
Deferred tax liabilities		
Properties, plant and equipment	\$ (309.405)	\$ (319.940)
Intangible	(46.526)	(45.298)
Investments	(4.782)	(4.713)
Inventories	(1.248)	(595)
Accounts payable	(1.195)	(1.195)
Other liabilities	(101.036)	(85.468)
Total	\$ (464.192)	\$ (457.209)
Deferred tax liabilities, net	\$ (149.028)	\$ (156.582)

Table 27

Earnings, for the period, from deferred income tax, January to March 2015 was income of \$ 3,407 COP, compared to expenses for the same period in 2014 of \$10,317 COP. The variation is mainly due to the reversal of deferred taxes, generated by the difference in Exchange, for investments abroad, as explained above.

The deferred tax movement during the period is as follows:

	March 2015
Balance at January 1, 2015	\$ (156.582)
Deferred income taxes recognized in profit or loss	3.407
Increase from business combinations	151
Impact of changes of foreign exchange rates	3.996
Ending balance	\$ (149.028)

Table 28

10.4 Effective tax rate

La The effective tax rate differs from the theoretical rate, due to the impact produced by applying the tax rules. Within tax regulations, there are benefits such as non taxable income (e.g. dividends, research incentives, etc.); also, there are restricted tax deductions, such as in the case of financial transactions tax, a deductible applicable only in Colombia, 50% non- taxable, provisions, costs and expenses from previous years, fines, penalties, etc. In some countries like Colombia and Peru, the possibility of signing a contract with the state legal stability OR host state commitments, allows for more tranquility and tax burden surprises are avoided; these contracts allow a greater deduction of expenses for investment in productive fixed assets, investments in science and technology, grants, tax depreciation of goodwill; different methods of depreciation and amortization are applied according to set accounting standards.

All these special situations create differences in the effective tax rate, with respect to the theoretical rate, in each country.

Below is reconciliation, of both the applicable tax rate and the effective tax rate, for the periods ended 31 March 2015 and 2014 is as follows:

	March 2015		March 2014	
	Balance	%	Balance	%
Accounting profit	\$ 199.517		\$ 206.129	
Tax expenses at applicable tax rate	\$ 72.725	36,5%	\$ 68.209	33,1%
Impact of non-deductible expenses	1.118	0,6%	439	0,2%
Impact of untaxed income	(18.138)	-9,1%	(4.058)	-2,0%
Deductible impact	(3.789)	-1,9%	(20.296)	-9,8%
Other tax impact	(3.887)	-1,9%	2.489	1,2%
Total tax expenses	\$ 48.029	24,1%	\$ 46.783	22,7%

Table 29

The expenses due to applicable tax rate, is calculated using the weighted average tax rates applicable in each country where Grupo Nutresa operates.

The untaxed income relates mainly to the impact of dividend income from investments portfolio; tax deductions, related to the tax amortization of goodwill, and deduction in productive fixed assets.

10.5 Excess presumptive income and tax losses

At 31 December 31 2014, the tax losses of the subsidiary companies in Colombia amounted to \$3,942 COP.

According to Colombian tax rules, tax losses generated from 2003 and until 2006 can be offset, adjusted for tax, with the net ordinary income of the following eight years, not to exceed 25% of the value of the loss, and without detriment to presumptive income for the year. Losses arising from the 2007 tax year are be compensated, adjusted for tax, without a percentage limitation, at any time, with ordinary net income subject to presumptive income for the year. The Companies losses are not transferable to associates. Non constituted tax losses from rental income or windfall profit, expenses, and deductions that have no causal link to the generation of taxable income, in any case may be offset against the taxpayer's net income.

At 31 December 2014, the excess presumptive income and ordinary income of subsidiary companies in Colombia, pending compensation, amounted to COP \$ 367 million. According to current tax regulations, excess presumptive income and ordinary income can be offset with net ordinary income, within five years, and adjusted for tax purposes.

Expiration date	Tax Losses	Excess presumptive income
w/o Expiration date	\$ 3.928	\$ 0
2018	0	367
2014	14	0
	\$ 3.942	\$ 367

10.6 Wealth tax

According to the provisions of Article 6 of Law 1739 of 2014, which adds article 297-2 of the tax statute, the accrual of wealth tax will take place on January 1 of the years 2015, 2016 and 2017 and will be charged to capital reserves without affecting net income in accordance with Article 10 of the same law. By 2015, they were recognized with a charge to reserves available to the highest corporate body \$ 24,680 for this item.

Note 11. Declared dividends

The Shareholders of the Parent, at its regular meeting of March 27, 2015, declared a regular dividend of \$ 38.5 per share and month, about 460,123,458 outstanding shares during the months from April 2015 to March 2016, inclusive, for a total of \$ 212,577 (2014: \$198,773).

During 2015, dividends of \$49,203 COP (2014: \$45,446 COP) have been paid.

Note 12. Impact of changes in exchange rate variation

12.1 Major currencies and exchange rates

Herewith are the evaluations of the closing exchange rates from foreign currency to Colombian Pesos (COP), corresponding to the functional currency of Grupo Nutresa's subsidiaries that have a significant impact on the consolidated financial statements:

		March 2015	December 2014	March 2014	December 2013
Panamanian balboa	PAB	2.576,05	2.392,46	1.965,32	1.926,83
Costa Rican Colones	CRC	4,79	4,38	3,56	3,79
Nicaraguan Cordobas	NIO	95,70	89,96	76,65	76,06
Peruvian Sol	PEN	832,06	800,16	699,16	689,14
US Dollar	USD	2.576,05	2.392,46	1.965,32	1.926,83
Mexican Pesos	MXN	169,01	162,38	150,21	147,48

Guatemalan Quetzale	GTQ	336,97	314,94	254,31	245,73
Venezuelan Bolivares Fuertes	VEF	13,42	47,85	39,46	305,85
Dominican Peso	DOP	57,57	53,93	45,56	45,03
Chilean Peso	CLP	4,12	3,95	3,58	3,67
Argentine Peso	ARS	292,20	279,75	245,53	295,62

Table 31

12.2 Impact of exchange rates on the translation of financial statements of business abroad

The impact of exchange rates on the translation of assets, liabilities, and results of companies abroad is recognized in other comprehensive income:

	March 2015
Chile	\$ 62.894
Costa Rica	41.465
USA	6.332
México	6.647
Peru	11.245
Venezuela	(71.522)
Panamá	53.336
Others	4.842
Total	\$ 115.239

Table 32

At the end of the period 2014, an exchange rate of \$ 305.84 (COP /VBF); determined by CADIVI, for application to operations in Venezuela during the first quarter of 2014, SICAD II was put in place; a complementary system for acquiring exchange in which the market reference rates decrease to the end of March 2014 to \$39.46 (COP/USD, generating a decrease in Grupo Nutresa consolidated equity of \$242.691.

	March 2014
Chile	\$ (30.305)
Costa Rica	(23.864)
Venezuela	(242.691)
Others	6.954
Total	\$ (289.906)

Table 33

In March 2014, under IFRS, and the new SICAD II, a decrease in equity was generated due to the conversion of the assets and liabilities of companies domiciled in Venezuela from \$6,3 VEF (Venezuelan Bolivar Fuerte)/USD, to \$49,8 VEF/USD.

This change in COLGAAP was realized retrospectively as of May 2014.

12.3 Difference in exchange for foreign currency transactions

The table below represents the differences in exchange for assets and operating liabilities, recognized in profit or loss, as part of the operating profit:

	March 2015	March 2014
Realized exchange differences		
Clients	\$ 6.688	\$ 2.862
Suppliers	(7.589)	(2.145)
	\$ (901)	\$ 717
Unrealized exchange differences		
Clients	\$ (2.518)	\$ 5
Suppliers	11.440	340
	8.922	345
Difference in operational change	\$ 8.021	\$ 1.062

Table 34

The impact is mainly due to the general fall in the exchange rates of local currencies, against the US Dollar which affects accounts payable to suppliers, due to the high level of imports of raw materials into the Grupo Nutresa Companies.

Note 13. Events after the reporting period reported

The condensed consolidated financial statements, for interim periods, were approved by the Board of Grupo Nutresa S.A. on 20 May 2015. No significant events occurred after the closing of the financial statements, and until the date of their approval, that would significantly affect Grupo Nutresa's financial position, reflected in the financial statements March 31, 2015.